

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3330-P001

Selection Method: Full Competitive Selection

Country: Regional

Sector: Competitiveness, Technology, and Innovation (IFD/CTI)

Funding – TC #: To be confirmed.

Project #: RG-T3330

TC name: Capacity Building and Applied Research in Cluster Development Best Practices

Description of Services: The objective of this consultancy is to build the capacity of Business Support Organizations (BSOs) in facilitating the growth of local clusters in seven countries. The consulting firm will institutionalize the knowledge and skills needed through a learning-by-doing approach whereby the BSO will participate in a series of workshops offered by visiting experts and apply the methodology by facilitating relevant workshops for the clusters they intend to support.

Link to TC document: <https://www.iadb.org/en/project/RG-T3330>

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: **October 8, 2018 at 5:00 P.M.** (Washington D.C. Time).

The consulting services (“the Services”) include building the capacity of Business Support Organizations (BSOs) in facilitating the growth of local clusters in seven countries. The consulting firm will institutionalize the knowledge and skills needed through a learning-by-doing approach whereby the BSO will participate in a series of workshops offered by visiting experts and apply the methodology by facilitating relevant workshops for the clusters they intend to support. More specifically by the end of the consultancy, all BSOs involved will be able to:

1. Identify, frame, and prioritize local clusters using market-driven criteria.
2. Apply the knowledge and skills acquired to facilitate private sector-led cluster initiatives and two cluster development plans (CDPs) in particular.
3. Support clusters in improving processes and linkages across value chains to increase revenues and reduce costs in a competitive, inclusive and sustainable manner.
4. Integrate gender considerations into the cluster development process and provide specific support to Women-Owned Firms (WOF)
5. Foster innovation through formal partnerships with local institutions (educational and governmental), adoption of technology, as well as data collection, analysis and dissemination.
6. Identify unmet needs among cluster stakeholders which can be offered by the BSO to generate revenues or through shared services in a financially sustainable manner.

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: *Michael Hennessey* (MICHAELHE@iadb.org) with Annie Bertrand (annieb@iadb.org) in cc.

Inter-American Development Bank

Division: *Competitiveness, Technology, and Innovation (IFD/CTI)*

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SUMMARY TOR*

*The full version of the TOR will be provided at the RFP stage.

REGIONAL

RG-T3330

Public Link: <https://www.iadb.org/en/project/RG-T3330>

Capacity Building and Applied Research in Cluster Development Best Practices

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank (“IDB” or “Bank”) is the main source of financing for economic, social and institutional development in Latin America and the Caribbean. It provides loans, grants, guarantees, policy advice and technical assistance to the public and private sectors of its borrowing countries.
- 1.2. On March 20, 2016, the IDB Board approved the creation of the Compete Caribbean Partnership Facility (CCPF), Phase 2 of Compete Caribbean, which will be implemented over the period 2017-2020. CCPF is a multi-donor Trust Fund jointly funded by the United Kingdom’s Department for International Development (DFID), the Caribbean Development Bank (CDB), and the Government of Canada.
- 1.3. The ultimate goal of CCPF is to support the Caribbean region in increasing productivity and Caribbean firms’ contribution to economic growth. The specific objectives are to (i) support firms to grow, innovate and enter new sectors and markets; and (ii) to promote an environment that enables innovation and growth. The Facility will support productivity and economic growth in the Caribbean by focusing on two thematic pillars: (i) productivity and innovation in firms; and (ii) enhancing the business and innovation climate. It is intended that CCPF should (a) focus on the specific needs of the more vulnerable countries; (b) support gender and diversity initiatives; (c) promote climate change adaptation/resilience activities; (d) foster the strengthening of

institutions; and (e) promote scalability. The Facility is being executed by Inter-American Development Bank and henceforth all procedures related to operations and implementation thereof must comply with IDB policies.

- 1.4. Phase 1 (2010-17) The first phase of the Compete Caribbean program (CC1) provided support to cluster initiatives and delivered outstanding results: Over 5595 jobs were created (nearly 80% for women); the revenue of firms and clusters supported increased by 40% over the baseline; and six clusters developed new or improved products or services. The end of program evaluation identified two critical success factors that must be in place to foster collaboration and ensure sustainability of cluster initiatives: (1) an integrated, collaborative and strategic approach must be anchored and driven by a national/local institution; and (2) facilitation and project management skills are essential to ensure effective cooperation, progress and monitoring & evaluation.
- 1.5. CC1 found that unfortunately such capacity was lacking in some Caribbean islands. This was evidenced through the poor quality of project concept notes received from clusters in response to CC1's call for proposals. Only 38% of applications received were deemed fit for funding by the evaluation panel and only one application from the OECS territories was funded. Thus, for the second phase of the Compete Caribbean program (CC2), it became evident that a capacity building effort of local institutions would be necessary to enable industry clusters to be used as drivers of economic growth in these small and vulnerable countries.
- 1.6. In September 2017, under a previous operation (RG-T3021, *Assessing the Capacity to Build Clusters in Small and Vulnerable Countries*), CC2 issued a call for expressions of interest of such local institutions, allowing for applications to be presented from public or private organisations in the Region, such as Business Associations, SME Development Councils/Centres, Partnership Facilities, Industry Development Authorities, Chambers of Commerce, etc. In the end, nine (9) BSOs in eight countries¹ were selected and benefited from a detailed assessment of their institutional capacity in relation to global best practices in cluster development. The main activities under the technical cooperation were completed in June 2018 with nine comprehensive Capacity Enhancement Plans (CEPs) and a cluster development toolbox comprising templates and tools to increase overall facilitation skills for engaging diverse stakeholders.
- 1.7. Although each CEP includes some specific particularities, most needs and proposed solutions were relatively similar for the BSOs involved. Through stakeholder workshops and consultations, the CEPs identified some common weaknesses across BSOs including: (i) well-developed or proven approach for value chain analysis and cluster facilitation not in place; (ii) limited information/ data on potential clusters; (iii) lack of cluster methodologies and tools; (iv) no facilitation skills among the staff; (v) limited/ lack of secured funding support; and (vi) weak management of cluster stakeholders and projects. The CEPs crafts a roadmap for BSOs to acquire the knowledge, training and coaching activities needed to address these weaknesses and increase the BSO's capacity to support local clusters effectively in their respective context. The CEPs have been co-designed in close collaboration with the BSOs, reviewed and discussed with Compete Caribbean, and ultimately, approved by the competent authority of the respective BSO.

2. Objectives

- 2.1. The objective of this consultancy is to build the capacity of Business Support Organizations (BSOs) in facilitating the growth of local clusters in seven countries. The consulting firm will institutionalize the knowledge and skills needed through a learning-by-doing approach whereby the BSO will participate in a series of workshops offered by visiting experts and apply the methodology by facilitating relevant workshops for the clusters they intend to support. More specifically by the end of the consultancy, all BSOs involved will be able to:

¹ These 9 BSOs included Dominica Export Import Agency (DEXIA), St. Lucia's Trade Export Promotion Agency (TEPA), Grenada Hotel and Tourism Association (GHTA), Grenada Investment Development Corporation (GIDC), Belize Invest BELTRAIDE, Jamaica Manufacturers' and Exporters' Association (JMEA), St. Vincent & the Grenadines' Centre for Enterprise Development (CED), and Caribbean Tourism Organisation (CTO) – a regional institution based in Barbados.

1. Identify, frame, and prioritize local clusters using market-driven criteria.
2. Apply the knowledge and skills acquired to facilitate private sector-led cluster initiatives and two cluster development plans (CDPs) in particular. These are provided in the capacity enhancement framework.
3. Support clusters in improving processes and linkages across value chains to increase revenues and reduce costs in a competitive, inclusive and sustainable manner.
4. Integrate gender considerations into the development process and provide specific support to Women-Owned Firms (WOF)
5. Foster innovation through formal partnerships with local institutions (educational and governmental), adoption of technology, as well as data collection, analysis and dissemination.
6. Identify unmet needs among cluster stakeholders which can be offered by the BSO to generate revenues or through shared services in a financially sustainable manner.

3. Scope of Services

3.1. The nine BSOs taking part in this capacity building effort are: Dominica Export Import Agency (DEXIA), St. Lucia's Trade Export Promotion Agency (TEPA), Grenada Hotel and Tourism Association (GHATA), Grenada Investment Development Corporation (GIDC), Belize Invest BELTRAIDE, Jamaica Manufacturers' and Exporters' Association (JMEA), St. Vincent & the Grenadines' Centre for Enterprise Development (CED), Tourism Hotel Association of Guyana (THAG), and the Caribbean Tourism Organisation (CTO) which is a regional institution based in Barbados. The capacity building activities and handholding support will vary slightly for each BSO based on their respective Capacity Enhancement Plan (CEP)². Capacity building includes the following activities:

- i. Cluster Development Plan training and facilitation, problem solving, prioritization and selection of cluster initiatives, and establishment of local partnerships.
- ii. Value chain analysis and pricing model
- iii. Global GAP Training (worldwide standard for Good Agricultural Practices)
- iv. Climate Smart Agriculture training / organic certification
- v. Gender Gap Assessment and training

3.2. Because of the regional scope of the Caribbean Tourism Organisation (CTO), the staff will not receive handholding support to prepare Cluster Development Plans (CDPs) but rather engage in other capacity building activities and participate with a BSO such as THAG in some cluster training on site. This collaboration is important as CTO facilitates three other initiatives relevant for cluster development including: (1) the development of a Community-Based Tourism (CBT) roadmap with guidelines; (2) a primary market research to assess the market demand for diverse products and services which can be offered through CBT; and (3) a strategy to increase tourism revenues for micro businesses through greater adoption of mobile payment technologies.

3.3. To institutionalize the knowledge and skills, most capacity building activities will take place in the seven countries with the BSOs and local stakeholders – Dominica, Belize, St. Vincent and the Grenadines, Jamaica, St. Lucia, Grenada, and Guyana. The training and handholding support must be completed before Compete Caribbean's next Investment Panel (IP) planned for June 2019. The IP is composed of independent experts responsible to identify the Cluster Development Plans (CDPs) deemed suitable for grant funding (up to USD\$250,000). Another call for proposals focused on community-based tourism clusters may also be facilitated by CTO in September 2019.

4. Key Activities

4.1. Conduct Inception Meeting, Desk Review, and Progress Reporting:

4.2. Prepare Workplan, Targets, Methodology, Training Materials, Assessments and Missions

² To be shared at the RFP stage.

- 4.3. Conduct Mission 1: Delivery of Cluster Development Training Program and Gender Training
- 4.4. Conduct Mission 2: Global GAP Training, Value Chain Analysis and distribution channel mapping
- 4.5. Conduct Mission 3: Finalise delivery of training program, conduct Stakeholder Workshops and Institutionalizing Gender Program
- 4.6. Organize Virtual Handholding Sessions and provide Strategic Guidance and Feedback throughout the consultancy

5. Expected Outcomes and Deliverables

- 5.1. **Workplan:** This project management plan (logframe) includes a synopsis of the consultancy, proposed activities, timelines (including dates for the proposed missions and milestones), responsibilities, expected outputs and outcomes (results). The workplan will be updated as necessary in discussion with the BSOs and agreement with the CCPF/IDB. The team of consultants assigned to each BSO are expected to spend at least 15 days in each country (seven in total) to implement the capacity building activities.
- 5.2. **Training Material:** Submission of training material (training modules, accompanying PPTs, reading material, instructions on how to deliver the workshops and training, templates and tools, etc.). The training materials will be reviewed and approved by IDB and become its intellectual property.
- 5.3. **Workshops** agenda with evaluation sheet describing the expected and achieved results for the training activities with BSO staff and for the workshops with cluster stakeholders. At least six workshops with the cluster stakeholders will be facilitated by the BSO staff with the support of the consulting team.
- 5.4. **Cluster Development Plans (CDPs):** As an output of the capacity building process, the consulting firm will ensure that each BSO (other than CTO) submit at least two promising market-driven, private sector-led CDPs. The CDP template is provided in appendix and must include the process and distribution channel mapping, value chain analysis, pricing model and cost sheet, competitive analysis, partnership agreement, results matrix, budget, procurement plan, etc.
- 5.5. **Terms of References (ToRs):** All additional activities needed essential to address the objectives stated in the CDPs and well as any other projects necessary to increase overall capacity.
- 5.6. **Online M&E system** with baseline and process to monitor outputs and outcomes.

6. Project Schedule and Milestones

- 6.1. The project is expected to begin January 2019 and to be completed six months thereafter. Three missions of five days each are expected per country (seven in total). Traveling and workshop costs are included in the consulting firm's budget. The schedule and milestones will be defined by the firm in agreement with the IDB and BSOs and captured by the first deliverable (the workplan).

7. Qualifications to Utilize in Criteria for Selection:

7.1. **Qualifications of Firm's Team Members:**

- This consultancy requires the services of an international consulting firm with extensive experience in clustering initiatives and institutional capacity building.
- The Lead Consultant should possess a Master degree in Management, Business Administration, International Development, Economics, Public Policy or a related field.
- Junior Consultants should possess at least a Bachelor Degree in Management, Business Administration, International Development, Economics, Public Policy or a related field.
- The firm must have a team member with experience in conducting gender gap assessments and implementing gender leadership training.
- The firm must have a team member with experience in organic certification and climate smart

agriculture.

- The firm must have a team member with relevant professional training in Global GAP implementation from a recognized institution and a Certified GLOBAL G.A.P. farm assurer is mandatory. The team member must also have at least 5 years' working experience Global gap implementation especially in the small and medium scale farmers' context.

7.2. Skills and Experience in:

- It is essential that the consulting firm demonstrate experience in cluster development and value chain analysis training and implementation.
- Experience in in the Caribbean and Latin America is an asset. 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.

7.3. Core Competencies

- Highly developed communication skills, including the preparation of high quality reports and the delivery of training;
- Ability to work under pressure to meet tight deadlines without compromising the quality of outputs;
- Ability to maintain confidentiality and use discretion when dealing with sensitive intellectual property issues;
- Cultural awareness and sensitivity to country specific issues;
- Fluency in oral and written English.

- 7.4.** It is essential that the consulting firm demonstrate experience working in cluster development involving diverse stakeholders in developing countries; preferably in the Caribbean and Latin America.