

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3342-P003

Selection Method: Full Competitive Process

Country: Regional

Sector: Competitiveness, Technology and Innovation

Funding – TC #: ATN/OC-17047-RG

Project #: RG-T3342

TC name: Unleashing New Avenues for Growth by Tackling Opportunities in the Blue Economy

Description of Services: To identify global industrial and technological trends that can be applied in the Caribbean and propose a set of policy actions per country to promote them.

Link to TC document: <https://www.iadb.org/Document.cfm?id=EZSHARE-1010089622-15>

The Inter-American Development Bank (IDB) is executing the above-mentioned operation. For this operation, the IDB intends to contract consulting services described in this Request for Expressions of Interest. Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (<http://beo-procurement.iadb.org/home>) by: **August 2, 2019** 5:00 P.M. (Washington D.C. Time).

The consulting services (“the Services”) include carrying out a prospective study of the main industrial and technological trends related to the Blue Economy. Utilizing inputs from this analysis, the firm will then identify the trends with the most potential for the Caribbean and develop a country by country policy action plan for realizing these trends. The countries for which policy action plans and agendas must be developed include: The Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago. This is an estimated eight (8) month consultancy.

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: [Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work](#) - GN-2765-1. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described below in the [draft summary](#) of the intended Terms of Reference for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms as the representative.

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to: kaylag@iadb.org

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Draft Summary of Terms of Reference

1. Background and Justification

- 1.1.** The economies of the Caribbean are small, open economies that depend mainly on tourism or on the exploitation of natural resources and that show persistent sluggish growth rates over time. Although the economies of Caribbean small states¹ grew on average by 0.7% in 2017, productivity has declined over the years. When comparing the performance of the Caribbean private sector to that of the Rest of Small Economies (ROSE), the Caribbean's productivity² does not allow for high levels of economic growth. In addition, economic growth has either concentrated in commodity exports (mainly oil, gas and gold) or in services industry, mainly tourism.
- 1.2.** The Caribbean is one of the most vulnerable regions in the world to natural disasters, mostly cyclones and hurricanes. It is estimated that economic damages due to this event could be as high as 5.7% of GDP annually for the 1950-2014 period.³ Moreover, the 2017 hurricane season further highlighted the region's vulnerability to natural disasters and external shocks and the need to increase resilience, economic diversifications and new avenues for growth. For example, it is estimated that in the Bahamas, the impact of hurricanes between 2015 and 2017 was of US 672 Million.
- 1.3.** The oceans contribute between US \$1.5 trillion and US \$3 trillion each year to the global economic activities, generates around 31 million jobs and its contribution is expected to increase in the medium to longer term.⁴ The "Blue Economy"⁵ is an evolving concept that takes a step further than the Ocean Economy in its recognition of the need to not only maximize the economic potential presented by the ocean spaces but to also preserve the health, attributes, and environmental sustainability of the ocean's natural assets (OECD 2011). The concept of the Blue Economy includes the simultaneous promotion of economic growth, environmental sustainability, social inclusion and strengthening of oceans ecosystems. For small islands states, although traditional industries and sectors - fisheries, maritime transport and coastal tourism - represent a large portion of economic activity, pursuing the blue economy also enables diversification into many other new and emerging ocean-based activities and sectors, including marine aquaculture, seabed mining, maritime safety and surveillance, marine biotechnology and bioprospecting, marine security offshore wind energy, ocean renewable energy and deep-sea oil and gas production.
- 1.4.** The exploitation of the ocean space requires an environmentally sustainable approach, as the need to conserve the fragile resources, even for the current economic maritime activities, is a crucial point for this sector. The region's ocean space is vulnerable to the tragedy of the commons (overuse),

¹ For the purpose of this document, Caribbean small states are defined as IDB Caribbean country member states: Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago.

² Ruprah, Melgarejo, and Sierra (2014). ROSE refers to countries with less than 3 million population outside the Caribbean.

³ IMF. 2016. Gone with the Wind: Estimating Hurricane and Climate Change Costs in the Caribbean.

⁴ ECLAC. 2018. Caribbean Outlook.

⁵ First used during the 2012 United Nations Conference on Sustainable Development.

acidification (affecting coral reefs and marine biodiversity), pollution and climate change. Nevertheless, it is expected that scientific and technological advances can potentially transform the way environmental challenges are addressed and will generate new economic, disruptive activities related to the ocean. Innovation in advanced materials, subsea engineering and technology, remote sensing technologies, big data analytics, biotechnology and nanotechnology will affect every current blue economy activity.⁶ Many countries in the region, and outside the region, have been pioneering deep sea exploration searching for new minerals, animal and plants. This type of research is very incipient in the Caribbean, further contributing to asymmetries of information due to lack of knowledge of the ocean potential.

- 1.5.** The Caribbean's Oceans Economy, which consists of traditional sectors such as shipping, tourism, oil and gas, fisheries and aquaculture, was estimated to contribute around 18% of GDP in 2012.⁷ For Caribbean small island developing states (SIDS), although traditional industries and sectors - fisheries, maritime transport and coastal tourism - represent a large portion of economic activity, pursuing the blue economy also enables diversification into many other new and emerging ocean-based activities and sectors, including marine aquaculture, seabed mining⁸, marine biotechnology⁹, ocean renewable energy including offshore wind and solar energy¹⁰, deep-sea oil and gas production, deep sea mining, maritime safety and surveillance and high-tech marine services¹¹.
- 1.6.** The compounded sea zone (exclusive economic zones - EEZs)¹² of Barbados, Bahamas, Jamaica and Trinidad and Tobago (estimated to be 1.439 Million square Km) represents a significant amount of development space in comparison to the countries limited land area (379,110 square kilometers) coupled the existence of a unique biodiversity in terms of marine fauna and flora. In this regard, the marine space can be considered as an input in the production function of the countries, an input that can be more important and relevant than the scarce land space. Yet, marine space is an underexploited growth opportunity, many times because of lack of knowledge due to limited deep-sea exploration. There exists a lack of knowledge on the real value and benefits of blue assets (information asymmetry). Aside from asymmetries of information, other market failures have been identified. There is great uncertainty *ex ante* about the success of pioneering developments with this factor that has led to inertia as countries wait for others to pioneer a path. Furthermore, the region requires guidance on the key elements and complementary factors that need to be put in place for profitable blue economy activities to emerge and for network economies to arise.
- 1.7.** Some countries in the Caribbean have started policy actions relate to Blue Economy, such as developing integrated marine policies, for example the OECS adopted the Eastern Caribbean Regional Ocean Policy and the Bahamas and Belize are developing integrated marine policy networks, the Bahamas developed an ocean economy road map and Barbados established a Ministry of Blue Economy in 2018. However, the potential of the Blue Economy as an economic driver for the region has not being recognized and integrated into comprehensive policies in the region¹³.
- 1.8.** Thus, the Caribbean needs to take advantage of current technological trends in the ocean economy and create knowledge and technical capacity for expanding current economic activities and creating new ones in coordination with all relevant stakeholders¹⁴, while promoting sustainable exploitation of

⁶ OECD.2016. The Ocean Economy in 2030.

⁷ World Bank. 2016. Toward a Blue Economy: A Promise for Sustainable Growth in the Caribbean.

⁸ Some deep-sea deposits contain ores with up to 10 times the proportion of metal compared to deposits found on land. (Blue Economy Fund)

⁹ For instance, the demand for pharmaceuticals from marine species is anticipated to grow to \$8.6 billion by 2016. (Blue Economy Fund) The native Caribbean shallow-water sponge, for instance, was used to develop anti-viral and anti-cancer drugs, including the HIV drug AZT, anti-viral drugs to treat herpes, and an anti-leukemia drug (the first marine-drug approved for cancer treatment). For more information, see <https://ocean.si.edu/ocean-life/invertebrates/sea-sponge-hiv-medicine>

¹⁰ Marine-based renewable sources hold the potential to meet the region's energy needs. On a global basis and over the last few years, wind power has reached 487 GW of capacity (GWEC 2017) with increasing installations of offshore wind power.

¹¹ UNCTAD. The Oceans Economy. Opportunities and Challenges for Small Islands Developing States.

Caribbean Development Bank. 2017. Financing the Blue Economy: A Caribbean Development Opportunity.

¹² The EEZ is the sea area over which a country has exclusive rights regarding the exploration and use of marine resources extending from the country's coast. See World Bank Data.

¹³ Caribbean Development Bank. 2018. Financing the Blue Economy: A Caribbean Development Opportunity

¹⁴ The export basket composition of the six Caribbean economies that are the focus of this study suggests room for improvement in the sustainable use of their ocean space as engine of growth and employment generation.

the marine resources and enhancing the livelihood of the communities. The latter includes the need to have a detailed mapping of the marine territory and the its real economic value for the Caribbean ocean state.

2. Objectives

2.1 The objective of this consultancy is to identify global industrial and technological trends that can be applied in the Caribbean and propose a set of policy actions per country to promote them.

3. Scope of Services

3.1 This is an estimated eight (8) month consultancy. The consulting firm shall carry out a prospective study of the main industrial and technological trends related to the Blue Economy. This study will be developed into monograph publication by the IDB.

3.2 Utilizing inputs from this analysis, the firm will then identify the trends with the most potential for the Caribbean and develop a country by country policy action plan for realizing these trends. The countries for which policy action plans and agendas must be developed include: The Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago.

4. Expected Outcome and Deliverables

4.1 The Consulting Firm will be required to submit/deliver the following based on the decisions taken after consultation with the IDB Team. The following shall be delivered:

- 4.1.1 **Work Program:** The work plan (project management plan) should include a synopsis and understanding of the consultancy, proposed activities, strategy and approach to the consultancy, timelines and milestones, responsibilities, expected travel (if needed), and expected outputs. It is expected the work plan will be updated as necessary and team meetings held to discuss any variances from the baseline.
- 4.1.2 **Prospective Study on Global Industrial and Technological Trends Report:** The report should identify main global trends that comprise the Blue Economy; identify the main technological industrial and scientific advances that could disrupt the Blue Economy and generate new lines of activities; identify the sustainability risks and actions to be taken to make these activities sustainable; determine its applicability for the Caribbean, identifying bottlenecks that limit its sustainable growth, including research capability; identify country specific sectors with the greatest economic potential as well as the actions to be taken to make it viable; and identify main stakeholders to be involved as leader for the growth of the Blue Economy at the regional and country level.
- 4.1.3 **Country Specific Policy Action Plans Report:** This report should, on a country by country basis, identify the areas with the most potential for development; an analysis of the growth potential and main gaps and bottlenecks that hinder sustainable exploitation of the Blue Economy, such as research capacity, technological adoption capacity, institutions and human capital; identify the regulatory, safeguard and environmental framework required for sustainable Blue Economic Development; and through consultation with stakeholders, identify and propose a country specific policy agenda for developing the Blue Economy.
- 4.1.4 Dissemination of results six months after contract signature.

5 Qualifications and experience of Firm

5.1 Qualification of Team:

- This consultancy requires the services of an international consulting firm with extensive experience in the successful identification and analysis of industrial and technological trends, particularly working within the Blue Economy for at least 3 years.
- It is essential that the consulting firm demonstrate a proven track record in conducting prospective or foresighting studies, including previous work experience in developing policy action plans for the ocean and/or blue economy.

5.2 Skills and Experience in:

- Experience in design and implementation of foresighting exercises
- In depth knowledge of the Blue Economy
- Experience working in the Caribbean and Latin America is an asset.
- Familiarity with technological capabilities in Latin America and the Caribbean. Proven project work at international, national and local levels.
- Experience with processing large amounts of information and synthesizing it in an understandable fashion to decision-makers and wider user audiences.