

Technical Cooperation Abstract

I. Basic Project Data

▪ Country/Region:	REGIONAL/CCB - Caribbean Group
▪ TC Name:	Productivity, Innovation, Finance, and Gender Issues in Enterprises in the Caribbean
▪ TC Number:	RG-T3163
▪ Team Leader/Members:	STEVENSON, CLAUDIA (IFD/CTI) Team Leader; KAMAU, MUSHEER OLATUNJI (CCB/CCB) Alternate Team Leader; GRANT, KAYLA SHAREE (IFD/CTI); SALAZAR ACOSTA, MONICA (IFD/CTI); HENNIG, BETINA TIRELLI (LEG/LEG); BAXTER, SASHA ALEXIS (CCB/CCB); PILGRIM, VALARIE (IFD/CTI); PEREIRA, STEFANO (IFD/CTI); TORRICO DURAN, BLANCA PAOLA (IFD/CTI); GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	29 Nov 2017
▪ Beneficiary:	Compete Caribbean Partnership Facility beneficiary countries (See GN-2851)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 700,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	18 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Competitiveness & Innovation
▪ Unit of Disbursement Responsibility:	Institutions for Development
▪ TC 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 To gather internationally comparable firm-level data on productivity, innovation, technology, finance, gender and business management that will supply evidence-based data and information to improve private sector development policies and productivity-driven growth strategies in the Caribbean region.
- 2.2 To gather internationally comparable firm-level data on productivity, innovation, technology, finance, gender and business management that will supply evidence-based data and information to improve private sector development policies and productivity-driven growth strategies in the Caribbean region.
- 2.3 In the long run, improvements in total factor productivity matter for growth in the Caribbean. Firm-level data has allowed the measurement of total factor productivity at the country level and has delivered a wealth of information exploring firm characteristics (i.e. size, sector, structure of financing, etc.) usable by firms seeking to improve their performance and by business support agencies seeking to improve targeting strategies for supporting Private Sector Development (PSD). Each successive round of survey strengthens the robustness of the panel dataset to reveal the firm's role in the economy and to

improve understanding of the determinants, implications, and solutions to surmount the productivity gap in the region.

- 2.4 The micro-level data on Caribbean firms was a result of partnership between the Compete Caribbean Program (CCP) and the World Bank, funded by RG-X1074, to conduct the 2010 Latin American and Caribbean Enterprise Survey (LACES), for the first time ever, in 15 CARIFORUM countries. Building on LACES and FINGEN (a finance and gender survey for the Caribbean), a second round of data was collected under the 2013 Productivity, Technology, and Innovation (PROTEqIN) survey. PROTEqIN was novel in including additional modules that measured the gender composition of ownership and management, innovation efforts, etc. It covered nearly 1900 firms across 13 Caribbean countries creating a first ever panel dataset of firms.
- 2.5 Numerous agencies have depended on this reliable, high-quality firm-level data for the design of PSD policies, productivity enhancing programs and innovation support projects. Nevertheless, the data collection efforts are expensive undertakings that small and vulnerable Caribbean countries find difficult to fund and execute on their own.
- 2.6 A new round of PROTEqIN survey will: (i) replicate and enhance the approach taken in the 2013 round; ii) update the dataset to continue building a longitudinal panel; (iii) provide new insights for policy makers, donors, private sector support organizations and firms to develop “productivity-driven” growth strategies. The expectation is that such insights will lead to public and private strategies that will contribute to an increase in GDP growth over time. Furthermore, this TC intends to develop a data visualization tool to support the private sector in benchmarking its performance, thus facilitating firm’s willingness to participate in data collection efforts in the future, as well as enhancing accessibility of the data to non-economists.
- 2.7 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 addresses the special needs of small and vulnerable countries in 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). The project is also aligned with the priorities of the “Proposal for the Establishment of the Compete Caribbean Partnership Facility” (GN-2851).

III. Description of Activities and Outputs

- 3.1 Component 1: Design and Implementation of the PROTEqIN 2018 Survey (US\$650,000). This component will finance a consultancy to design, pilot and implement a survey instrument that targets a statistically representative sample of firms across the Caribbean region. The consultancy will review the current survey instrument for adequacy and in constructing the survey sample frame, consider refining the survey instrument to address an increase in the sample size and to expand the industries assessed. A screening tool will be developed to identify candidates for interviews and ensure that the sample adequately identifies to the extent possible, the same firms that were interviewed in the previous round, which represent a broad spectrum of industries across the private sector. The same consultancy will collect and process the data.
- 3.2 Component 2: Dissemination of Results (US\$50,000). This component will finance a consultancy to develop a benchmarking dashboard tool to give firms the ability to measure and compare business processes and performance to the

best performing firms in their industry. The interactive and easy to use tool will be accessible through the IDB and the Compete Caribbean online portals. The data set will be communicated with stakeholders across the region through online mediums such as newsletters, targeted emails, and social media.

- 3.3 **Component I: Design and Implementation of the PROTEqIN 2018 Survey.** This component will finance a consultancy to conduct a firm level survey that collects panel data on a representative sample of Caribbean firms.
- 3.4 **Component II: Dissemination of Results.** This component will finance the design of a benchmarking tool and the execution of an awareness campaign to promote use of the dataset.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Design and Implementation of the PROTEqIN 2018 Survey	\$ 650,000.00	\$ 0.00	\$ 650,000.00
Dissemination of Results	\$ 50,000.00	\$ 0.00	\$ 50,000.00

V. Executing Agency and Execution Structure

- 5.1 The execution of this TC will be carried out by the Bank through the Facility Coordination Unit (FCU) of the Compete Caribbean Partnership Facility based in Barbados, in coordination with the Caribbean Department (CCB/CCB) and the Competitiveness and Innovation Division (IFD/CTI).
- 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 execution and disbursement period will be 18 months and the UDR will be IFD. The activities to be executed are included in the Procurement Plan (Annex III) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-20 for logistics and other related services.
- 5.4 The Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, was jointly designed with donors to be a Bank Executed Program, through the CCPF's Facility Coordination Unit (FCU) established in COF Barbados. Additionally, the CTI team has strong experience in design and implementation of national and regional innovation survey instruments. 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 the risk of insufficient response rates as respondents increasingly become reluctant to allocate time to data collectors. To increase the buy-in of respondents, an awareness strategy will communicate the key benefits to firms, such as competitiveness intelligence data and the ability to benchmark firm performance. This project will incentivize respondents by providing extractable sub-sets of information conceived to benchmark their performance and provide actionable results beyond that at the policy level, and which respondents will have pre-authorized. It is expected that the value of the benchmarking tool will increase the buy-in of respondents and will lead to more continuous and less

costly efforts in firm-level data collection in the future as the tool will be designed in a manner such that future data collection can be automatically triggered prior to re-use of the tool itself for benchmarking purposes.

VII. Environmental and Social Classification

7.1 The ESG classification for this operation is "undefined".