

TERMS OF REFERENCE

CONSULTANCY SERVICES FOR THE INSTITUTIONAL STRENGTHENING AND CAPACITY BUILDING OF INVEST SVG, ST. VINCENT AND THE GRENADINES

1. BACKGROUND

1.01 In 2003 the Government of St. Vincent and the Grenadines (GOSVG) established the National Investment Promotions Incorporated (NIPI) to be the central institutional pillar in the state administration to promote and attract direct private foreign investment to the country. The NIPI was later rebranded as INVEST SVG (ISVG) in 2009, and since that time continues to act as a catalyst to stimulate both local and foreign investment across all productive sectors and is the single point of contact for all investors seeking to do business within the country. In keeping with the government's priorities, Invest SVG is expected to expand its focus to include export development as a second pillar to complement its investment promotion activities – increasing export growth now complements the objective of increasing investments.

1.02 The transformation of ISVG into a Trade and Investment Promotion Organisation (TIPO) makes strategic sense since national TIPOs play a central role for many countries' export and investment promotion efforts, and therefore by extension, their economic development. This is supported by a 2007 World Bank study^{1/} that explored the impact of existing trade and export promotion agencies and other strategies on economic growth, in both developed and developing countries. The study revealed that in Latin America and the Caribbean, for every USD1 in the TIPO budget there is an additional USD70.

1.03 Having weathered a number of challenges in recent times, St. Vincent and the Grenadines is at a turning point with the international economy presenting a number of opportunities for development. Taking advantage of these opportunities to transform the economy of St. Vincent and the Grenadines and its people, required a bold and well-ordered plan. This plan came in the form of the National Economic and Social Development Plan (NESDP) 2013-2025 which outlines the country's long-term vision for national development, with the promise of *improving the quality of life for all Vincentians*.

1.04 The NESDP speaks to "*the continued development and strengthening of national institutions and the improvement of technical and administrative capacity to deal with the threats, in order to capitalise on the opportunities presented*". One of the five strategic goals set out in the NESDP to realise the country's vision is *Re-engineering Economic Growth*. It is within this area ISVG will play an important part. More specifically under the strategic objectives outlined below:

- (a) Maintaining strong macroeconomic fundamentals.
- (b) Enhancing the role of the private sector and manufacturing in economic and social development in conjunction with State and cooperative sectors.
- (c) Attaining a strong and external trade position.
- (d) Enhancing productivity and competitiveness.
- (e) Stimulating growth in a number of sectors, such as agriculture, fisheries, tourism and financial services, just to name a few.

1.05 The competitiveness of a TIPO and its ability to deliver on its mandate, in this case the NESDP, is to a large extent determined by the presence and implementation of a strong strategic framework and efficient monitoring systems that are all supported by a strong policy and legislative environment. Having a transformative Strategic Plan and emerging from this, an effective organisational structure (properly resourced), will go a far in transforming ISVG into a world class TIPO.

^{1/} Anatomy and Impact of Export Promotion Agencies – World Bank 2007

1.06 The success of ISVG will therefore be dependent on a number of important characteristics that can contribute towards the successful and efficient running of a TIPO. Chief among them are features ISVG is hoping to adopt through the strengthening and capacity building of the agency. These features include, but are not limited to:

- (a) The promotion of incentives favorable to exports.
- (b) Implementation of private sector focused strategies.
- (c) Ensuring quality staffing.
- (d) Ensuring adequate funding.
- (e) The effective evaluation of results.

1.07 In recent years there has been a sharp increase in the merger of national exports and investment promotion services within agencies, supporting the move by the GOSVG to transform ISVG into a TIPO. In fact, a report by the International Trade Center (ITC) in 2014^{2/} highlighted that since 2000, governments and organisations are merging these two key areas for a number of reasons including costs savings, creating synergies and to provide more coherent leaderships and knowledge sharing. This complementarity is especially important in developing countries where capital markets may be less developed, as is the case in St. Vincent and the Grenadines. Research shows this two-way relationship between export and investment promotion is significant, with a 1% increase in trade triggering a 1.2% increase in investment.

1.08 While the transformation into a TIPO (promoting both trade and investments) will allow ISVG to benefit from some partially integrated functions in administration and technical areas, such as research, image building and overseas representation, the agency is presented with the new challenges of charting a new strategic direction for the agency as well as building the capacity of the staff to execute this new vision. It is for these reasons that ISVG sought the help of the Caribbean Development Bank (CDB) to assist with the strengthening of the agency.

1.09 Recognising that the creation of a world-class TIPO does not happen overnight, the agency wishes to start by investing in two key areas: a sound strategic foundation and an improved human resource capable of undertaking the challenges of both export development and investment promotions. This consultancy will therefore focus on two components.

1.10 The first is the development of a 5-year Strategic Plan. This Strategic Plan will lend definition to the direction that the organisation should travel. It will aid in the setting of realistic objectives and goals that are in keeping with the agency's mission and vision. In addition, it will provide a foundation on which the organisation can experience growth, evaluate its successes and establish boundaries for effective decision-making. Further, ideally allow the board of directors and the management a viable map by which to align the agency's resources and budget with its set goals and objectives.

1.11 The second component will focus on capacity building for ISVG's staff in the two core areas of export development and investment promotions. The capacity-building training will address gender differentials in women and men's opportunities and abilities to benefit from export development and investment promotion. Having been set up as an Investment Promotion Agency (IPA), ISVG does have some experience with investment promotions, and already recognises the need for core training in the new area of export development. However, equally important is not only training in investment promotion to reacquaint staff with the fundamentals, but also training is required to introduce new IP techniques, especially in the area of investor targeting.

^{2/} TPOs and IPAs: Are they merging? – ITC 2014.

1.12 ISVG recognises that the inability of many exporters to respond to demand in potential target markets has its origins in a variety of factors:

- (a) weak managerial capacities;
- (b) lack of market intelligence;
- (c) limited access to financing;
- (d) weak productive capacities;
- (e) weak product innovation (linked to intellectual property rights);
- (f) inability to fulfill quality standards;
- (g) regulatory barriers to market entry; and
- (h) lack of viable business contacts and many more.

1.13 Export-oriented MSMEs are particularly affected by these and other obstacles to their export competitiveness. In order to help export-oriented MSMEs overcome these obstacles, ISVG will eventually be developing and introducing a phased approach combining firm diagnostics with capacity- building and a wide variety of concepts and tools. Improving staff technical ability will therefore be crucial to achieving success.

1.14 Staff training in export development and investment promotions should therefore, at a minimum, prioritise the following areas:

- (a) In export development the following areas will be of importance:
 - (i) Sector selection and profiling.
 - (ii) Selecting target export markets.
 - (iii) Positioning of products/services for new markets.
 - (iv) Assessing and supporting firms' capacity building.
 - (v) Developing and executing market penetration activities.
- (b) While training in investment promotion will prioritise the following:
 - (i) Assessing investment environments.
 - (ii) Investor targeting.
 - (iii) Investment packaging.
 - (iv) Investment facilitation.
 - (v) After-care services.
 - (vi) Measuring development impacts of inflows.

2. OBJECTIVE OF CONSULTANCY

2.01 The overall objective of this consultancy is strengthened capacity- building of ISVG to aid in their transformation into a world-class TIPO. The specific objectives of this consultancy are: (1) the development of a 5-year Strategic Plan; and (2) the development and delivery of two (2) training workshops, each three (3) days long, to ISVG staff in the areas of export development and investment promotions.

3. SCOPE OF SERVICES

3.01 The following are the two key deliverables of this project:

(1) Development of a Strategic Plan (2020-2024)

The consultant is expected to develop a new five-year Strategic Plan that will be centered on a new vision and mission that places investment promotions and export development as the central pillars for achieving the objectives of increased FDI inflows and export growth. The approach taken in the development of the plan should seek to build on the existing relationship with the private sector, and other key stakeholders, with a view to providing the kind of support that will result in growing enterprises that can thrive in regional and international markets. At a minimum, this Strategic Plan will consist of:

- (a) New vision and mission statements as well as agency core values.
- (b) SWOT analysis.
- (c) Objectives, strategies and tactics.
- (d) Targets and a framework to M&E.
- (e) Annual Work plan templates and suggested operational flows.
- (f) A new organisational structure.
- (g) Suggested individual performance appraisal template.

Additionally, the following tasks should be part of the development of the 5-year Strategic Plan:

- (a) Conduct strategic review of all relevant materials and existing reports in preparation for consultative visits with various stakeholders. This will include a review of past strategic plans (if any), the legal framework establishing the NIPI (now branded as ISVG), annual reports, annual work plans, export strategies (national and/or sectoral), investment policies and other such legal frameworks (if any), and the NESDP.
- (b) Conduct an institutional assessment of the governance, management, organisational structure, systems and procedures, staffing levels and job structures (including roles and responsibilities) at ISVG. The review should also be done within the context of comparing with best practice TIPOs, regionally and internationally.
- (c) Conduct an analysis of the economic environment, paying close attention to any trends in key macro-variables pertinent to the role of ISVG. Additionally, the consultant will be expected to review profiles of sectors targeted for development in the country's national development plan, the NESDP.
- (d) Meet with and interview appropriate government officials, members of the private sector, select staff and senior member of management, members of the board, relevant NGOs, other Business Support Organisations (BSOs) and all relevant government institutions such as the Centre for Enterprise Development (CED).

- (e) Conduct a client satisfaction survey to understand ISVG's client satisfaction levels with the agency's services and experiences.
- (f) Conduct a SWOT analysis of ISVG. This should form part of a broader draft strategic framework that must be presented for approval before any further work is done.
- (g) Develop a framework for the effective implementation of the Strategic Plan which includes realistic indicators and measurements.
- (h) The approved strategic framework should lead to the development of, firstly, the draft final Strategic Plan and ultimately, the final Strategic Plan.

(2) Capacity- building for ISVG staff

The consultant will deliver training sessions in both Export Development and Investment Promotion covering;

(a) In export development the following areas will be of importance:

- (i) Sector selection and profiling.
- (ii) Selecting target export markets.
- (iii) Research and Market Intelligence.
- (iv) Positioning of products/services for new markets.
- (v) Assessing and supporting firms' capacity building.
- (vi) Developing and executing market penetration activities.

(b) While training in investment promotion will prioritise the following:

- (i) Assessing investment environments
- (ii) Investor targeting
- (iii) Investment packaging
- (iv) Investment facilitation
- (v) After-care services
- (vi) Measuring development impacts of inflows

Gender issues will be strategically incorporated in the capacity-building training modules to be delivered by consultant.

Furthermore, in order to effectively implement the staff capacity building programme, the following tasks should be part of the development strategy:

- (a) Conduct a skills assessment of ISVG staff.
- (b) The client satisfaction survey mentioned in (e) above should also form a part of the consultant's work to better understand gaps in service delivery.
- (c) Develop training materials such as power point presentations, manuals and testing sheets on both export development and investment promotions, covering at a minimum, the key areas outlined in section 3.01 of this TOR.
- (d) Prepare and submit for feedback and approval an agenda for each of the two (2) three-day training workshops to be conducted with ISVG staff.

Clearly highlighting the areas to be covered in both trainings of export development and investment promotion.

- (e) Deliver trainings on export development and investment promotion in two (2) three-day training sessions to the staff of ISVG.
- (f) Conduct a satisfaction survey of the staff at the end of each three-day training and submit findings in a final report to ISVG.

4. REPORTING REQUIREMENTS

4.01 The Consultants will be required to submit an electronic copy to ISVG of the following reports:

- (a) **Inception Report:** Within two (2) weeks of signing the contract, the consultant will submit an Inception Report. The report should describe the approaches proposed to be taken to prepare and deliver the scope of works outlined including initial findings; confirmation of work programme; and operations performance criteria to be employed.
- (b) **Draft Assessment Report:** Within eight (8) weeks of signing the contract, the consultant will submit a draft Assessment Report, comprising of the key findings from items (a) and (b) from section 3.01 of this TOR.
- (c) **Draft Strategic Framework:** Within ten (10) weeks of signing the contract, the consultant will submit for feedback and approval by the project steering committee (PSC) of the draft strategic framework, clearly showing the process and direction to be taken in the development of the Plan and how it will be monitored. This framework should include the findings of a SWOT analysis.
- (d) **Draft Final Strategic Plan:** Within thirteen (13) weeks of signing the contract, the consultant will submit a Draft Final Strategic Plan for feedback from the PSC.
- (e) **Final Strategic Plan:** Within sixteen (16) weeks of signing the contract, the consultant will submit for approval from the PSC a final Strategic Plan with all relevant supporting documents.
- (f) **Trainings Agendas and Material:** Within eighteen (18) weeks of signing the contract, the consultant will submit for approval proposed agendas for each of the two trainings to be conducted with staff. Submitted along with these agendas will be key findings from surveys conducted under section (a) of 3.02 for *Staff Capacity Building* under this TOR.
- (g) **Training Report:** Within twenty-two weeks (22) of signing the contract, the consultant will submit a final report on the two trainings conducted. Results from the satisfaction survey highlighted in section (f) of 3.02 of *Staff Capacity Building* under this TOR should be included.

5. IMPLEMENTATION ARRANGEMENTS

5.01 ISVG will facilitate the work of the consultant and will make available all studies, reports and data relevant to the completion of the Project. ISVG will assign a Project Coordinator (PC) as the representative who will act as liaison between ISVG and the consultants. It is the responsibility of the PC to report on the

management of the consultancy to the Project Steering Committee. This representative will also assist with the arrangement of all meetings/trainings and local logistics support.

5.02 ISVG will provide office accommodation during the consultants in-country missions. In the event that travel to the Region is not possible due to COVID-19 impacts, arrangements will be made to execute activities remotely. Appropriate virtual platforms for capacity building will be discussed and agreed with ISVG.

5.03 It is estimated that this consultancy will require 106 person-days, to be carried out over a period not greater than seven (7) calendar months.

6. QUALIFICATIONS AND EXPERIENCE

6.01 ISVG anticipates that only one key expert is required for this consultancy. This key expert should possess, at a minimum, a post graduate degree in International Trade, Economics, Business Administration, Finance or any other related subject areas. More specific details as it relates to qualifications and experience are as follows:

- (a) At least 10 years' demonstrated expertise in working with TIPOs – regionally and with small island developing states.
- (b) Demonstrated experience in the incorporation of gender issues in the design, development and delivery of capacity-building programs in export development and investment promotion.
- (c) Demonstrated experience in working with BSOs – at strategic and operational levels.
- (d) Expertise in the development of Strategic Plans, especially for TIPOs.
- (e) Demonstrated experience in working with the private sector in a private sector development capacity.
- (f) Excellent communication skills – written and oral.
- (g) Excellent research and analytic skills.
- (h) Fluent in English.