

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/CCB - Caribbean Group	
▪ TC Name:	Institutional Strengthening to Promote the Development of Small and Medium Sized Enterprises in St. Vincent & the Grenadines	
▪ TC Number:	RG-T3270	
▪ Team Leader/Members:	HENNESSEY, MICHAEL P. (IFD/CTI) Team Leader; STEVENSON, CLAUDIA (IFD/CTI) Alternate Team Leader; GRANT, KAYLA SHAREE (IFD/CTI); PILGRIM, VALARIE (IFD/CTI); GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI); PEREIRA, STEFANO (IFD/CTI)	
▪ Taxonomy:	Client Support	
▪ Number and name of operation supported by the TC:	N/A	
▪ Date of TC Abstract:	17 Apr 2018	
▪ Beneficiary:	Small and Medium Sized Enterprises; Commerce and Intellectual Property Office (CIPO)	
▪ Executing Agency:	CARIBBEAN DEVELOPMENT BANK	
▪ IDB funding requested:		\$ 88,120.00
▪ Local counterpart funding:		\$ 33,400.00
▪ Disbursement period:		18 months
▪ Types of consultants:	Individuals; Firms	
▪ 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 Promote the development of SMEs through strengthening the institutional capacity of the Commerce and Intellectual Property Office (CIPO) of Saint Vincent and the Grenadines to support business registration.
- 2.2 The Saint Vincent and the Grenadines' economy is small, with a population of approximately 110,000 (2017); a workforce of 59,620; small natural resource base; and GDP of approximately USD 0.82 billion in 2017. In the last 5 years annual growth has been fluctuating between 1.2 and 1.8%, with an annual rate of growth of 1 % in 2017. Enhanced connectivity with key tourism source countries and some recent developments, like the conclusion of the new international airport, the construction of a modern port, and the launching of a geothermal project, should support business growth in the medium term. Saint Vincent and the Grenadines' ranking in the World Bank's Ease of Doing Business Index has steadily declined over the last 5 years. The country went from a position 82 in 2014 to position 129 in 2018. In this period, the country has fallen in all the Doing Business Thematic Areas, except for Resolving Insolvency and Enforcing Contracts. Some of the constraints to Saint Vincent and the Grenadines' Doing Business ranking are inherent within outdated legislative applications and practices as well as antiquated procedures and processes within government line ministries and other agencies. A key policy recommendation in the International Monetary Fund Country Report for Saint Vincent and the Grenadines (December 2017) is "improving

the business climate by streamlining regulations, enhancing labour productivity and labour market flexibility, improving access to credit, and helping agriculture transition from subsistence to agribusiness". This project builds on prior efforts to improve Saint Vincent and the Grenadines' ranking for Starting a Business. As a result of assistance provided under the CARICOM Online Companies Registries project (financed under the 10th EDF), an automated system for registering companies, business names, and other legal entities was established within the Commerce and Intellectual Property Office (CIPO). Despite design capability, most of the processes at CIPO are still conducted manually and are paper-based. The database that underpins the automated business registration system was not populated as only a limited amount of records (7,000) were entered for testing purposes only. To date, CIPO has lacked the human resources and equipment to digitize the remaining hard-copy records (approximately 18,500), some of which date back to 1909. In addition, the Government of Saint Vincent and the Grenadines is still working towards an agreement with the commercial banking sector to facilitate online payments related to registering a business. When this agreement is reached, some modifications must be made to the automated system to allow the online payment. Also, the processes for business registration would be further optimized if the CIPO database for registering businesses are linked to the CIPO database for registering intellectual property. Any effort to make the automated system fully operational, must also include user training (which was not done under the CARICOM project) and refresher training for staff of CIPO and the government's Information Technology Services Department, who were trained in 2016 under the CARICOM project.

III. Description of Activities and Outputs

- 3.1 Component I: Enabling the Commerce and Intellectual Property Office (CIPO) to utilize the full capacity of its electronic registry. This component will engage the services of an e-government systems firm to (i) digitize the hard-copy records and complete the population of CIPO's databases; (ii) review the performance of the business registration system, once the database has been populated; (iii) debug any performance issues and make any modifications required to facilitate online payments; (iv) link the business registration database to the CIPO intellectual property database; (v) support CIPO with going online; (vi) transfer knowledge on system maintenance to public sector technicians; (vii) assess end-user training needs including legal professionals, women, youth, rural residents and any groups that are under-represented in terms of business registrations; (viii) assess training needs for CIPO staff; and (ix) design and deliver training using approaches that are gender sensitive and inclusive and employing appropriate technology. This component will also engage a communications specialist and finance communication activities aimed at sensitizing potential users on the availability of the online services; and developing user-friendly user guidelines for posting via the CIPO website.
- 3.2 Component 2: Coordination and Monitoring and Evaluation. The CIPO Registrar will work closely with the Compete Caribbean FCU to coordinate project activities. This component will also finance a monitoring and evaluation consultant who will work closely with CIPO and Compete Caribbean to (i) compile and analyze pre- and post-project data, disaggregated by gender and other relevant characteristics, on the business processes, time required to access CIPO's services, user experiences, client satisfaction levels; and (ii) prepare monitoring and completion reports.
- 3.3 **Component I: Enabling the Commerce and Intellectual Property Office (CIPO) to utilize the full capacity of its electronic registry.** Fees and Expenses - Development of E-Government Solution
- 3.4 **Component II: Coordination and Monitoring and Evaluation.** Evaluation Report

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Enabling the Commerce and Intellectual Property Office (CIPO) to utilize the full capacity of its electronic registry	\$ 78,120.00	\$ 3,400.00	\$ 81,520.00
Coordination and Monitoring and Evaluation	\$ 10,000.00	\$ 30,000.00	\$ 40,000.00

V. Executing Agency and Execution Structure

- 5.1 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. The execution of this TC will be carried out by the Bank through the Competitiveness and Innovation Division (IFD/CTI) in coordination with FCU. Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the CCPF. The project will be executed in coordination with the Commerce and Intellectual Property Office (CIPO).
- 5.2 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) The procurement of consulting services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policy (GN-2303-20). The Bank and the Caribbean Development Bank (CDB) have entered into a financial agency agreement for the implementation of projects in the OECS.
- 5.3 The Bank, through Compete Caribbean's Facility Coordination Unit, has demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels. This is made evident by the number of successful projects executed by Compete Caribbean during its 1st phase.

VI. Project Risks and Issues

- 6.1 The most significant risk to achieving the planned objectives is limited IT capacity to resolve problems with the online system. To mitigate this risk, the e-government systems specialist will support CIPO with the process of going online for a period of 6 months; and will also transfer knowledge, related to the maintenance of the system, to local public-sector IT technicians within the Information Technology Services Division, Ministry of Finance, Economic Planning, Sustainable Development and Information Technology..

VII. Environmental and Social Classification

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