

## REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T4017-P001

Selection Method: Fully Competitive

Country: *International*

Sector: *Integration and Trade*

Funding – TC #: RG-T4017

Project #: ATN/CO-19236-RG

TC name: *SUPPORT TO ECONOMIC RECOVERY IN THE CARIBBEAN THROUGH TRADE AND INVESTMENT IN BLUE ECONOMY*

Description of Services: *Design a Blue Economy Investment Promotion Strategy and Action Plan for selected OECS countries and provide ad-hoc capacity building in blue economy investment attraction to investment officers.*

Link to TC document: <https://www.iadb.org/en/project/RG-T4017>

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: **25th November 2022, 5:00 P.M.** (Washington D.C. Time).

To access the IDB Portal, the firms must generate a registration account, including **all** the data requested by the Portal. In the event that any of the information requested is not included, the firm will not be able to participate in this or any other Bank-executed selection process for operational work. If the firm has been previously registered, please validate that you have **all** the firm's information updated and complete before submitting an expression of interest.

The consulting services ("the Services") include, design a Blue Economy Investment Promotion Strategy and Action Plan for selected OECS countries and provide ad-hoc capacity building in blue economy investment attraction to investment officers. The services are expected to be delivered in a period of 6 months.

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-2765-4. 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 above 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: Queila Delgado Ojeda [QUEILAD@IADB.ORG](mailto:QUEILAD@IADB.ORG) , Angela Dorantes Gomez, [angelad@iadb.org](mailto:angelad@iadb.org).

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### Draft Terms of Reference

RG-T4017

## **Support to Economic Recovery in the Caribbean through Trade and Investment in Blue Economy**

### 1. Background and Justification

1. Foreign direct investment (FDI) helps economic growth as the evidence indicates that each \$1 invested in investment attraction programs can generate up to US \$187 in the host economy, depending on the depth of intervention in the institution. However, the global FDI fell 42% in 2020, with a 37% decline in LAC, and expectations for 2021 greenfield announcements fell by 46%. At the same time, **the Coronavirus (COVID-19) pandemic has exacerbated the vulnerabilities of Small Island Developing States (SIDS)**. The global health crisis has impacted the socio-economic pillars of very dependent societies. Gross Domestic Product (GDP) losses in the Eastern Caribbean will surpass two digits in almost all countries. The rise of extreme poverty and unemployment, and the damage to Micro, Small and Medium Enterprises (MSMEs) is significant, especially in the tourism and ancillary sectors.

2. The **Blue Economy (BE) Strategies** are amongst the most promising approaches to support SIDS economic structuring transformation to build resiliency to exogenous shocks, including natural disasters, manmade or financial crises, global viral pandemics, while preserving their natural heritage.<sup>1</sup> Belize has been equally hit and shares similarities in size and economic structure to SIDS. In fact, Belize has embraced BE as a key sector in its National Strategy and created a specific ministry.

3. **Setting the policy and institutional frameworks for the BE sectors to operate is crucial**. Equally important is the ability to attract Foreign Direct Investment (FDI) that contributes to job creation and economic growth. In this regard, an important challenge to attract FDI is to reduce the information asymmetries to position a country or region in the radar of MNEs; FDI promotion is a mechanism. There is evidence that from every US\$1 invested in FDI promotion, additional US\$56 of FDI can be generated<sup>2</sup>. There is also evidence that shows correlation among higher lead generation and IPAs focused strategy and specialization<sup>3</sup>. However, on average, IPAs in LAC are smaller, less specialized, have less focused strategies and evaluate less than their OCDE counterparts<sup>4</sup>.

4. Digital transformation for IPAs has become almost mandatory in a very short time together with investment tools more suited to businesses realities, but few agencies are ready to respond to investors. At the same time the pandemic has caused a serious decline in gender equality in the labor and investment markets, particularly in developing countries. The objective is, on one hand, to increase institutional capacity to attract private sector investment into the Blue Economy (BE), including targeted digitalization

promotion and gender focused activities, as a mean to generate employment, growth, diversification of the economy and to contribute towards the reach of SDGs targets.

5. At a sub-regional level, the marine environment is recognized as a burgeoning sector within the Growth and Development Strategies of the Organization of Eastern Caribbean States (OECS) and presents tremendous potential for the transformation into a vibrant blue economy. In 2013 OECS Heads of Government adopted the Eastern Caribbean Regional Oceans Policy and Action Plan. This regional policy provides a framework that guides the planning and development of marine activities in the Eastern Caribbean region in a rational and sustainable manner.<sup>12</sup> The Organization of Eastern Caribbean States (OECS) is an International Inter-governmental Organization dedicated to regional integration in the Eastern Caribbean. **OECS's vision is "A better quality of life for the people of the OECS" and its mission "To drive and support sustainable development through regional integration, collective action, and development cooperation."**

6. Caribbean countries have jurisdiction over significant ocean areas that, in many cases, far exceed the land area of the countries themselves. The St Vincent and the Grenadines' exclusive economic zone, for example, is estimated to be about 13,900 square miles, over 90 times its land area. St. Lucia, Grenada, and St. Vincent and Grenadines' Investment Promotion Agencies (IPAs) are relevant for the countries' economic growth and development. The central axis of their mission being the active search for investment projects that positively impact the country's sustainable economic development goals. Blue Economy FDI is part of the potential sustainable economic growth. The three countries are neighbors and part of a common market. Therefore, the sum of efforts to attract investments that can capitalize on economic potential and create local jobs is a common objective.

7. In this context, it becomes relevant for the IPAs of St. Lucia, Grenada, and St. Vincent and Grenadines to align efforts and resources in an Investment Promotion Strategy for Blue Economy subsectors to showcase their added value, and train their investment officers on the specific dynamics of the BE sectors chosen. This experience will also provide data to OECS to foster more joint promotional activities among their country members.

## 2. **Objectives**

1. The general objective of this consultancy is to design an Investment Promotion Strategy for Blue Economy subsectors for OECS countries, specifically St. Lucia, Grenada and St. Vincent and Grenadines, and the capacity building of their IPAs and OECS personnel to promote and facilitate BE investment. The strategy must take into consideration the Blue Economy National Strategies, the assets and liabilities of the countries to the successful BE investment implementation, as well as the trends and needs of the regional value chain of the sectors chosen and FDI promotion post Covid.

## 3. **Scope of Services**

1. The firm will autonomously carry out the works described in this consultancy, against a payment for all concepts distributed over time according to the payment schedule, and against the presentation of the required deliverables at each stage of the process.

2. The firm will work in coordination with OECS and the competent IPAs so that the design of the proposed strategy and capacity building program is adapted to their needs.

## 4. **Key Activities**

1. Design an investment promotion strategy (IPS) based in two BE subsectors with high potential to attract investment based in the value added and Government strategic targets of St. Lucia, St. Vincent and Grenadines. The IPS must take into consideration previous analysis of the individual countries and the OECS to clearly identified the sectors to which a higher added value can be provided due to current trends in their Global and Regional Value Chains and the specificities of the OECS countries selected, and as a region. This analysis must provide target sectors, markets, companies, and an array of recommendations

in the short and medium term to attract and implement FDI. A specific plan of promotion activities, taking into consideration post-COVID FDI promotion trends and specific subsectors dynamics, is expected together with key messages and information to be used in the marketing materials.

2. Ad-hoc training to selected staff from the relevant IPAs and OECS, addressing: i) dynamics of the subsector value-chain globally and regionally, their needs and factors in their decision-making process, ii) understanding the region and countries' value proposition, iii) the benefits and challenges of co-joint promotion, and how to design collaborative win-win strategies, iv) how to become a strategic partner for companies and facilitate their investments and re-investment. Ex-ante and Post surveys to evaluate knowledge of participants must be carried out. It is also expected to have interventions from individuals working in the blue economy private sector, ideally in MNEs or BE clusters from target markets of FDI origin.

## 5. **Expected Outcome and Deliverables**

1. The general result of this consultancy is to provide: (i) an ad-hoc BE sector Investment Promotion Strategy including analysis and identification of FDI opportunities within St. Lucia and St. Vincent and the Grenadines, (ii) FDI training targeting BE sectors, (iii) and understanding the benefits and challenges of co-joint FDI promotion actions.

2. The expected deliverables are the following:

i. Deliverable #1: Inception Report and Work Plan

ii. Deliverable #2: Investment Promotion Strategy and Action Plan for BE subsectors

iii. Deliverable #3: BE FDI Training report

iv. Deliverable #4: Toolkit for leverage value in co-joint promotion activities

v. Deliverable #5: Final Report and presentations

## 6. **Project Schedule**

1. The project will have a total duration of 6 months.

## 7. **Other Requirements**

1. Contractual teams should have specific expertise and knowledge, which will be the main criterion for their selection. It is anticipated that the team would comprise of individuals with strong competencies in the areas of FDI, Training and Blue Economy. The expert in Blue Economy Sector, ideally has worked directly in the private sector or in the development of BE strategies for other countries or regions.

2. **Education**: the consultants must have a Bachelor's in Economics, Business Administration, or similar studies. Postgraduate and / or master's degrees in areas related to FDI, International Trade, or Blue Economy areas (Ocean management, Maritime management,...), will be highly valued.

3. **Experience**: consultants must have proven professional experience of at least seven (7) years in the public and / or private sector, nationally or internationally, on issues related to the attraction, retention, and promotion of FDI. Highly valued previous experience working in multilocation FDI strategies and with IPAs in the Caribbean.

4. Other **core and technical competencies** that will be valued are:

- Knowledge in advising governments or institutions in attracting investments and improving business climates.
- Demonstrated experience with multilocation FDI strategies.
- Knowledge of FDI, especially in the LAC region, Investment and Promotion Agencies (IPAs), macroeconomics, and global best practices in FDI attraction.
- Experience working across multiple government organizations and private sector stakeholders involved in trade.
- Highly developed communication skills, including the preparation of high-quality reports and the delivery of presentations.
- Ability to work under pressure, and to meet tight deadlines without compromising the quality of outputs.

- Ability to maintain confidentiality and use discretion when dealing with sensitive information.
- Cultural awareness and sensitivity to country-specific issues.

5. Interviews and workshops with the private and public sectors must be agreed upon and have the authorization of the relevant Government and the Bank prior to their conduct.

**8. The amount**

1. The estimates amount for this consultancy will be no more than USD 100 000.