

**REGIONAL  
IFD/CTI  
RG-T4003**

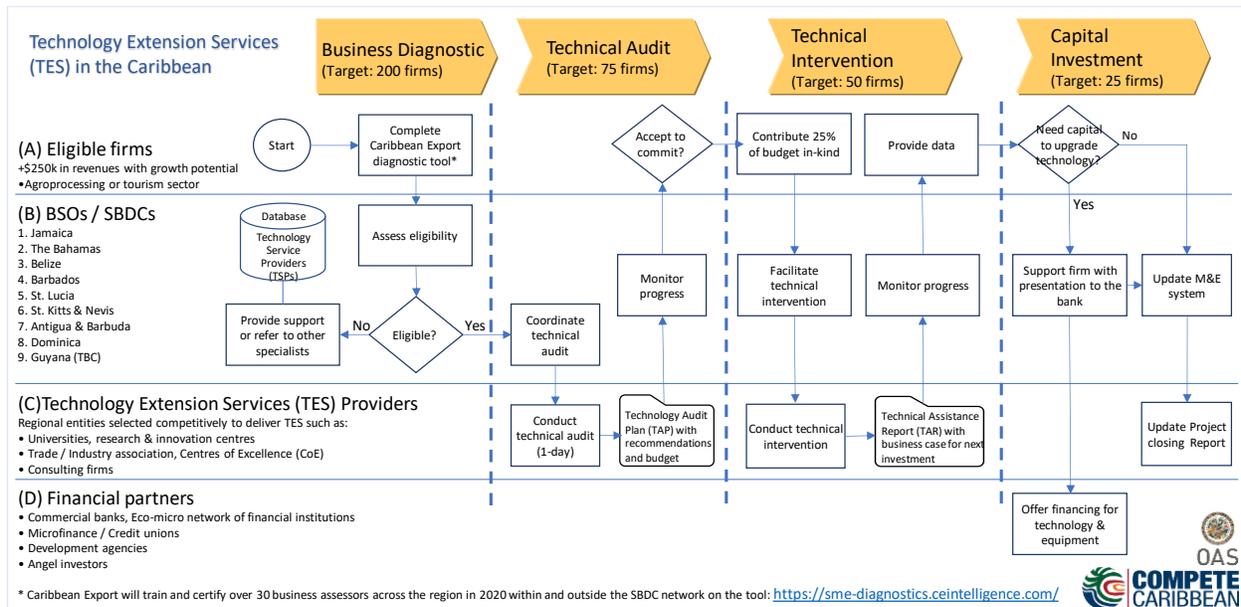
## **Terms of Reference**

### **Technology Service Providers (TSPs) - Technical Audits and Specialized Technical Assistance**

#### **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. In 2016, IDB, the United Kingdom’s Foreign, Commonwealth & Development Office (FCDO), the Caribbean Development Bank (CDB), and the Government of Canada established a co-financing facility called “The Compete Caribbean Partnership Facility” (GN-2851), which is a continuation of the Compete Caribbean Program that funded over 100 private sector development projects over the period 2010-2016 in the Caribbean. These projects generated nearly 12,000 jobs, a 23% increase in exports (USD\$37M) and a 41% increase in the revenue of participating firms and clusters (USD\$153M), as well as an improvement in the business climate for some countries through policy or regulatory reforms. The purpose of the Compete Caribbean Partnership Facility (CCPF) is to drive inclusive and sustainable economic growth through greater competitiveness and innovation in the private sector of 13 Caribbean countries<sup>[1]</sup>.
- 1.2. The rapid emergence of innovative technologies has created a highly competitive landscape particularly difficult for Small and Medium Enterprises (SMEs). Firms that fail to transform their processes through the adoption of new technologies are falling behind and missing growth opportunities which can have devastating effects on inclusive economic development. Technology Extension Services (TES) is a type of government policy used in developed and developing countries to accelerate the pace at which SMEs “catch up” with more advanced firms by transferring knowledge about best practices. It is essentially a strategic public investment in technological diffusion through on-site specialized technical assistance. Studies conducted by the McKinsey Global Institute indicate that in the case of the G19 countries, this catching up can increase the productivity growth of SMEs by 75%. In emerging economies, the impact of catching up may even be higher, up to 82%.
- 1.3. The key benefits of TES with respect to other innovation policy instruments are: (i) quick wins in terms of adopting technological improvements already proven to be effective in other markets; (ii) greater access to advanced knowledge and specialised expertise to facilitate integration into the productive and decision-making processes; (iii) cost effectiveness in terms of the size of investment per firm in relation to their improvement in productivity and competitiveness. Within this context, the CCPF is looking for a firm that can extend technology extension services to eligible firms in the blue economy and essential services sectors throughout 13 countries in the Caribbean.
- 1.4 The types of TES provided will be based on demand given the gaps identified between the needs of Caribbean firms within the blue economy and essential services and their growth potential. Particular attention will be given to the adoption of digital technologies and improvement of environmental, waste and energy management practices. Ultimately, the project will seek to improve understanding of the following elements: (a) the demand for TES amongst Caribbean firms in the blue economy and essential services; (b) the supply capacity of the region’s technology services providers; and (c) the impact of TES on firm productivity, efficiency, revenue and competitiveness in targeted markets.

1.5 The diagram below depicts the core features of the TES delivery framework which was piloted in 2020 and ongoing with 75 firms benefitting. The main actors include four types of stakeholders: (A) Caribbean SMEs; (B) local business support organizations (BSOs); (C) Technology Service Providers (TSPs) which are regional institutions or centers of excellence (CoE); and (D) financial institutions which can finance the actual acquisition of the technology when necessary. Key outputs at each step in the process depicted below include Business Potential Assessments (BPAs), Technology Audit Plan (TAPs), Technology Assistance Reports (TARs), and Investment Proposal (IPs). See Annex A for descriptions.



Examples of TES sponsored by the CCPF under this program include but are not limited to:

- Business analysis, financial analysis, activity-based costing, etc.
- Food safety, ergonomics, waste management, compliance, energy efficiency, etc.
- Information technology: Assessment and requirements/specifications for computer software/packages related to the specific blue economy activities (fisheries management, traceability), accounting, order entry, payment, scheduling, inventory.
- Sourcing and matching for technology, suppliers or vendors. Support for outsourcing contracts, service level agreements (SLAs)
- Lean operations and quality improvement - certification to standards related to the blue economy.
- Product development and marketing including artificial intelligence, social media, etc.

In the blue economy it is expected that the areas listed below could be incorporated into the program, as well as others identified during the consultancy.

- Fisheries/aquaculture
- Coastal tourism - communities and organizations
- Marine energy
- Coastal development
- Potable water/desalination
- Marine transportation and logistics
- Ship building/repair
- Marine Research
- Marine Biotechnology

For essential services it is expected that the areas listed below could be incorporated into the program, as well as others identified during the consultancy.

- Healthcare
- Fire and protection
- Provision of clean water
- Basic sanitation including sewage and garbage removal
- Maintenance of communication infrastructure
- Maintenance of utilities
- Provision of food and other essential goods
- Transportation
- Banking etc.

- 1.6 A global consulting firm with expertise in TES delivery systems has been contracted to provide the tools and templates that will facilitate the protocols governing beneficiary firm selection (including the participation of SBDCs or BSOs that will be intermediating between the client firm and the regional Technology Extension Service provider), including guidance for protocols to carry out the technological audits, as well as reporting and authorization of payments. This global consulting firm will ensure all key stakeholders have common operating procedures during the project to ensure efficiency and effectiveness.
- 1.7 Ultimately, the project seeks to improve understanding on the following elements: (a) the demand for TES amongst Caribbean SMEs in the blue economy and essential services sectors; (b) the supply capacity of the region's Technology Extension Service providers; (c) the impact of TES on Caribbean firm productivity and revenues; and (d) the likely return on investment for a Caribbean-based TES program from the perspective of the government and development agencies.
- 1.8 The proposal from the regional TES provider shall clearly define the services to be offered and the daily rates given the expertise required. This daily rate which will be agreed upon by Compete Caribbean will be paid regardless of the fluctuation in costs experienced by the consulting firm at the point of delivery. The rate will be defined in terms of US dollars per day to facilitate payment in batches from Compete Caribbean. For example, the Technology Audit Plan (TAP) – which involves a specialist from the TES provider to assess the technical/technological needs at the firm level and prepare an intervention plan with a budget – is expected to take one day on site. The rate for the TAP may vary based on the type and availability of expertise needed, as well as the profile of the beneficiary company. Since the intervention recommended in the TAP will vary in duration depending on client needs and type of service, the budget allocated to each intervention may vary but an average daily rate of each intervention per type of service must be provided to facilitate budget allocation.
- 1.9 The TES provider must include in the bid an estimate of the volume of services that can be provided by line of services and relevant experts, e.g: availability of each consultant per month based on internal staff, plus X additional consulting days available through remote support from consultants on call (i.e. phone, email, videoconference) by type of technical interventions and associated costs. It is also important to provide information about the expertise and experiences of the consultants/experts suggested as the core team, as well as those of the “on call” remote team, if applicable, and to explain the conditions under which the remote assistance from these other consultants would be activated.

## **2 Objectives**

- 2.1 **Purpose:** The objective of this consultancy is to provide small and medium-sized enterprises in the Caribbean blue economy and essential services sectors with effective and specialized services that can assist them to increase adoption of relevant technology, as well as technical assistance that can strengthen beneficiary firms' capacity to innovate. Through interaction with the international advisory firm that has already been contracted, it is expected that the consulting firm will strengthen its own methodological tools regarding Technology Extension Services so that the firm can continue extending

these kinds of services to businesses in the region, if there continues to be demand for these services.

- 2.2** Specific objectives are: (i) conduct on-site technical audits of up to 75 selected firms and develop Technology Audit Plans (TAPs) that guide implementation of future technical assistance efforts to help the firm adopt new technology; and (ii) deliver effective specialized technical assistance to 50 selected firms – as outlined in the TAP. The consulting firm is not expected to have all the necessary expertise in-house but must provide evidence of having ready access to the highly specialized consultants needed for each line of services offered within its proposal.

### **3 Scope of Services**

- 3.1 Scope:** Expected outputs include: (i) 75 Technology Audit Plans (TAPs) and (ii) 50 Technology Assistance Reports (TARs) which document the results of the delivery of specialized technical assistance to firms. Although the intervention recommended by the TAPs may require more than two weeks of consulting time, the funding available from Compete Caribbean will only cover the cost of experts and their traveling expenses for up to 10 days which could be provided over a non-continuous period of time (i.e., could be non-consecutive days). Following the provision of technical assistance, the consulting firm will prepare a TAR to describe the progress achieved in implementation, in relation to the TAP and to expectations, and include justified recommendations for next steps – ie. the business case for additional investment needed by the firm. Overall, the CCPF TES project has been designed to finance 75 technology audits and 50 technology extension interventions. The consulting firm should provide an indication of its capacity in terms of the number of TAPs and TARs it can realistically deliver during a one-year period and in what type of services given the availability of its experts. The price proposal shall include traveling expenses, as well as, given the COVID context, include in its proposal mechanisms by which it can deliver services to beneficiary firms in the 13 target countries remotely, or through partners on the ground. The traveling expenses (hotel, transport, per diem) for the TAPs and TARs will be paid by Compete Caribbean based on the policy of the Bank. In a normal situation, the expectation is that the beneficiary firms would be visited during the TAP process, and at least once during the implementation process<sup>1</sup>. If due to COVID these trips cannot be made, the invoices associated to the payment of deliverables shall omit the travel costs.

### **4 Key Activities**

- 4.1 Preparation phase for TES delivery:** Assign key staff and consultants to participate in and complete all prescribed workshops and trainings to be provided by the global consulting firm contracted to set-up the TES pilot so the project can be delivered efficiently. The TES provider will coordinate this initial preparation phase with the global consulting firm, SBDCs, IDB/Compete Caribbean to ensure that the procedures for payment processing and performance management are properly established and agreed upon.
- 4.2 Regional meeting:** Participation in a regional meeting organized by the CCPF to facilitate knowledge exchange and ensure common understanding of procedures in the delivery of Technology Extension Services, including monitoring & evaluation and payment. The participants will include representatives of all participating SBDCs, the regional TES provider, CCPF and the global consulting firm. Target date: March 2022<sup>2</sup>.
- 4.3 Technical Audit – Technology Audit Plan (TAP):** Once the eligibility of 85-90 SMEs in the blue economy and essential services sectors have been assessed by the SBDCs and/or other participating

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<sup>1</sup> By the time the consultancy starts, the number of eligible firms will be known, therefore the trips can be arranged to pool firms by territory and be able to visit more than one firm on each trip. The Compete team shall provide preliminary estimates of how many firms are eligible in which countries, and in which sectors, to make it easier to prepare the price proposal. However, there will be a final push in the call for proposals to get more eligible firms in certain under-represented countries, so the figures have to be taken as an estimate.

<sup>2</sup> If lockdowns and border closings remain in place by this date, this meeting may be done virtually.

BSOs in the beneficiary countries and ratified by the CCPF, the consulting firm will work with the global advisory firm to assess each of the firms and perform 75 Technology Audit Plan (one for each firm<sup>3</sup> - using a pre-established format) describing what should be done, by what type of experts, estimated timeline, budget and any other requirements to address the problem/opportunity identified in the TAP.

- 4.4 Specialized Technical Assistance – Technical Assistance Report (TAR):** The regional TES provider will be required to coordinate and manage the effective delivery of the technical interventions as outlined in the TAP in up to 50 firms, with some support and observation from the local SBDC or BSO and the global advisory firm. The global advisory firm will advise on how to select the group of 50 beneficiary firms from the initial 75 firms who received the TAPs. After each intervention, the TES provider will submit a Technical Assistance Report (TAR) (one for each firm, using a pre-established format) that will document the intervention provided and the results observed. The TAR will also include recommendations and justifications (business case) for additional priority actions and investments by the benefiting client.
- 4.5 Administration:** The TES provider is expected to monitor outputs, submit reports and invoices as agreed upon, and ensure that the delivery of TES is completed effectively. The effort will include the participation of the SBDCs and/or BSO to foster knowledge sharing and optimize sustainability after the pilot.

## **5 Expected Outcome and Deliverables**

- 5.1** This contract is expected to produce the following outcomes: 75 firms receiving a technology audit, and 50 firms receiving technical assistance to adopt cutting edge technology in their sector, as well as increased knowledge about private sector demand, absorption capacity and bottlenecks in supply of Technology Extension Services in the Caribbean Blue Economy and Essential Services sectors.
- 5.2** The deliverables are:
- 5.2.1 Workplan** developed in collaboration with the global consulting firm and other stakeholders of planned delivery of 75 TAPs and 50 TARs. The workplan should include the time required to follow-up with the initial 85-90 eligible firms in collaboration with the international advisory firm, in order to select the 75 firms that will receive the technology audits. The workplan should also include the training session with the international advisory firm.
  - 5.2.2 75 Technology Audit Plans (TAPs).** The technical audits to the 75 selected firms will be conducted by a specialist assigned by the TES provider during a one-day site visit, which, if possible, will include the SBDC and/or BSO representative. The audits will follow the protocols/methodologies agreed to with the international advisory firm, who will also accompany some of the visits. The resulting Technology Audit Plan (TAP) will describe the most critical areas of technological improvement for the beneficiary firm and include: what needs to be done, why, expertise required, targets, timeline, budget, outcomes expected (in terms of impact on the firm of adopting the technology), as well as the input requirements expected from the firm in order to implement the intervention successfully. In some cases, an investment in capital goods may be required prior to the intervention. If so, the TAP will need to specify these. However, in most cases, the beneficiary inputs to the technology adoption process will be defined in terms of working hours expected by specific staff members. For example, if process reengineering is recommended, the

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<sup>3</sup> A larger number of eligible firms will be selected to account for attrition, as well as firms where the BPA does not match the reality. The global advisory firm will work with the consulting firm to reach out to the larger set, conduct due diligence – the SBDCs are expected to participate in this process - and define/apply criteria for selection of the remaining 75.

involvement of key operations staff and the executive director will be essential to the new design. Thirty percent 30% of TAPs will be targeted at SMEs owned by women.

5.2.3 **50 Technology Audit Reports (TARs).** Beneficiary firms interested in implementing the recommendations in the TAP will submit a Letter of Commitment agreeing to contribute the inputs delineated by the TAP (ie. allocation of specific staff members to the intervention recommended, investment in capital goods, etc). Once the TES provider and/or SBDC obtains the letter of commitment, the consulting firm will plan the intervention with the relevant experts. The SBDC will remain in touch with the client to monitor progress. Once the intervention is completed, the TES provider will prepare a Technical Assistance Report (TAR) describing what has been delivered and achieved in relation to expectations. The TAR will also provide specific recommendation and justification with an estimated business case for additional efforts or investments needed. The SBDC will record the type of service delivered, hours worked, and confirm with the beneficiary firm the quality of services to trigger the final payment by Compete Caribbean to the TES provider. The target is 50 technical interventions across participating countries, 30% of which shall be targeted at SMEs owned by women.

5.2.4 **A Project Closing Report (PCR):** the firm should capture in a short document (no more than 15 pages) lessons learned from the set of TAPs and TARs executed, reflecting on: a) capacity of beneficiary firms to absorb the technology; b) any bottlenecks in delivery; c) ways to improve/sustain a regional delivery mechanism of this kind, including the potential role of SBDCs and other BSOs. The PCR should include 2-3 stories from the field.

## 6 Project Schedule and Milestones

6.1 Although the delivery of the TES services is expected to be completed in 30 months. The TES provider contracted under this project is expected to begin work during the second quarter of 2022. The implementation schedule will be determined by the location of the 75 selected SMEs to minimize traveling expenses and maximize the time of the TES provider' experts.

<b>Deliverables</b>	<b>Estimated timeline from signature of contract (TBC)</b>	<b>Estimated % value of total contract</b>
<b>6.2 Deliverable 1:</b> Workplan	15 days	10% of total estimated contract value
<b>6.3 Deliverable 2:</b> TAPs 1 – 25	2 months	5% of total estimated contract value
<b>6.4 Deliverable 3:</b> TAPs 26 – 50	3 months	5% of total estimated contract value
<b>6.5 Deliverable 4:</b> TAPs 51 – 75	4 months	5% of total estimated contract value
<b>6.6 Deliverable 5:</b> TARs 1 – 10	6 months	20% of total estimated contract value
<b>6.7 Deliverable 5:</b> TARs 11 – 20	7 months	14% of total estimated contract value
<b>6.8 Deliverable 5:</b> TARs 21 – 30	8 months	12% of total estimated contract value
<b>6.9 Deliverable 2:</b> TAPs 31 – 40	9 months	12% of total estimated contract value
<b>6.10 Deliverable 2:</b> TAPs 41 – 50	10 months	12% of total estimated contract value
<b>6.11 Project Closing Report (PCR)</b>	12 months	5% of total estimated contract value

**7 Reporting Requirements**

- 7.1 In addition to the deliverables itemized above, the consulting firm will submit a monthly report reporting progress in relation to the workplan, particularly in terms of: number of TAPs and TARs completed, number of TAPs and TARs in process of implementation, obstacles encountered. The monthly report will support submitted invoices for payment of the TAPs and TARs that have been completed. The Project Completion Report (PCR) would be the final report, and will summarize the entire consultancy.
- 7.2 Unless otherwise notified by the Bank, every report must be submitted to the Bank in English, and in an electronic file. Zip files will not be accepted as final reports, due to Records Management Section regulations.

**8 Acceptance Criteria**

- 8.1 The TAPs will require sign-off from the beneficiary firm to be accepted as a completed report. The TARs will require sign-off by the beneficiary firm and by the respective SBDC/BSO accompanying the process, or, in their absence (i.e., a specific case where the SBDC and/or BSO was not involved), by the international advisory firm that is accompanying the entire project. The PCR will require sign-off by the international advisory firm that is accompanying the project and will be reviewed by the Team Leader of the project before deemed accepted.
- 8.2 The Team Leader of the project has the authority to request revisions of specific TAPs or TARs, even if they were deemed acceptable by the beneficiary firm and the international advisory firm.

**9 Other requirements**

- 9.1 The consulting firm should have access to high-speed broadband connectivity and platforms that can enable virtual provision of consulting services, if needed during the COVID lockdowns. The types of available platforms and/or virtual means through which to carry out TAPs or TARs should be specified in the proposal.

**10 Supervision and Reporting**

- 10.1 The consultancy will be supervised by Sylvia Dohnert IFD/CTI at The Inter-American Development Bank, and coordinated by Wayne Elliott, Compete Caribbean’s Pillar 1 - Coordinator for Productivity and Innovation in the Private Sector. The TES provider is expected to work closely with the international advisory firm that is supporting implementation of the overall project, as well as with the BSOs/SBDCs involved in the project. Both the international advisory firm and the BSOs/SBDCs will participate in evaluating satisfactory completion of the TAPs and TARs that are the main deliverables of the consultancy, as described in paragraphs 8.1 and 8.2.

**11 Schedule of Payments**

- 11.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 11.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
<i>Deliverables</i>	%

1. <i>Workplan</i>	10%
2. <i>TAPs 1-25</i>	5%
3. <i>TAPs 26-50</i>	5%
4. <i>TAPs 51-75</i>	5%
5. <i>TARs 1-10</i>	20%
6. <i>TARs 11-20</i>	14%
7. <i>TARs 21-30</i>	12%
8. <i>TARs 31-40</i>	12%
9. <i>TARs 41-50</i>	12%
10. <i>PCR</i>	5%
<b>TOTAL</b>	<b>100%</b>

## 12 Qualifications of consulting firm

**12.1 Qualifications of the firm:** The TES provider should be based in the Caribbean region, have a mandate to provide consulting services beyond national borders and a demonstrated capacity to administer the delivery of consulting services with a wide regional coverage. Formal links to established international technology consulting companies and/or technology extension centers which can transfer knowledge and methodologies are desirable.

**12.2** The TES firm should have a proven record of at least 5 years of success in providing consulting services, technical assistance, knowledge transfer and/or technological business support services to SMEs across the Caribbean region in the Blue Economy and Essential Services sectors, particularly in training, consulting, information and documentation to support users' technology and or standardization efforts in the chosen industries. In addition, formal links to specialized consultants in the Caribbean who have diverse professional experience focused on working with small and medium companies, who can become the basis for creating a network of collaboration and complementation of technological extension activities is desirable.

**12.3** The TES provider should possess or have the ability to develop a customer management framework and possess digital capabilities or potential to offer them in conjunction with a partner.

**12.4** The TES firm must specify their level of interest in sustaining and scaling the regional delivery system after project completion, once a sufficient pipeline has been developed.

**12.5** If the TES provider is linked to a university, institute, or educational research entity, it should possess a career, school, faculty or unit related to tourism and hospitality, and/or food production and/or processing, possess one or more units devoted to private sector engagement or industrial liaisons, especially in technology transfer or business consulting, and have a professional (non-academic) team dedicated to these tasks with demonstrable experience in business consulting.

**12.6 Qualifications of the consulting team:** the team of consultants for this assignment should have a minimum of 5 years' experience in delivering the technology extension services described in paragraph 1.2 to SMEs to firms in the blue economy and essential services sectors, whether in the Caribbean or internationally. These consultants/professionals are expected to possess a global understanding of the value chains and of B2C and B2B markets in those industries. The team can include regional or international specialized consultants that complement its capabilities.

## **ANNEX A – The TES delivery system in the Caribbean Blue Economy and Essential Services Sectors**

### **Description of stakeholders**

#### **(A) Eligible firms (targeted beneficiaries)**

The profile of Caribbean firms targeted is: SMEs with clear evidence of high growth potential operating in the blue economy and essential services sectors. According to the Caribbean Development Bank's guidelines, SMEs generate between \$250,000 and \$1,500,000 in revenues per year, or employ between 5 and 50 people. These unit of measures are indicative to facilitate targeting and prevent processing applications from micro firms and start-ups.

#### **(B) Business Support Organisations (BSOs) / Small Business Development Centres (SBDCs)**

The CCPF, in tandem with the BSOs connected to the SBDC network and the international advisory firm are responsible for identifying the targeted SMEs and supporting the coordination of specialised assistance by TES providers in their respective countries. Because the SBDCs are already operating in nine countries, they can play an important role in supporting the SMEs over time. Most importantly, their involvement at each step in the process will increase local capacity in terms of business and industry knowledge and enable effective monitoring and evaluation of service delivery. In the Caribbean, the SBDC network emerged with the support of the Organisation of American States (OAS) in 2012. The countries currently involved are Belize, Barbados, Dominica, St.Lucia, The Bahamas, Jamaica, St.Kitts & Nevis, Antigua & Barbuda, and Guyana.

#### **(C) Technology Extension Service (TES) provider / Technical Service Provider (TSP)**

The centre of excellence and technical entities (public or private) responsible for transferring knowledge to the SMEs is meant to be regional in scope and include in their services specialised technical expertise. Their staff and consultants will use a standard approach and toolkit to ensure that technical audits and interventions are completed efficiently and effectively. The TES provider will be contracted by Compete Caribbean to deliver the consulting services to the selected beneficiary firms. The TES provider will be selected based on their expertise, rate, and institutional capacity to absorb and sustain the program once the pilot is completed. The Technology/Technical Service Providers (TSPs) are individual consultants or consulting firms that can be sub-contracted by the TES provider to deliver the services to eligible SMEs, or simply referred to the SMEs via a referral system used by the SBDC network.

#### **(D) Financial Partners**

Many banks in the region have expressed interest in serving SMEs but most complain about the lack of useful financial information provided by the firms to assess the risk profile and make lending decisions. The TES project will be used to establish relationships at the country level with financial institutions interested in reviewing the financial proposals submitted by the beneficiary firms, with the support of their BSO. Efforts will be made to raise awareness about the availability and process to access additional financial resources

### **Description of steps in the process**

#### **Step 1: Business Diagnostic → Business Potential Assessment (BPA)**

A Business Potential Assessment will be completed by interested SMEs using the following web-based tool <https://forms.gle/N7uo16fWzz93F9QA7>. This Business Potential Assessment (BPA) will determine client firms' eligibility before moving to the next step in the process. Training and guidelines will be provided to the SBDCs during the first phase of the project to facilitate the assessment of growth potential and determine which SMEs would most benefit from TES given existing market opportunities. The BPAs will also be used to identify gaps in women-owned firms. The launch of the call to businesses to participate in the project by completing the BPA will be opened mid-March 2022 and closed early June 2022.

### **Step 2: Technical Audit → Technology Audit Plan (TAP)**

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Once eligibility of a batch of firms has been elicited, the Technology Extension Services (TES) provider will start the process of delivering technical audits. The technical audit will be conducted by a specialist assigned by the TES provider during a one-day site visit, with observation from the BSO representative so they can learn about the transformation process as well. A Technology Audit Plan (TAP) describing the most critical areas of improvement for the beneficiary firm will be prepared and include: what needs to be done, why, expertise required, targets, timeline, budget, outcomes expected, as well as the requirements expected from the firm in order to implement the intervention successfully. In some cases, an investment in capital goods may be required prior to the intervention. However, in most cases, the SME's commitment to the change process will be defined in terms of working hours expected by specific staff members. For example, if process reengineering is recommended, the involvement of key operations staff and the executive director will be essential to the new design. The target for the pilot project is 75 technical audits across participating countries, 30% of which shall be targeted at SMEs owned by women.

### **Step 3: Technical Intervention → Technical Assistance Report (TAR)**

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If interested in implementing the recommendations in the TAP, the SME will submit a Letter of Commitment with its in-kind contribution to the success of the project (ie. allocation of specific staff members to the intervention recommended, etc). Once the letter is received by the SBDC and the TES provider, the TES will plan the intervention with its relevant experts. The SBDC will remain in touch with the client to monitor progress. Once the intervention is completed, the TES provider will prepare a Technical Assistance Report (TAR) with progress on what has been delivered and achieved in relation to expectations. The report will also provide specific recommendation and justification with an estimated business case for additional efforts or investments needed. The SBDC will record the type of service delivered, hours worked, and quality of services to trigger the final payment by Compete Caribbean to the TES provider. The international advisory firm will review the quality of a subset of reports. The target for the pilot project is 50 technical interventions across participating countries, 30% of which shall be targeted at SMEs owned by women.

### **Step 4: Capital Investment → Financial Proposal (FP)**

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Since TES is about consulting services and not about financing the purchase of equipment or technology, the intervention report (TAR) will identify new or additional capital investment, if necessary, to continue the transformation process and scale going forward. The SBDC will use this information to help the SMEs formulate and present a financial proposal to relevant financial partners identified. This step will require overall capacity building of the SBDC network in financial analysis, financial forecasting and relationship building with relevant financial institutions. The target for the pilot project is 25 financial proposals prepared and submitted for additional financing, 30% of which shall be targeted at SMEs owned by women. International experiences suggest that approximately 50% of TES interventions require additional capital investment and accessing finance (Sierra 2018) after the technical assistance has been delivered.

## REGIONAL

IFD/CTI  
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### TERMS OF REFERENCE

Technology Extension Services (TES) in the Blue Economy and Essential Services Sectors – Design of Institutional Strategy and Operationalization

#### Background

The Inter-American Development Bank (IDB), the United Kingdom’s Foreign and Commonwealth Office (FCDO), the Caribbean Development Bank (CDB) and the Government of Canada have established a co-financing facility called “The Compete Caribbean Partnership Facility” (GN-2851), which is a continuation of the Compete Caribbean Program that funded over 100 private sector development projects over the period 2010-2016. These projects generated nearly 12,000 jobs, a 23% increase in exports (USD\$37M), a 41% increase in the revenue of firms and clusters (USD\$153M), and an improvement in the business climate for some countries through policy or regulatory reforms.

The purpose of the Compete Caribbean Partnership Facility (CCPF) (2017-2024) is to drive inclusive and sustainable economic growth through greater competitiveness and innovation in the private sector. More specifically, the CCPF’s objectives are to:

- a. Increase revenues for micro, small and medium enterprises (MSMEs), particularly WoF<sup>1</sup>
- b. Increase employment, particularly for women and vulnerable groups;
- c. Generate and sustain exports within and outside the region;
- d. Foster sustainable and inclusive economic growth.

The Compete Caribbean Partnership Facility encompasses two mutually reinforcing private sector development pillars and several instruments:

PILLAR 1	PILLAR 2
<p>Foster productivity and innovation in the private sector through capacity building of business support organizations (BSOs) and direct support to firms, clusters and value chains.</p> <ul style="list-style-type: none"><li>• Direct Support for Clusters and Value Chains</li><li>• Innovation Funds</li><li>• Technology Extension Services (TES)</li><li>• Entrepreneurship ecosystem</li></ul>	<p>Enhance the business and innovation climate through technical assistance for regulatory and policy reforms.</p> <ul style="list-style-type: none"><li>• Drafting of legislation, regulations, operating standards, guidelines, etc.</li><li>• Strengthening of institutions that promote private sector development, competitiveness, productivity, innovation or sector-level reforms.</li></ul>

The work of the Facility also fosters capacity building through networks, applied knowledge and dissemination of best practices. There is emphasis on using a data-driven and market-driven approach to decision making which requires data management and transformation of data into useful information, and transfer of this information through partnerships between the public and

<sup>1</sup> Women-owned Firms are business operations that involve women in position of authority or profit earning

private sector. These activities aim to make the activities of the Facility more catalytic and sustainable. The Facility also integrates gender/youth considerations, and climate change adaptation / mitigation in every project funded.

Technology Extension Services (TES) is an innovation policy tool that Caribbean Governments can leverage to address market failures and to positively impact productivity and innovation capabilities amongst SMEs (De Groote, 2017). TES consists of business support services<sup>2</sup> provided directly to SMEs to improve their adoption and modernization of technology. The benefit of TES with respect to other innovation policy tools is that it is cost efficient in terms of the size of the investment per firm, it offers quick wins in terms of implementing innovations already proven to be effective in other markets, and it is impactful in terms of improving productive efficiency and competitiveness of SMEs.

The Compete Caribbean Partnership Facility (CCPF) is seeking to design an institutional strategy and operationalization for TES targeted to Caribbean SMEs in the blue economy and essential services sectors, with a special focus on targeting women-owned firms. The main actors include eligible Caribbean firms in the blue economy and essential services, local business support organizations (BSOs) that focus on blue economy development, technology service providers<sup>3</sup> (TSPs), and financial institutions from the Caribbean region. Key outputs include Business Potential Assessments (BPAs), Technology Audit Plans (TAPs), and Technology Assistance Reports (TARs) (for definitions see Annex A).

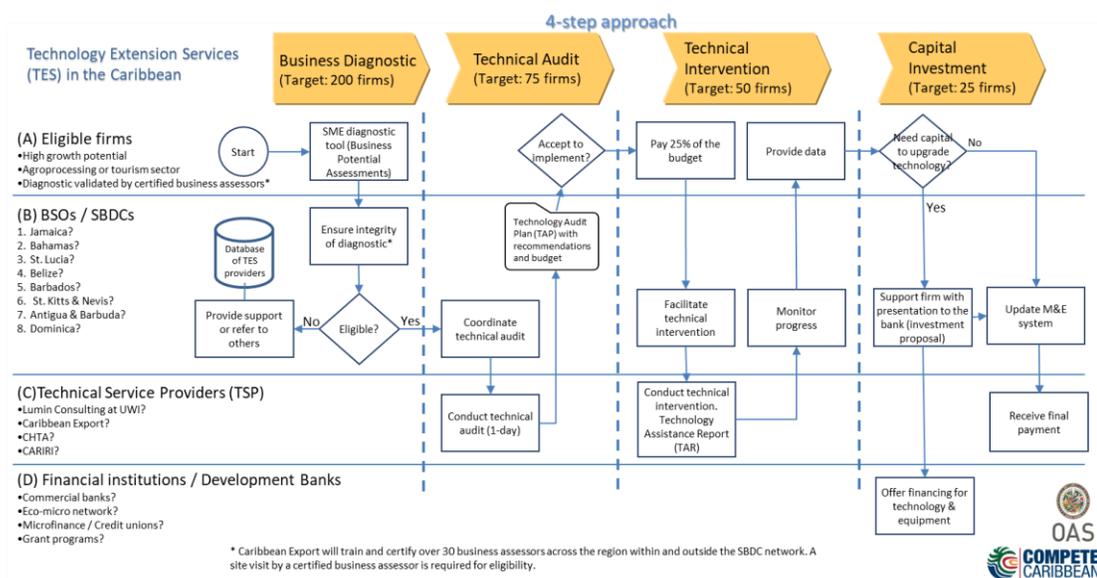
The types of TES provided will be based on demand given the gaps identified between the needs of Caribbean firms within the blue economy and essential services and their growth potential. Particular attention will be given to the adoption of digital technologies and improvement of environmental, waste and energy management practices. Ultimately, the project will seek to improve understanding of the following elements: (a) the demand for TES amongst Caribbean firms in the blue economy and essential services; (b) the supply capacity of the region's technology services providers; and (c) the impact of TES on firm productivity, efficiency, revenue and competitiveness in targeted markets.

The diagram below depicts the core features of the TES delivery framework which is being piloted since 2020 with 75 firms benefitting. The main actors include four types of stakeholders: (A) Caribbean SMEs; (B) local business support organizations (BSOs); (C) Technology Service Providers (TSPs) which are regional institutions or centers of excellence (CoE); and (D) financial institutions which can finance the actual acquisition of the technology when necessary. Key outputs at each step in the process depicted below include Business Potential Assessments (BPAs), Technology Audit Plan (TAPs), Technology Assistance Reports (TARs), and Investment Proposal (IPs). See Annex A for descriptions.

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<sup>2</sup> Examples of technology advisory services from international models include technology advice for lean operations, quality improvement (certification standards such as ISO 9000), product development and marketing, technology supplier and vendor sourcing and matching, information technology (software packages for accounting, etc), or referral to qualified technology centers or consultants.

<sup>3</sup> Examples of TSPs in the Caribbean region include the Caribbean Industrial Research Institute (CARIRI), Lumin Consulting at UWI, Caribbean Export, the Caribbean Hotel and Tourism Association (CHTA), etc.



Examples of TES sponsored by the CCPF under this program include but are not limited to:

- Business analysis, financial analysis, activity-based costing, etc
- Food safety, ergonomics, waste management, compliance, energy efficiency, etc
- Information technology: Assessment and requirements/specifications for computer software/packages related to the specific blue economy activities (fisheries management, traceability), accounting, order entry, payment, scheduling, inventory.
- Sourcing and matching for technology, suppliers or vendors. Support for outsourcing contracts, service level agreements (SLAs)
- Lean operations and quality improvement - certification to standards related to the blue economy.
- Product development and marketing including artificial intelligence, social media, etc.

In the blue economy it is expected that the areas listed below could be incorporated into the program, as well as others identified during the consultancy.

- Fisheries/aquaculture
- Coastal tourism - communities and organizations
- Marine energy
- Coastal development
- Potable water/desalination
- Marine transportation and logistics
- Ship building/repair
- Marine Research
- Marine Biotechnology

For essential services it is expected that the areas listed below could be incorporated into the program, as well as others identified during the consultancy.

- Healthcare
- Fire and protection
- Provision of clean water
- Basic sanitation including sewage and garbage removal
- Maintenance of communication infrastructure
- Maintenance of utilities
- Provision of food and other essential goods
- Transportation
- Banking etc.

## Goal

Given that TES involves sophisticated technical support that requires advanced knowledge, skills and familiarity with modern technology for specific sectors, and given the low economies of scale in the Caribbean, a framework for TES in the Blue Economy and Essential Services sectors in this region must be integrated into an institutional infrastructure at the regional level to become cost-effective. Because SMEs are scattered across independent islands, the organizational structure for the delivery of TES in the Blue Economy and Essential Services must be designed by integrating and leveraging existing institutions both at the national and regional levels, and a clear cost-benefit analysis must be provided to obtain buy-in from the diverse stakeholders involved. The "[Analysis Of Technical Extension Services In The Caribbean](#)" (De Groote, 2017) describes the challenges and suggests some opportunities.

The Compete Caribbean Partnership Facility is interested in the design of an institutional strategy and operationalization of TES specifically focused on the blue economy and essential services sectors in the Caribbean to build the capacity of Caribbean-based TSPs selected to deliver TES to eligible Caribbean-based SMEs in the blue economy and essential services.

The project will provide a clear understanding of the costs and benefits generated for the Blue Economy and Essential Services firms such as revenues, exports, profit, employment and development of new products or services. A gender component will be added to the design to compare the magnitude of these benefits on firms owned and/or managed by women within the blue economy and essential services.

## What you'll do:

This consultancy will design an institutional strategy and operationalization of TES specifically focused on the blue economy and essential services sectors in the Caribbean and build the capacity of Caribbean-based TSPs selected to deliver TES to eligible Caribbean-based SMEs in the blue economy and essential services. This will substantially increase productivity and innovation in Caribbean blue economy and essential services firms, and create mechanisms to measure the effectiveness<sup>4</sup>. More specifically, the consulting firm will:

1. Develop a TES Delivery Manual to include detailed operating procedures, tools, and templates necessary for three selected TSPs to implement the TES delivery system specific to the blue economy and essential services. These tools and templates will include the

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<sup>4</sup> Additional technical support will be provided from a specialist to integrate an impact assessment into the project design if the dimension of the pilot enables statistically significant samples.

instructions and information that must be captured from diverse stakeholders (ie. clients, consultants, and intermediaries) to facilitate costing, pricing, planning, delivery, and payment. The key tools, templates, and instructions will be specified in the first deliverable, but the overview will be provided in the CF's proposal.

2. Provide training, hand-holding support and learning-by-doing opportunities to selected TSPs throughout the consultancy period to ensure effective and efficient implementation whilst preparing and delivering TAPs and TARs to clients.
  - The CF must accompany the TSPs to a sample number of site visits to facilitate the coaching for TAPs and TARs. The number of site visits will be in the CF's proposal.
3. Monitor the implementation of the TES delivery system for the blue economy and essential services over twelve months and propose improvements where necessary. The improved design recommended will be based on lessons learnt.
4. Collaborate with other key actors at the national and regional level to ensure the effective implementation of the TES delivery system. Oversee the institutional arrangements (ie Service Level Agreements (SLAs) or agreements) with key stakeholders such as the TSPs, the project steering committee<sup>5</sup>, CCPF and any other key stakeholders.

## **Key Activities**

### **Preparation**

1. Identify potential opportunities in the Blue Economy and Essential Services sectors in the Caribbean to assess the types of Technology Extension Services that would most effectively fill the productivity gap and support the growth potential of blue economy and essential services firms in the region. Provide recommendations for updating the TES project's design, particularly for elements such as the Business Potential Assessment and evaluation criteria for selecting eligible firms within the blue economy and essential services.
2. Provide bi-monthly (twice a month) status updates on the progress of implementation to Compete Caribbean and the steering committee involving other key partners. Hold virtual meetings as necessary to discuss issues.

### **Inception Report**

3. Develop a simple framework to evaluate the return on investment (ROI) from the perspective of the firm and the social return on investment (SROI) from the perspective of the government. Support from CCPF's M&E expert will be provided.
4. Prepare an Inception Report on the capacity building needs of the TSPs and how they will be filled.
5. Submit with the inception report a revised Work Plan, as necessary

### **TES Delivery Manual**

6. Design a gender sensitized institutional structure for an effective TES delivery system within the blue economy and essential services. Include process mapping to illustrate the workflow, payment process, operationalizing processes to manage and provide client services, such as procuring the relevant expertise, planning the missions, and the performance monitoring system to foster transparency and accountability within the TSP and among the TSP, BSOs, steering committee, the CCPF and any other key partners.
  7. Prepare operating procedures, tools (including digital tools), templates and user-friendly instructions to facilitate the administration and operation of TES delivery.
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8. Clearly identify the role of each actor in the TES delivery framework ecosystem and communication channels between each.
9. Prepare a toolkit for change management including special attention to women business leaders and employees in the blue economy and essential services.
10. Ensure clear understanding of the eligibility, approval process, workflow, payment process, roles & responsibilities, and performance management system within TSPs and across stakeholders.
11. Provide guidelines and processes for BSOs to identify eligible firms, validate diagnostics, prepare Business Potential Assessment reports, coordinate site visits formulate projects, and conduct monitoring and evaluation (M&E). Include a template with instructions on how to prepare an investment proposal using the TAPs and TARs, and at least one model investment proposal prepared for each BSO. Training and hand-holding for conducting TAPs (Learning by doing)
12. Conduct training to approximately three selected TSPs on the methodology for TES delivery and the importance of change management to obtain buy-in and foster motivation. Include training modules on change management.
13. Organize virtual handholding sessions and provide strategic guidance and feedback on the implementation of the project throughout the consultancy.
14. Provide hand-holding guidance and supervise the TSPs who are tasked with preparing at least 75 Technology Audit Plans (TAPs) and 50 Technology Assistance Reports (TARs) for selected enterprises. TAPs and TARs must be signed-off by the BSO and will be paid by Compete Caribbean (up to 75% financing for the TARs – beneficiary must contribute the remaining 25%).
  - The Consulting Firm is expected to propose in its proposal the number of TAPs and TARs it will provide hand-holding guidance to and which will prove adequate for testing the effectiveness of the TES delivery framework.
15. Facilitate effective collaboration and knowledge sharing among stakeholders including the BSOs.
16. Provide training and sensitization workshops to BSOs to
  - (i) provide clarity on their roles in the delivery of the TES and the importance of TES to the region
  - (ii) review the TES manual and processes undertaken by the BSO for selecting eligible firms
  - (iii) guidelines on identifying eligible firms, matchmaking between eligible firms and TSPs, validating diagnostics, formulating projects, supporting firms in securing investment for TES, and monitoring and evaluation.
17. Prepare a TES Delivery Evaluation report assessing the effectiveness of the trainings and the level of learning that took place, the capacity of the TSPs in implementing the TES, the role of the BSOs in the TES delivery framework, the performance and readiness of the TSPs to conduct audits independently, lessons learned from implementation, recommendations for improving the TES delivery framework, and an annex that includes each TAP and TAR conducted.

### **Final Report**

18. Analyze ROI, SROI and report progress on the overall structure, institutional arrangements, resistance to change, leadership, motivation, achievement of objectives and risks. Provide key recommendations for improvements.
19. Provide recommendations on improving and ensuring the sustainability of the TES delivery framework based on results of the audit and observed post-training capacity of the TSPs

20. Final versions of TAP and TARs for which the CF provided hand-holding guidance and supervision to.
21. Final updated version of the TES Manual which includes lessons learned.

### **Expected Outcomes and Deliverables**

The consulting firm will deliver the following:

1. **Workplan:** Project management plan includes a synopsis of the consultancy (based on research, interviews, and review of key documents), proposed activities, timelines (including dates for the proposed missions and milestones), responsibilities, expected outputs and outcomes (results). Provide initial input on the short-list of TSPs to be shared by the CCPF. The workplan will be updated as necessary in discussion and agreement with the IDB.
2. **Inception Report:** This report should assess the current capacity of TSPs and provide tools and guidelines for entities to fill the productivity gap and support growth potential in firms within the blue economy and essential services sectors in the Caribbean.
3. **TES Delivery Manual:** The toolkit should include a gender sensitized institutional design for administrative and operating processes and procedures for the selected TSPs including tools and templates with instructions to facilitate cost-effective delivery. Ensure clear understanding of the eligibility, approval process, workflow, payment process, roles & responsibilities, and performance management system within TSPs and across stakeholders. Toolkit should include a M&E system with the baseline dataset for the future evaluation of the ROI and SROI. This will include all elements referenced in # 6-17 above
4. **TES Delivery Evaluation Report:** Submit a report evaluating the training delivered to the TSPs and evaluating the TSPs performance and capacity in delivering the 75 Technology Audit Plans (TAPs) and the 50 Technology Assistance Reports (TARs). Please provide details in the proposal about the number of site visits that will be conducted during the coaching process.
5. **Final Report:** The final report will include an analysis of progress, risks and recommendations for improvement before completing the pilot, to ensure sustainability after the pilot, expand outreach and increase achievement of results in terms of productivity, innovation and growth of the Caribbean blue economy SME sector. The final report must include the final versions of the Technology Assistance Plans, Technology Assistance Report following the interventions, and any updated edits to the toolkit (templates and training materials).

### **Payment Schedule**

Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

<b>Payment Schedule</b>
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<b><i>Deliverable</i></b>	<b><i>%</i></b>
1. Acceptance of Final Work Plan and Inception Report (Deliverable 1&2)	10%
2. Approval of the TES Delivery Manual (3)	30%
3. Submission and Acceptance of Evaluation Report of 75 Technology Audit Plans (TAPs) (4)	20%
4. Submission and Acceptance of Evaluation Report of 50 Technology Assistance Reports (TARs) (4)	20%
5. Approval of the Final Report (5)	20%
<b>TOTAL</b>	<b>100%</b>

**Qualifications of the Consulting Firm:**

- More than 10 years' experience in providing technical, managerial and technological assistance to improve productivity and competitiveness. Experience in the Caribbean and within the blue economy and essential services sectors is preferred.

**Lead Expert**

- Master's degree in Economics, Masters in Business Administration, Public Policy or any related field
- More than 10 years' experience in providing technical, managerial and technological assistance to improve productivity and competitiveness amongst firms. Experience in the Caribbean is preferred.
- Experience within the Blue Economy will be a significant asset.
- Fluency in written and oral English.
- Highly developed communication and writing skills as evidenced by presentations and publicly available reports, blogs, articles, and/or academic pieces.
- Strong inter-personal relations skills. Pro-active in seeking information, managing relationships with stakeholders, including building trust and promoting partnership.
- Ability to manage client expectations, negotiate around project execution challenges, and identify possible solutions.
- A working understanding of guidelines and procedures typically used by development banks

**Other Key Team Members:**

- Master's degree in Economics, Masters in Business Administration, Public Policy or any related field
- At least five years' experience in implementing projects in the Blue Economy.
- Fluency in written and oral English.
- **Key Expert 1:** Expertise in Blue Economy

## ANNEX A

### Key Project Outputs.

**Business Potential Assessments (BPA):** The implementing partners will utilize an eligibility diagnostic to conduct an economic assessment of the business and its growth potential (called the Business Potential Assessments, BPA) which will determine the eligibility of the firm to partake in the TES project of the blue economy and essential services. It is expected that 200 firms will undertake BPAs. This activity will be performed for the firms at no cost to the Bank.

**Technology Audit Plan (TAP):** TSPs will develop technical audits to guide the type of technology intervention required in the selected firms. It is expected that 75 firms will undergo technical audits and receive an audit report (known as the Technology Audit Plan, TAP).

**Technology Assistance Reports (TAR):** It is expected that approximately 50 firms will benefit from the technology intervention resulting in the development of Technology Assistance Reports (TAR) that document the results of the delivery of the specialized technical assistance provided to firms and that provide recommendations for priority actions and corresponding costs.

**Investment Proposal (IP)** – IP proposals will support firms in accessing finance from financial institutions when needed to facilitate acquisition of relevant technologies.

### Role of key stakeholders in the TES delivery system

#### (A) Eligible firms (targeted beneficiaries)

The profile of firms targeted is SMEs operating in the Caribbean blue economy and essential services sectors with high growth potential and the capacity to absorb TES. This criteria will be assessed using an appropriate diagnostic assessment tool.

#### (B) Business Support Organisations (BSOs)

The relevant BSOs that support the blue economy and essential services are responsible for executing the project in their respective countries. They will play an important role in identifying eligible SMEs.

#### **Step 1: Business Diagnostic**

The business diagnostic requires some level of sophistication within firms to complete. Most SMEs will require assistance from BSOs and/or business assessors.

The expectation is to ensure that 200 business diagnostics are completed in 2021 across participating countries. Training and guidelines will also be provided during the first phase of the program to facilitate the assessment of growth potential and determine which SMEs would most benefit from TES given unmet market opportunities.

#### **Step 2: Technical Audit**

Once eligibility has been granted the BSOs will coordinate the provision of a technical audit by the technology/technical service providers (TSPs). The technical audit will be conducted by specialists/experts during a one-day site visit, with the presence and observation from the BSO

representative. A technical audit report (TAR) describing the most critical areas of improvement for the productive process will include a workplan and budget<sup>[4]</sup>, and will be submitted to the firm for consideration, with a copy to their supporting BSO. The target for the project is 75 technical audits across participating countries. 30% of which must be SMEs owned by women.

### **Step 3: Technical Intervention**

If interested in implementing the recommended changes, the SME will contribute 25% of the budget. Once the agreement is signed, the BSO will facilitate the intervention by the TSPs and monitor progress. This monitoring on the ground is important to promote and evaluate the quality of service delivery by the technical experts. Once completed, the BSO will record the type of service delivered, hours worked, and quality of services to trigger the final payment by Compete Caribbean to the TSP. The target for the project is 50 technical interventions across participating countries. 30% of which must be SMEs owned by women.

### **Step 4: Capital Investment**

Since TES is about purchasing technical advices and not about financing the purchase of equipment or technology, the technical audit or intervention report will reveal specific capital investment necessary to optimize productivity and growth<sup>[5]</sup>. The BSOs will play an important role in helping the SMEs formulate an investment proposal and in supporting their access to the relevant financial institution to secure additional financing. This step will require overall capacity building in financial analysis, financial forecasting and relationship building with relevant financial institutions. The target for this project is 25 business proposals prepared and submitted for additional financing. 30% of which must be SMEs owned by women.

### **(C) Technology / technical Service Providers (TSPs)**

The centers of excellence and technical entities responsible for transferring knowledge to the firms are regional in scope and include in their service supply a variety of value-added activities and technical expertise. Their staff and consultants use a standard approach and toolkit to ensure that technical audits and interventions are completed efficiently and effectively. The TSPs are selected based on their institutional capacity to absorb and sustain the program once the project is completed.

### **(D) Financial Institutions (FI) and Development Banks (DB)**

#### **Compete Caribbean Partnership Facility (CCPF)**

CCPF will coordinate the overall project and identify additional financial partners to increase access to finance for purchasing equipment and technology. The first priority is to publish a Request for Proposal (RFP) to identify a consulting firm(s) with expertise in delivering TES or similar consulting and advisory services. These international consultants will formalize the institutional arrangements by establishing a governance structure and operating procedures between the TSPs, BSOs and firms selected. Guidelines and support will be provided to all stakeholders to facilitate the implementation and evaluation of the project during the first phase of the project. During the second phase, the consulting firm will train and work with the TSP to ensure that the Technical Audits and some Technical Interventions are executed effectively and efficiently using the tools and templates provided (learning-by-doing approach). The third and last phase will focus on evaluating the results and recommend a plan for sustainability in each country and expansion across the region.

#### **Caribbean Development Bank (CDB)**

CDB has been financing a variety of technical extension services over the years through its Caribbean Technological Consultancy Services (CTCS). Therefore, CDB can play a critical role in adopting the lessons learnt from this project and supporting sustainability and expansion. CDB may also be able to develop new financial schemes in collaboration with national development banks to facilitate the acquisition of technology.

### **Financial Institutions**

Many banks in the region have expressed interests in serving SMEs but most complain about the lack of useful financial information provided by the firms to assess the risk profile and make lending decisions. The TES project will be used to establish relationships at the country level with financial institutions interested in reviewing the financial proposals submitted by the beneficiary firms, with the support of their BSO.

[1] Full-Time Equivalent (FTE) refers to the number of hours work by one person on a full-time basis. In the Caribbean context, consideration can be given to part-time employees or contractual frequently used to operate the business. These unit of measures are indicative to facilitate targeting and prevent processing applications from micro firms and start-ups.

[2] 1. Belize, 2.Barbados, 2.Dominica, 4.Jamaica, 5.Saint Lucia, 6.Antigua & Bermuda, 7.St.Kitts & Nevis, and 8.the Bahamas.

[4] If the intervention necessary is substantial, the work program will be presented in phases and the budget and workplan for the TES intervention focused on the first phase.

[5] International experiences suggest that approximately 50% of TES interventions requires additional capital investment for accessing finance (Sierra 2018).

**Visa and Work Permit<sup>6</sup>:** The Bank, pursuant to applicable policies, may submit a visa request to the applicable immigration authorities; however, the granting of the visa is at the discretion of the immigration authorities. Notwithstanding, it is the responsibility of the candidate to obtain the necessary visa or work permits required by the authorities of the country(ies) in which the services will be rendered to the Bank. If a candidate cannot obtain a visa or work permit to render services to the Bank the contractual offer will be rescinded

**Consanguinity:** Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractual, will not be eligible to provide services for the Bank.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

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<sup>6</sup> Work permit is not necessary for this consultancy given that the place of work is home-based.

**REGIONAL**

**IFD/CTI  
RG-T4003  
ATN -**

**TERMS OF REFERENCE**

Technology Extension Services (TES) in the Caribbean Blue Economy and Essential Services Sectors – Implementation of Capacity Building Plan and Delivery of Programs for Women-owned firms in the Blue Economy and Essential Services Sectors

**1. Background and Justification**

1.1 The Inter-American Development Bank (IDB), the United Kingdom’s Foreign and Commonwealth Development Office (FCDO), the Caribbean Development Bank (CDB) and the Government of Canada have established a co-financing facility called “The Compete Caribbean Partnership Facility” (GN-2851), which is a continuation of the Compete Caribbean Program that funded over 100 private sector development projects over the period 2010-2016. These projects generated nearly 12,000 jobs, a 23% increase in exports (USD\$37M), a 41% increase in the revenue of firms and clusters (USD\$153M), and an improvement in the business climate for some countries through policy or regulatory reforms.

1.2 The purpose of the Compete Caribbean Partnership Facility (CCPF) is to drive inclusive and sustainable economic growth through greater competitiveness and innovation in the private sector. More specifically, the CCPF’s objectives are to:

- a. Increase income for micro, small and medium enterprises (MSMEs), particularly women owned firms (WoFs)<sup>1</sup>
- b. Increase employment, particularly for women and vulnerable groups;
- c. Generate and sustain exports within and outside the region:
- d. Foster sustainable and inclusive economic growth.

1.3 The Compete Caribbean Partnership Facility encompasses two mutually reinforcing private sector development pillars and several instruments:

<b>PILLAR 1</b>	<b>PILLAR 2</b>
Foster productivity and innovation in the private sector through capacity building of business support organizations (BSOs) and	Enhance the business and innovation climate through technical assistance for regulatory and policy reforms.

<sup>1</sup> Women-owned Firms are business operations that involve women in position of authority or profit earning

<p>direct support to firms, clusters and value chains.</p> <ul style="list-style-type: none"> <li>• Direct Support for Clusters and Value Chains</li> <li>• Innovation Funds</li> <li>• Technology Extension Services (TES)</li> <li>• Entrepreneurship ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting of legislation, regulations, operating standards, guidelines, etc.</li> <li>• Strengthening of institutions that promote private sector development, competitiveness, productivity, innovation or sector-level reforms.</li> </ul>
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1.4 The work of the Facility also fosters capacity building through networks, applied knowledge and dissemination of best practices. There is emphasis on using a data-driven and market-driven approach to decision making which requires data management and transformation of data into useful information, and transfer of this information through partnerships between the public and private sector. These activities aim to make the activities of the Facility more catalytic and sustainable. The Facility also integrates gender/youth considerations, and climate change adaptation/mitigation in every project funded.

1.5 Technology Extension Services (TES) is an innovation policy tool that Caribbean Governments can leverage to address market failures and to positively impact productivity and innovation capabilities amongst SMEs (De Groote, 2017). TES consists of business support services<sup>2</sup> provided directly to SMEs to improve their adoption and modernization of technology. The benefit of TES with respect to other innovation policy tools is that it is cost efficient in terms of the size of the investment per firm, it offers quick wins in terms of implementing innovations already proven to be effective in other markets, and it is impactful in terms of improving productive efficiency and competitiveness of SMEs.

1.6 The types of TES provided will be based on demand given the gaps identified between the needs of Caribbean firms within the blue economy and essential services sectors and their growth potential. Particular attention will be given to the adoption of digital technologies and improvement of environmental, waste and energy management practices. Ultimately, the project will seek to improve understanding of the following elements: (a) the demand for TES amongst Caribbean SMEs in the blue economy and essential services; (b) the supply capacity of the region’s technology services providers; and (c) the impact of TES on firm productivity, efficiency, revenue and competitiveness in targeted markets.

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<sup>2</sup> Examples of technology advisory services from international models include technology advice for lean operations, quality improvement (certification standards such as ISO 9000), product development and marketing, technology supplier and vendor sourcing and matching, information technology (software packages for accounting, etc), or referral to qualified technology centers or consultants.

- 1.7 Women-owned firms in the Caribbean face specific barriers to technology adoption including gaps in information technology (IT) literacy, financial literacy, management skills, networking opportunities and the lower relative participation in formal education in the science, technology, engineering and mathematics (STEM) fields. To enhance the capabilities of women-owned firms in the blue economy and essential services sectors, capacity building is needed to develop and strengthen the digital skills, abilities, processes and resources these firms require to close the gaps and improve communication, productivity, product and service quality and increase business competitiveness, growth and success. The Business Potential Assessments (BPAs) conducted within the diagnostic stage of the TES project will be utilized to design tailored training programs for women-led firms.
- 1.8 The Compete Caribbean Partnership Facility (CCPF) is seeking to provide capacity building support via training and technical assistance to women-owned firms in the blue economy and essential services sectors. The main actors include eligible Caribbean firms in the blue economy and essential services sectors, local business support organizations (BSOs) that focus on blue economy and essential services development, technology service providers<sup>3</sup> (TSPs), and financial institutions from the Caribbean region. Key outputs include Business Potential Assessments (BPAs), Technology Audit Plans (TAPs), and Technology Assistance Reports (TARs) (for definitions see Annex A).

## **2. Objectives**

- 2.1 The objective of this consultancy is to enhance the capabilities of women-owned firms in the blue economy and essential services sectors through the provision of tailored capacity building support via training and technical assistance in the following four areas:
- i. Digital and IT literacy,
  - ii. Financial literacy,
  - iii. Management skills and
  - iv. Technology adoption.

## **3. Scope of Services**

- 3.1 The Consultant will be expected to conduct a survey of the women entrepreneurs participating in the TES project to determine their skill levels in the above four topics, design and validate specific training modules aimed at addressing skills gaps and execution of training modules using virtual and online methods.
- 3.2 The Consultant will provide a clear understanding of the training programs required and

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<sup>3</sup> Examples of TSPs in the Caribbean region include the Caribbean Industrial Research Institute (CARIRI), Lumin Consulting at UWI, Caribbean Export, the Caribbean Hotel and Tourism Association (CHTA), etc.

deliver them using virtual and online modules.

#### **4. Key Activities**

4.1 To achieve the consultancy's objective, the following activities will be completed:

- I. Design a work plan for the design and delivery of the training programs.
- II. Establish training needs assessment for women owned firms participating in the TES project in the four areas identified above.
- III. Develop course curricula and manuals for each course.
- IV. Complete a report of executed trainings including list of participants, pictures, and participants assessments.
- V. Completion of a final report, with recommendation for a continuous training program.

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

5.1 The following deliverables are expected from this consultancy:

- 5.1.1 Deliverable 1 - Work plan
- 5.1.2 Deliverable 2 - Training needs assessment
- 5.1.3 Deliverable 3 - Course curricula and manuals
- 5.1.4 Deliverable 4 - Report of trainings delivered
- 5.1.5 Deliverable 5 - Final report with recommendations

#### **6. Project Schedule and Milestones**

6.1 The consultancy is expected to begin in October 2022 and be completed within six months.

Key milestones are as follows:

- 6.1.1 Deliverable 1 - Work plan, within 2 weeks of contract signing.
- 6.1.2 Deliverable 2 - Training needs assessment, 4 weeks of contract signing.
- 6.1.3 Deliverable 3 - Course curricula and manuals, within 8 weeks of contract signing.
- 6.1.4 Deliverable 4 - Report of trainings delivered, 7 days after last course delivered.
- 6.1.5 Deliverable 5 - Final report with recommendations, 14 days after last course delivered

#### **7. Reporting Requirements**

7.1. Every report must be submitted to the Bank in an electronic file. The report should include cover, main document, and all annexes. Zip files will not be accepted as final reports, due to

Records Management Section regulations.

7.2. In addition to the deliverables outlined in Section 5, the consulting firm will also provide the IDB with brief monthly progress updates via email in relation to the approved workplan.

**8. Acceptance Criteria**

8.1 All deliverables will be reviewed by the IDB. Comments will be provided by written email. The consulting firm is expected to provide written feedback on how comments were addressed.

8.2 Approval of quality deliverables will be provided in writing by email from the Team Leader of the project.

**9. Supervision and Reporting**

9.1 The consultancy will be supervised by Sylvia Dohnert IFD/CTI at The Inter-American Development Bank and coordinated by Compete Caribbean’s Pillar 1 - Coordinator for Productivity and Innovation in the Private Sector.

**10. Schedule of Payments**

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

<b>Payment and Timelines Schedule</b>	
<i><b>Deliverable</b></i>	<b>%</b>
1. Work plan	10%
2. Completion and submission of training needs assessment	10%
3. Development of course curricula and manuals	30%
4. Submission of report of trainings delivered	30%
5. Submission of final report with recommendations	20%
<b>TOTAL</b>	<b>100%</b>