

DOCUMENT OF THE INTER-AMERICAN BANK
MULTILATERAL INVESTMENT FUND

SURINAME

EMPLOYMENT IN THE CREATIVE INDUSTRIES

(SU-T1095)

DONORS MEMORANDUM

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PROJECT SUMMARY EMPLOYMENT IN THE CREATIVE INDUSTRIES (SU-T1095)

Suriname's economy is heavily based on extractive industries (oil and gold) which account for 30% of GDP¹ and over 90% of exports². Suriname's strong dependence on extractive industries and services sectors surrounding these industries has created an economy highly vulnerable to unpredictable swings in international prices of these commodities exports³. The growth within the domestic private sector has been limited and consists mainly of small-scale entrepreneurial development focused on traditional business models. Against this background, Suriname's ratings in terms of innovation according to the World Economic Forum Global Competitiveness Index (WEF GCI) point to a lack of innovation in new business development. The 2014 Global Entrepreneurship Monitor (GEM) Report for Suriname points to a low level of perceived opportunity and innovation. The low level of competitiveness and productivity⁴ has adversely affected the "mobilization of employment and creation of jobs"⁵. The high level of unemployment, especially amongst youth, is in part due not only to the unfavorable business climate for entrepreneurs but also to the widening skills mismatch between the demand and supply of the labor force⁶ as well as increasing competitive and economic pressures facing traditional local businesses.

The proposed project seeks to improve the opportunities to develop creative and technology-based products and services through the establishment of an Orange Economy⁷ business incubator and creative hub based in the historical center of Paramaribo. The incubator and creative hub is designed to catalyze employment and entrepreneurship opportunities for youth in nontraditional sectors and will include: (i) design and delivery of new economy skills training in media and content production, social media architecture and management and commercial production of creative and cultural events; (ii) establishment of a business incubator and hosting of events to stimulate start up activities; and (iii) roll out of cultural events program to create employment opportunities and revitalize the United Nations Educational Scientific and Cultural Organization World Heritage Site (UNESCO WH Site) in the historic center of the capital city. The expected results will include 400 youth completing skills training, 100 participating in idea generation workshops and, at least 30 entrepreneurs benefitting from business incubation services. The proposed project will complement an IDB loan to restore infrastructure and historic buildings in Paramaribo as the cultural events program will revitalize the city center and create spaces for commercial and recreational opportunities for visitors and residents of the capital city. Suriname is one of the most culturally and ethnically diverse countries in the Caribbean region, thus this project seeks to pilot an approach to commercialize the country's rich cultural diversity in "new economy" services based on traditional and new skills and intellectual property assets.

1 World Bank Group – "Suriname – Country partnership strategy" Report No: 91238-SR, (page 5)

2 Ibid

3 SU-L1043 "Business climate and innovation program" (page 2), IDBDOCS: 39258223.

4 <http://www.surinamecompete.org/wp-content/uploads/2014/12/A-National-Competitiveness-Strategy-for-Suriname-5-Final-Version-15-March-2014-1.pdf>

5 IMF: Labor market issues in the Caribbean: Scope to mobilize employment growth (page 18)

6 Ibid

7 Also, called "creative economy" involves both individuals and entities who engage in activities that add value to society in one or more ways through the provision of goods and/or services that are inextricably linked to human creativity manifesting itself in one or more dimensions throughout the process of ideation, creation, production, distribution, and use. America's Creative Economy. National Endowment for the Arts.

ANNEXES

ANNEX I	Results Matrix
ANNEX II	Budget Summary

APPENDICES

Draft Resolution

AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

ANNEX III	Detailed Budget
ANNEX IV	Diagnostic of Needs of the Executing Agency (DNA) [includes Integrity Due Diligence Analysis]
ANNEX V	Reporting Requirements and Compliance with Milestones and Fiduciary Arrangements
ANNEX VI	Procurement Plan

ACRONYMS AND ABBREVIATIONS

DNA	Diagnostic of Executing Agency Needs
GLR	Grafisch Lyceum Rotterdam
GCI	Global Competitive Index
GEM	Global Entrepreneurship Monitor
IDB	Inter-American Development Bank
IIC	Inter-American Investment Corporation
MIF	Multilateral Investment Fund
TBL	Stichting The Back Lot
UNESCO	Educational Scientific and Cultural Organization
WEF	World Economic Forum
WH	World Heritage

PROJECT INFORMATION
SURINAME
EMPLOYMENT IN THE CREATIVE INDUSTRIES
(SU-T1095)

Country and Geographic Location:	Suriname, Paramaribo		
Executing Agency:	Stichting The Back Lot (TBL)		
Focus Area:	Knowledge Economy		
Coordination with Other Donors/Bank Operations:	Bank Operations: Business Climate and Innovation Program (SU-L1043) and Paramaribo Urban Rehabilitation program (SU-L1046). Catalyzing Regional Innovation and Diaspora Investment in the Start Up Eco System BA-T1047. Other Donors: The Dutch Embassy in Suriname.		
Project Beneficiaries:	400 disadvantaged youth 18-30 years old (who have finished high school or are high school dropouts interested in pursuing a certification program); 100 youth that will participate in the <i>ideathon</i> startup event; and 30 entrepreneurs (startups at ideation or startup phase of which 10 will complete 12-month incubation program and start commercial activities).		
Financing:	Technical Cooperation:	US\$ 898,000	38 %
	TOTAL MIF FUNDING:	US\$ 898,000	
	Counterpart:	US\$ 1,435,000	62 %
	Co-financing (if available; include a separate line for IDB Co-financing if applicable):		
	TOTAL PROJECT BUDGET:	US\$ 2,333,000	100 %
Execution and Disbursement Period:	36 months of execution and 42 months of disbursement period.		
Special Contractual Conditions:	Special conditions precedent to first disbursement will be: (i) Identification of Project Coordinator; (ii) Agreement with Dutch Embassy for resourcing the Incubator; and (iii) partners are in negotiation for private funding and with banks.		
Environmental and Social Impact Review	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on June 7, 2017. Given the limited impacts and risks, the proposed category for the project is C.		
Unit responsible for disbursements	COF/CSU		

I. The Problem

A. Problem Description

- 1.1. Suriname has a large youth population with high levels of unemployment and few job prospects outside of extractive industries and businesses serving the small domestic market. Currently 42% of Suriname's population is under the age of 25⁸, but youth unemployment is roughly double the national average at 24%⁹ and is expected to deteriorate further given the current economic downturn due to collapse in international pricing of the country's commodity exports. Suriname's economy is heavily based on the extractive industries (oil and gold), which accounts for 30% of GDP¹⁰ and over 90% of exports¹¹. Suriname's strong dependence on the extractive industry and services sectors¹² surrounding these industries has created an economy highly vulnerable to unpredictable swings in international commodity prices¹³. Thus far, the domestic private sector has "mostly developed around the extractive sectors with limited spillovers onto the local economy"¹⁴. Outside of the extractive industries that dominate private sector investment and growth, there has been limited and mainly small-scale entrepreneurial development focused on traditional business models such as retail and distribution, construction, transportation and other services.¹⁵ Suriname ranks unfavorably in: Doing Business Survey 2017 (158 out of 190¹⁶), WEF GCI (110 out of 14417), and most conditions in the entrepreneurial framework of the 2014 GEM report¹⁸.
- 1.2. Suriname requires some form of targeted intervention to catalyze relevant employment and entrepreneurial activities for youth. In examining potential opportunities, two factors are worth noting: firstly, Suriname's ratings in terms of innovation according to the WEF GCI point to a lack of innovation in new business development, in part due to a lack of program and institutional support for startups and particularly dynamic startups. There are at present no incubators, formal mentoring programs, or seed investment facilities that are accessible to local startups. Secondly, according to the 2014-2015 WEF report Suriname ranks 2.6 out of 7¹⁹ for innovation as well as company spending on R&D transfer; this places Suriname in the 123rd out of 144th²⁰ in the Innovation and Sophistication sub-index. Additionally,

8 http://www.indexmundi.com/suriname/demographics_profile.html (accessed June 5, 2017)

9 <https://tradingeconomics.com/suriname/unemployment-youth-total-percent-of-total-labor-force-ages-15-24-wb-data.html> based on World Bank data (accessed June 5, 2017)

10 World Bank Group – "Suriname – Country partnership strategy" Report No: 91238-SR, (page 5)

11 Ibid

12 Trade and transport activities surrounding the extractive industry accounts for 50 percent of GDP. World Bank Group – Suriname – Country partnership strategy. Report No: 91238-SR, (page 5).

13 SU-L1043 "Business climate and innovation program" (page 2), IDBDOCS: 39258223.

14 World Bank Group – Suriname – Country partnership strategy. Report No: 91238-SR, (page 5)

15 Compete Caribbean Private Sector Assessment Report 2014

16 World Bank: Doing Business report: Suriname 2017

17 <http://reports.weforum.org/global-competitiveness-report-2014-2015/economies/#indexId=GCI&economy=SUR>

18 Global Entrepreneurship Monitor: Suriname 2014 report

19 <http://reports.weforum.org/global-competitiveness-report-2014-2015/economies/#economy=SUR> and <http://www3.weforum.org/docs/GCR2014-15/Suriname.pdf> (accessed June 28, 2017)

20 <http://reports.weforum.org/global-competitiveness-report-2014-2015/economies/#economy=SUR> (accessed June 28, 2017)

the 2014 GEM Report for Suriname points to a low level of perceived opportunity and innovation for entrepreneurship²¹. The low level of competitiveness and productivity²² that characterize activity in the domestic private sector has been adverse for the “mobilization of employment and creation of jobs”²³. The high level of unemployment, especially amongst youth, is due in part to the widening skills mismatch between the demand and supply of the labor force²⁴ as well as increasing competitive and economic pressures facing traditional local businesses.

- 1.3. To address the challenge of viable opportunities for the country’s youth, it is necessary to examine options outside of the extractive industries sector and the current business models that are prevalent in other sectors of the economy. The creative industries represent untapped economic potential, and make a positive contribution to the innovation economy and other sectors of the economy through supply chain effects. The sector can provide new employment opportunities. The creative sector is a major source of dynamism for the economies of the Americas, growing rapidly with the potential to generate creativity, innovation and enterprises across a wide range of activities²⁵. Recognizing Suriname’s diversity and close (but under leveraged) cultural and economic ties to the Netherlands, since 2002, TBL has been seeking to develop commercial opportunities in film, multimedia and other ICT-based content targeting youth. Leveraging their experience in film and media, TBL has catalyzed creative economy opportunities particularly in film production to Suriname. Recognizing the opportunities to broaden and deepen scope, TBL has proposed an intervention to provide training, business support and employment opportunities in ICT-based and other creative sectors targeting youth from the historic cultural center of the country’s capital city, home to approximately 66% of the population²⁶.

II. The Innovation Proposal

A. Project Description

- 2.1. **Project’s objective.** The project seeks to develop an innovative approach to support employment and grow creative, technology-based businesses in Suriname by building the skills base of youth.
- 2.2. **Proposed solution.** This creative economy hub (named “the hotspot”) will deliver a blend of technical training in film and multimedia skills, early stage entrepreneurial support, and the economic transformation of Paramaribo’s city center through the delivery of an ongoing program of creative and cultural training, business support and events. This bold intervention will be led by TBL, a small but vibrant NGO specializing in film and multimedia training and production for youth. TBL has partnered with organizations and embassies, foreign film production and TV stations to produce youth TV productions, films that have been entered in 15 international film festivals and special educational film programs.

²¹ GEM report 2014 Suriname

²² <http://www.surinamecompete.org/wp-content/uploads/2014/12/A-National-Competitiveness-Strategy-for-Suriname-5-Final-Version-15-March-2014-1.pdf>

²³ IMF: Labor market issues in the Caribbean: Scope to mobilize employment growth (page 18)

²⁴ Ibid

²⁵ The Economic Impact of the Creative Industries in the Americas. Oxford Economics. July 2014

²⁶ http://www.indexmundi.com/suriname/demographics_profile.html (accessed June 5, 2017)

- 2.3. This project will connect youth with viable opportunities in emerging niche markets connected to the creative industries' sector through igniting business opportunities through events that leverage Suriname's rich cultural diversity²⁷ and close ties to the Netherlands.
- 2.4. The hotspot's location within Paramaribo is a direct compliment to the Government of Suriname's US\$20 million investment in rehabilitating historic buildings which is required to retain UNESCO WH Site's designation. These physical upgrades will serve as the primary location for roll out of a program of activities, events, and learning geared towards transitioning business orientation and employment opportunities for the youth population from extractive industries and dated business models to new economy activities. The location and operations of the hot spot will catalyze and start business and recreational activities leveraging investments in the physical infrastructure and converting this location in Paramaribo to a locus of creativity and knowledge economy development.
- 2.5. TBL will blend international models for training and business incubation with the unique cultural opportunities and context presented in Suriname. In this regard, the project will finance (i) training in new economy skills (ii) commercial development and delivery of cultural and creative content; and (iii) the establishment of a business incubator. TBL, together with other partners, will focus on fostering the commercialization of creative and cultural products and content through digitization and language and cultural ties that link Suriname with the market in Dutch speaking Netherlands and Belgium. The partners in this solution, led by TBL, will collaborate to bring together international experience and models for business and specifically, creative economy startups, cutting edge technology and multimedia training, linkages with potential export channels in the Netherlands and state of the art infrastructure and facilities -- all elements that are required to support development of new innovative knowledge economy businesses.
- 2.6. **Innovation**. The proposed project will be the first intervention in Suriname that will provide a platform for the creative and cultural industries, as well as supporting the country's first incubator based on the Orange Grove Athens²⁸ model for commercialization of products and services. Caribbean countries have identified creative industries as a platform that leverages inherent and unique cultural assets for export. However, Suriname has a unique advantage in this area of development given the shared language, cultural and commercial ties with a relatively large and wealthy market in the Netherlands.
- 2.7. By bringing together expertise in multimedia content, technology and business incubation for creative economy businesses, the creative hub is envisaged as a new approach to generating employment and growing creative technology driven businesses targeting youth in the region. The envisioned spin-off entails the following: (i) linkages between enterprises in the Netherlands and entrepreneurs and companies in Suriname to offer services (such as outsourcing) as well as other

²⁷ Population of Suriname is ethnically diverse, the main ethnic groups are: 27% Hindustani, 22% Maroon, 16% Creole, 13 Javanese and 13 Mixed. Caribbean Development Bank. Country Strategy: The Republic of Suriname 2014-2018.

²⁸ Orange Grove: <https://startupuncture.com/2013/11/29/orange-grove-athens/>

business opportunities; (ii) the development of regional and international partners; and (iii) a more defined cultural identity for Suriname. The cultural identity will help develop the untapped tourism sector and help develop international but also local tourism. To date, tourists visit Suriname mainly to partake in activities away from Paramaribo (specifically eco-tourism)²⁹. This project would be an opportunity to promote cultural tourism in the city center; to help preserve and promote the local cultures and natural heritage³⁰.

2.8. **Component I: Building an Enabling Framework (MIF: US\$104,500; Local Counterpart: US\$1,042,500)**

The objective of this component is to establish the alliances, platforms and materials to successfully deliver the program for youth training, start up support, and cultural activities. TBL will set up a hot spot including training facilities, business incubation spaces and a multimedia studio in a designated building to be refurbished within the historic center. The hot spot will be designed and outfitted as a multipurpose space to house technical training, early stage entrepreneurs, temporary workspace and the hosting of a broad range of cultural events such as film screenings, art exhibits, live performances, food festivals, poetry and book readings, and music. These events will attract both visitors/tourists as well as residents of Paramaribo's dense residential community. This site is envisaged as the anchor for the development and scaling of creative economy activities in Paramaribo. The decision to locate the facility in the capital city's historic district is to complement the physical upgrade to this site by catalyzing the development and commercialization of creative content.

- 2.9. TBL will lead the development of curricula for professional entry level programs in media technology, the business applications and management of social media, and the production and monetization of creative and cultural events. In this regard TBL has previously worked with the NATIN³¹ vocational school and the Grafisch Lyceum Rotterdam (GLR) to set up a four-year program for audiovisual productions which is currently certified by the Ministry of Education and the GLR. For this project, a shortened curriculum for certification as an entry level junior media technician will be developed to facilitate intake of lower income high school graduates who may not have achieved full certifications or have access to the funding required to enter a formal tertiary program.
- 2.10. Both the social media and the cultural events production curricula represent new skills directly related to creative and knowledge economy opportunities. TBL will leverage the knowledge and experience of industry leaders such as UsMedia (Dutch creative digital agency) and the Dutch Film Academy to embed global practice into the structure and training of content in these innovative areas in a program developed for the socio-economic realities of Suriname. For all training programs, TBL will leverage its partnerships with international institutions to pursue some level of international industry certification for the trainees.
- 2.11. This ambitious and potentially transformative initiative requires the participation, engagement and coordination of a broad range of actors and stakeholders. Building

29 SU-L1046 – Paramaribo Urban Rehabilitation program (IDBDOCS: 40711954)

30 IDB, (2007), "Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities"

31 NATIN has other 17 technical streams such ICT, electricity, pharmacy, medical and chemical analysts, and green agriculture

the required alliances, operational frameworks and securing the contribution to a shared vision for the hotspot is a key success factor of the intervention and has been included as a specific element of the project. Executive producers, supervised by the Project Director, will oversee the different event clusters, the coordination of the stakeholders involved in each specific cluster, and will execute the daily management responsibilities. In addition, this component will provide resources for the development and roll out of a strategic business plan to secure the sustainability and scaling of the hotspot's operations and impact beyond the period of MIF and counterpart investment in this project. The staff providing support in the hotspot will include trainers, facilitators, and coaches.

2.12. **Component II: Skills Development (MIF: US\$585,800; Local Counterpart: US\$367,500)**

This objective of this component is to provide youth with the adequate skills necessary for jobs that will respond to the demand of the creative economy as well as to catalyze thinking about new business activities through the delivery of support to youth with business ideas so that they can develop viable startups.

2.13. ***Youth training.*** Under the technical training program, three different tracks will be available for the youth so that they may improve prospects for employment or self-employment in creative economy business as an alternative to the traditional economy. Training will be delivered to youth who lack financial resources, academic certification or support to enter formal tertiary education institutions. Six-month programs will be focused on new economy skill sets, specifically multimedia production, social media architecture and commercial and technical production of creative/cultural events. Youth will be prepared in a short period for employment in film production (camera, editing, lights and sound), content development, and web design. All tracks will include personal and life skills development training using the methodology that TBL developed in a previous MIF project, Youth Job Skills Training "Powered" (ATN/ME-13985-SU), that responds to employer demand for workers in IT. The training will last six months and will include an internship two days a week to build the capabilities and skills needed for youth to fit successfully in work environments. At least 80 hours of life skills will be interwoven in the training to reduce attrition and improve the likelihood of finding employment. The cohorts will be comprised of 12 to provide appropriate attention to the youth.

2.14. ***Incubator development.*** The Orange Grove in Suriname will be based on the Orange Grove Athens model developed by the Dutch Embassy in Greece to stimulate innovative business development in a difficult economic climate. The incubator will provide selected entrepreneurs with a shared working space and access to management skills, financial and legal advice, training, seminars and technical advice as well as coaching. These services will be delivered via a combination of locally based and foreign (Dutch speaking) experts and universities coordinated by TBL. Participating entrepreneurs will be selected by an Advisory Board comprised of local business men and women and Dutch entrepreneurs.

2.15. In addition, fundraising and crowdfunding activities will be carried out to raise funds for seed capital for the entrepreneurs, and several *ideathon* business startup events will be hosted for youth to ignite thinking on innovative ideas and competition for available spaces. The coordinator of a parallel MIF-financed business incubation

model, The Entrepreneurship Network (TEN) Habitat (ATN/ME-15804-BA), will also inform the design of operations and activities in business incubation in Suriname based on ongoing dialogue between respective technical leads for the Suriname and Barbados-based regional incubation models.

- 2.16. **Cultural events.** The cultural events are a key synergy between the project and the Urban Rehabilitation loan in the historic center of Paramaribo. The events will be the draw and engage both locals and overseas visitors in a broad range of interactive creative industry activities at the UNESCO WH site in the capital city. At this juncture, activities are expected to include multimedia, theatre, visual arts, culinary arts festivals, music, dance, open air screening of films, among others, all delivered against the background of Paramaribo's refurbished historical center effectively fusing the rich history and contemporary cultural and creative plurality that characterizes Suriname. These activities will help generate revenue and jobs for youth participating in skills training and will transform and reenergize tourism in the city center.

- 2.17. **Component III: Strategic Communication (MIF: US\$68,000; Local Counterpart: US\$25,000)**

The objective of this component is to brand and market the hotspot to selected participants, youth interested in training, residents and visitors and youth interested in starting and growing a creative economy business as well as a range of existing and potential project partners and donors to ensure sustainability and scaling beyond the period of MIF investment.

- 2.18. This component will also support the design and management of social media promotion and digital channels to facilitate commercial transactions with businesses and citizens in the Netherlands that have an interest in supporting the program or utilizing the skills of trainees and purchasing/subscribing for access to cultural and creative digital content.

B. Project Results, Measurement, Monitoring and Evaluation

- 2.19. The key indicators targeted in the project's results matrix include the following: (i) 400 youth who complete training (CRF110100), (ii) 290 youth provided with labor intermediation support, (iii) a 50% job insertion rate for trainees (CRF 310200), and (iv) 10 viable startups graduated from the incubator (CRF 230300). The project will also track the monetization of creative and cultural events and the level of participation in these events by trainees.
- 2.20. The Executing Unit, led by a project coordinator, will collate and monitor the key indicators set out in the Results Matrix. In addition, progress will be reported and monitored via the semiannual and final reports in MIF's Project Status Report System (PSR). An independent mid-term evaluation of the intervention will also be conducted to assess progress and define mechanisms to deepen positive outcomes and impact while addressing challenges and risks arising in project implementation.

III. Alignment with IDB Group, Scalability, and Risks

A. Alignment with IDB Group

- 3.1. The project is well-aligned with the IDB Suriname Country Strategy (2016-2020) as it places emphasis on enhancing productivity and diversification of the economy by improving the business climate and seeking opportunities to create a greater space for the growth of the private sector³². The project is also aligned with the Business Climate and Innovation program (SU-L1043) which gives special attention to competitiveness and economic diversification, specifically through the improvement of business climate, legal and institutional framework³³; and the Paramaribo Urban Rehabilitation Program (SU-L1046) focused on the socio-economic revitalization of Paramaribo combining strategic urban infrastructure, social and economic interventions to attract new businesses³⁴. The proposed project is also aligned with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and the following development challenges: (i) social inclusion and equality, by focusing on the economic development of Paramaribo downtown area which will increase employment opportunities; and (ii) improving productivity and innovation³⁵ with the development of an orange economy hub.

B. Scalability

- 3.2. The US \$20M IDB financed investment by the Government of Suriname in the UNESCO WH site in Paramaribo's historic district is an investment in revitalizing commercial activity for locals and visitors to Suriname's capital city. The hotspot will ignite activity and business to complement and leverage this investment and is expected to expand over time. In addition, scaling potential is anchored on the strong commercial, language and cultural ties between Suriname and the Netherlands, which given its population of over 17 million, represents a significant market for digital and creative content. The creative sector is a worldwide fast-growing economic sector that holds great potential for developing countries, direct impacts on value added, employment and exports doubled over the last decade³⁶. Scaling of the intervention via export of content, services and talent to the Netherlands is further facilitated through the direct participation and investment of Dutch partners in the project: UsMedia, the Dutch Embassy and Cam-A-Lot, as well as TBL's own network of partnerships with creative industry enterprises across Europe. The proposed intervention will also be connected to the MIF TEN Habitat project in the creation of the Caribbean innovation community to help connect key players in the ecosystem. With these ecosystem-building activities and the overall potential of the creative industry sector across the Caribbean, the environment will be more conducive for the replicability of this model in other countries.

³² Suriname Country Strategy 2016-2020 (IDBDOCS: 40751307, page 14 & 15)

³³ SU-L1043 Business climate and innovation program (page 2), (IDBDOCS: 39258223)

³⁴ SU-L1046 Paramaribo urban rehabilitation program (IDBDOCS: 40711954)

³⁵ Ibid

³⁶ UNESCO/UNDP 2013. The creative economy report 2013

C. Project and Institutional Risks

- 3.3. Delays in building rehabilitation. The building that will house the hot spot could take more time than planned to rehabilitate and project activities could be delayed. This risk will be mitigated in part by initiating the training activities in the premises currently occupied by TBL. The incubator and the studio will be set up at a later stage; therefore, any temporary delays in the readiness of the building will not have an immediate impact on project execution.
- 3.4. The country's economic situation does not improve in the short run, negatively impacting the commercialization as well as the consumption of products and services offered by the cultural events that will take place in the city center. Although not an ideal situation, this risk will be mitigated by leveraging commercial channels in the Netherlands. In addition, funds for seed capital will be raised through sponsors and crowdfunding efforts for the start-ups housed in the incubator.
- 3.5. Project financing is dependent on a diverse range of stakeholders. The risk is that there is inadequate coordination between partners and lack of synchronization between activities, funding and partners. The key mitigation of this risk is the programming of specific activities and resources in the proposed project to manage and coordinate the various activities/partners throughout the life of the intervention allowing TBL to ensure that these critical partners, resources and activities are coordinated and synchronized.

IV. Budget Instrument and Proposal

- 4.1. The project has a total cost of US\$2,333,000, of which US\$898,000 (38%) will be provided by the MIF via a non-reimbursable technical co-operation, and US\$1,435,000 will be contributed by the counterpart, which will come from TBL as well as other project partners such as the Dutch Embassy in Suriname and Cam-A-Lot.

Project Components	MIF	Counterpart	Total
Component 1: Building an Enabling Framework	104,500	1,042,500	1,147,000
Component 2: Skills Development	585,800	367,500	953,300
Component 3: Strategic Communication and Knowledge	68,000	25,000	93,000
Project Administration	99,600	0	99,600
Mid Term Evaluation	15,000	0	15,000
Ex Post Reviews	10,000	0	10,000
Contingencies	15,100	0	15,100
Grand Total	898,000	1,435,000	2,333,000
% of Financing	38%	62%	100%

V. Executing Agency (EA) and Implementation Structure

A. Executing Agency(s) Description

- 5.1. Stichting The Back Lot (TBL) will be the Executing Agency of this project and will sign the agreement with the IDB. TBL was established in 2002 and is best characterized as a foundation focused on training of youth in the development of multimedia content and the promotion of cultural and creative industries in Suriname. TBL has led successful efforts to forge linkages between Suriname's technical and tertiary institutions and schools in the Netherlands to deliver international certification in audio visual and multimedia production to local students. TBL has extensive experience in supporting the development of creative industries with a focus on youth engagement and is specialized in ICT training including film and multimedia production. As one of the key activities to support technology development and creative industries, TBL was responsible for the conceptualization, construction and financing of the country's only 5-screen high end Multiplex cinema.
- 5.2. TBL has also engaged in delivering; social awareness programs such as 'No Kwik (No Mercury)' and 'Earth Hour'; special school programs using theatre and film to promote creativity, cultural exchange programs and master classes and workshops such as 'Conceptual Thinking' and 'Tech Camp'. Most recently TBL successfully executed the MIF project "Youth Job Skills Training" (ATN/ME-13985-SU) to deliver life skills and ICT training to at risk youth. This project was selected as one of the top 10 projects for MIFs Development Effectiveness Report (2016).
- 5.3. In the proposed intervention, TBL will work with a range of partners that complement the organization's deep knowledge and experience in creative production and youth engagement with specific models for business incubation. These partners include UsMedia³⁷, the National Development Bank and the Dutch Embassy in Suriname and TEN Habitat.
- 5.4. UsMedia is a Dutch marketing and web design company with experience in technical and creative projects for G-Star RAW, Heineken, Nike, IKEA, amongst others. It started as a digital agency and has since then moved into more complex topics like the physical web and cloud enabled business applications. It will support TBL in the provision of training in new technologies in content development.
- 5.5. The Dutch Embassy through IGNITE Foundation will help with setting up the incubator based on the Embassy's experience with the Orange Grove³⁸ incubator in Athens. The Embassy will provide support by financing participation of specialists, coaches and trainers to entrepreneurs in the incubator as well as facilitating linkages between Surinamese entrepreneurs and business leaders, research centers, and markets in Europe.
- 5.6. The National Development Bank (NOB) will manage a financial scheme created under the loan SU-L1046 to "incentivize the participation of the private sector in the renovation of deteriorated buildings for commercial use"³⁹. This financial support will finance the outfitting of a physical space in the city's historic district to house the hotspot. The scheme aims to support the renovation of historical buildings so that they can be put into productive use such as cultural activities, business incubators,

³⁷ <http://www.usmedia.nl/>

³⁸ <http://orangegroove.biz/> - Orange Grove started by the Netherlands Embassy in Athens, Greece.

³⁹ SU-L1046 - Urban Rehabilitation program (IDBDOCS: 40711954)

and business clusters. Therefore, TBL's project complements the objectives pursued by the Loan.

- 5.7. Other partners include: The Entrepreneurship Network (TEN) Habitat⁴⁰ which can partner with TBL to create a satellite business incubation system based on TEN's model and Cam-A-Lot⁴¹ (Dutch company for high-end digital cinema) who will contribute to outfitting the hotspot's multifunctional studio with the technology infrastructure and equipment required.

B. Implementation Structure and Mechanism

- 5.8. TBL will establish an executing unit (EU) and the necessary structure to execute project activities and manage project resources effectively and efficiently. The EU will be managed by a Project Coordinator who will oversee the lead facilitators for the hotspot's three activity streams (technical training, business incubation, and cultural events). In addition to management and coordination of day-to-day activities, the EU will be responsible for technical and financial reporting on the Project and will manage procurement of key services and goods required. Details on the structure of the execution unit and reporting requirements are in Annex V in the project technical files.
- 5.9. In addition, TBL's founders will chair a broader advisory committee comprising key project partners. This advisory committee will consist of members from IGNITE Foundation, Cam-A-Lot, and the Dutch Embassy. It will have meetings twice a year to assess the progress of the project and make recommendations, help with fundraising and with establishing new contacts in Holland with universities such as Delft and Wageningen and the Hi-Tech Campus of Eindhoven University as well as multinationals. It will provide strategic guidance and support for the successful implementation and eventual scaling of the hotspot's activities. TBL will also be responsible for providing progress reports on project implementation.

VI. Compliance with Milestones and Special Fiduciary Arrangements

- 6.1. **Disbursement by Results, Fiduciary Arrangements.** The Executing Agency will adhere to the standard MIF disbursement by results, Bank procurement policy⁴² and financial management⁴³ arrangements as specified in Annex V and VI.

VII. Information Disclosure and Intellectual Property

- 7.1. **Access to information.** Project information is not considered confidential under the IDB Access to Information Policy. This document is therefore public in accordance with said policy.
- 7.2. **Intellectual Property.** The project is based on expanding TBL model, which is the intellectual property of TBL. However, TBL will grant the IDB/MIF a free, non-commercial, irrevocable, open-ended license for the use of certain of the copyrights,

40 <http://www.tenhabitat.com/>

41 <http://camalot.nl/about-us/>

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

43 Link to the document [Financial Management Operational Guidelines](#)

patents, and other intellectual property rights held by TBL, including knowledge products generated during the use of this methodology. The project-generated knowledge products will be the property of the IDB/MIF, which will give TBL a license for those products. IDB/MIF will also use the information necessary to systematize the experience and generate knowledge products to be used to facilitate replication of the model.