

# **CARIBBEAN REGIONAL ENTREPRENEURIAL ASSET COMMERCIALIZATION HUB**

## **TERMS OF REFERENCE**

### **Consultancy for Design, Development and Implementation of a Pipeline of Innovative and Sustainable Technologies Ventures in the Caribbean**

#### **GENERAL BACKGROUND**

- 1.1 The Caribbean's traditional export sectors (i.e. agriculture and tourism) have stagnated due to lack of economies of scale and/or high production costs. Innovation can help these economies increase value-added and capture a greater share of the benefits by, amongst other factors, monetizing intellectual property (IP) linked to those sectors. Barbados leads the LAC region in its innovation capabilities ranking 41 in the Global Innovation Index 2014<sup>1</sup>. Guyana follows at 80, Jamaica at 82 and Trinidad and Tobago at 90 revealing relatively weak performance amongst the larger economies of the Caribbean. Intellectual Property Rights (IPRs) are instrumental for small and medium sized enterprises (SMEs) to protect and build on their innovations, gain access to higher market value, signal current and prospective investors and partners, and open up new commercial pathways<sup>2</sup>. Improved management of Intangible Entrepreneurial Assets (IEAs) in the areas of technological innovation, brand value, and the creative industries will increase firms' market value and strategic product marketing, ability to identify partners and suppliers, enter export markets, acquire technology and facilitate business transactions.
- 1.2 Effective strategies to monetize knowledge assets in firms (IEAs) through improved commercialization of IPRs will narrow the productivity gap of Caribbean entrepreneurs relative to global competitors and capture more income opportunities for these firms. In the long run, improved commercialization efforts will result in increased innovation and productivity growth that will boost competitiveness and economic growth in the region<sup>3</sup>.

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<sup>1</sup> The Global Innovation Index ranks the innovation capabilities of 143 world economies. The report is co-published by Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO, an agency of the United Nations, UN).

<sup>2</sup> OECD (2011), Intellectual Assets and Innovation: The SME Dimension, OECD Studies on SMEs and Entrepreneurship, OECD Publishing. <http://dx.doi.org/10.1787/9789264118263-en>

<sup>3</sup> Ruprah, Inder. 2014. Caribbean Sclerosis.

1.3 It follows that the objective of the project is to foster innovation and competitiveness in Caribbean SMEs<sup>4</sup> through the creation of a Regional Entrepreneurial Assets Commercialization Hub (REACH) that will assist companies in commercializing their intellectual assets.

1.4 The REACH project is being executed by the University of the West Indies and will establish facilities that will provide support services for improved management through three main categories of available IPR tools (i) patents, industrial designs and utility models (technology transfer) (ii) copyrights in the creative industries, and (iii) trademarks and product branding of exporting companies. Lessons from the REACH will feed into the design of an action plan establishing a framework for the REACH that will incorporate practical solutions to sustain implementation of the Caribbean REACH.

1.5 The project consists of four components:

1. Landscape analysis and survey: The landscape analysis will map local and donor initiatives on IP commercialization in the Caribbean. The survey will gather qualitative and quantitative data on innovative firms aiming to assess current IP use and demand, knowledge of IP tools, and firms' attitudes and perceptions towards the IP system.
2. Stakeholder sensitization: Selected project launches and development of the REACH platform will promote REACH and raise awareness of incorporating IP tools into business models.
3. Building commercialization capabilities for public and private stakeholders: SMEs will be trained and competitively selected SMEs will undergo mentorship programs in the three thematic areas: (i) technology commercialization (patents, industrial designs, and utility models) (ii) creative industries intellectual asset management (i.e. copyrights) and (iii) product branding value capturing (trademarks and geographical indications).
4. Sustaining implementation of REACH: A self-sustaining business plan will be developed to advise on the next steps that will ensure sustainability.

1.6 The core focus of REACH is the *accomplishment of deals*. Hence the purpose of this TOR is to implement activities that *attempt* commercialization of innovative technologies.

## II. Consultancy Objective

The objective of this Terms of Reference is to solicit proposals from consulting firms to identify and support a selected number of high value, competitive ventures<sup>5</sup> that generate

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<sup>4</sup> SMEs with high innovative potential are the target. The definition of an SME varies across Caribbean countries. For the purpose of this project, the SME will be defined as less than 50 workers, with assets less than \$800,000 and sales less than \$1.6 million. See ECLAC's "SME Competitiveness in the Caribbean: Challenges and Opportunities". 2009. [http://www.cepal.org/portofspain/noticias/paginas/5/35505/sme\\_competitiveness\\_-\\_final\\_version.pdf](http://www.cepal.org/portofspain/noticias/paginas/5/35505/sme_competitiveness_-_final_version.pdf)

<sup>5</sup> Competitive ventures are defined as SMEs

innovative technologies. These projects will constitute a portfolio (“pipeline”) that builds on the competitive resources and market opportunities of the region. This portfolio will be balanced in terms of sector focus, scale and size, risk, potential returns, investment needs and time frames to achieve positive cash flow. Projects involving cooperation between countries in the region and which build on the competitive advantages, resources and capabilities of each country, will also be identified.

### III. ACTIVITIES

The activities within this TOR are directed at providing targeted technical support to eight to ten (8-10) short listed firms. The activities to be performed are outlined below.

1. *Framework of Criteria for Project Selection*: Projects will be selected based on a Framework of Criteria for Project Selection specifically designed for this project by the consulting firm in consultation with the REACH project team. The criteria should include, but not be limited to: nationality of owner(s), country where business is formally registered, years of operation, business history (as captured by financial statements or, if startup, business plan and other such pertinent documents to establish validity and perform due diligence), investment size, level of innovativeness, feasibility, scale up potential, export potential, etc.
2. *Schedule of Interviews*: Scan beneficiary countries in the REACH programme to identify fifteen to twenty (15 – 20) potential candidate firms/projects for closer inspection and due diligence. Interviews and focus groups will be held to identify potential projects to benefit from REACH mentorship support. Interviews and meetings will be held with:
  - a. Entrepreneurs with concrete projects or in their early stages of development;
  - b. Private businesses (small, medium and large);
  - c. Investor groups, public and private;
  - d. R&D centers and universities;
  - e. Government agencies involved in S&T/I policy and regulation;
  - f. Regional organizations including CARICOM and OECS;
  - g. International agencies (financial and development agencies);
  - h. Potential partners within and outside the region.
3. *Virtual Focus Group Session 1*: Organize a Virtual Focus Group of the selected project leaders, experts, and REACH project team and partners to evaluate this first list of projects and produce a “short list” of eight to ten (8-10) projects for targeted firm level support.
4. *Formal Agreements with Firms Signed*: Design a formal agreement (such as a MOU or contract) that enlists the short-listed projects to receive advisory/mentorship services from the REACH project. The formal agreements will require financial and time commitments from the firm. The agreements should also include a stipulation for firms to agree to adhere to the implementation plan designed by the consulting firm.
5. *Targeted Firm Level Support*: Establish acceptance of selected projects for participation in REACH and design an implementation plan (framework for

- implementation) for the complete implementation of the commercialization of the selected pipeline over the duration of the REACH programme. This plan will include conducting a needs assessment for each firm to identify the type of legal documents, technical assistance, or network/connections the firm will need to commercialize its identified intellectual asset(s). The implementation plan will be included as a reference annex to the contract/MOU signed by the firm.
6. *Investment Memorandums:* Provide guidance to each individual firm short-listed in developing investment memorandums that can be presented to potential investors in the pitching event. The result of this deliverable will be one investment memorandum per short-listed firm. Mentors with actual entrepreneurial / business experience, preferably in technology related businesses should be utilized to provide support to the selected firms.
  7. *Virtual Focus Group Session 2:* Organize a Virtual Workshop to conduct a peer review of the investment memorandums submitted by each supported firm to a panel of experts assembled by the consulting firm. The consulting firm will then be responsible for overseeing the revision of investment memorandums based on this review.
  8. *Pitching Event:* Upon completion of the agreed upon implementation plan, firms will present their investment prospectus to a hand-picked panel of investors from their respective industries. The consulting firm is expected to arrange the set-up of the panel and to lead the pitch event. (Travel for participating firms and event execution costs will be covered by the project.)
  9. *Final Project Report:* The final Project report will document the results of the targeted firm level support. In addition, the following items should be included:
    - a. Attachment with the breakdown of expenses incurred, status of activities, and any related supporting documents to satisfy the contract.
    - b. Documentation of the experiences of the participants including their ability to network or potential connections that, with support, can result in support for the commercialization of their intellectual assets.
    - c. An assessment of the next steps required for the short listed firms to secure deal(s).
    - d. Lessons learned from the implementation of the project including any risks mitigated, assessment of the potential for actual monetization of the selected projects, assessment of the support provided by the IDB funding, etc.
    - e. Attachments of any media or press releases corresponding to the support provided, including regional or national attention/promised support
    - f. The consulting firm may also be asked to complete, at a later date, an update on the status of the beneficiaries from the project to include in the technical cooperation's results matrix.

#### IV. DELIVERABLES

1. **Finalized Framework of Criteria for Project Selection and Schedule of Interviews:** See description under activities section. The criteria must be approved by the Executing Agency.
2. **Progress Report 1:** This progress report will be submitted to panel participants of the Virtual Focus Group Session 1. The Project Progress Report will include the following:
  - a. Outcomes of the interviews and consultancy up to this point.
  - b. Summaries on the qualified projects/firms. Summaries should include, but not be limited to, title of firm/project, contact information for owners, CVs of owners, nationality of owners, total investment, total requested investment, sector/category, project description (short), detailed project description including IEAs for commercialisation, business history, feasibility, projected financials, etc.
  - c. An Excel sheet with the value assigned for each criteria for each firm.
  - d. Attachments of any media or press releases.

Please note that participants being funded from the REACH contribution must be CARICOM nationals with a preference for a higher ratio of participants funded by REACH to be from REACH's beneficiary countries (see RG-T2536 for this listing). These firms are also required to complete the REACH survey.

3. **Signed Agreements and Implementation Plan:** See description under activities section. Short listed firms selected by the committee will be required to sign formal agreements outlining the implementation plan. These formal agreements must be approved by the Executing Agency.
4. **Investment Memorandums:** See description under activities section
5. **Final Project Report:** See description under activities section.

#### V. SCHEDULE OF PAYMENT

10% upon signature of contract.

15% upon the Executing Agency's acceptance and approval of the Finalized Framework of criteria for Project Selection and Schedule of Interviews.

15% upon the Executing Agency's acceptance and approval of Progress Report 1.

20% upon the Executing Agency's receipt of Signed Agreements from the selected firms and the Executing Agency's acceptance and approval of the Implementation Plan for each selected firm.

20% upon the Executing Agency's acceptance and approval of the Investment Memorandums of the selected firms.

20% upon the Executing Agency's acceptance and approval of the Final Project Report.

## **VI. CHARACTERISTICS OF THE CONSULTANCY**

### **Characteristics of the consultancy**

Consultancy Category & Modality: Product and Services (PEC) Lump Sum

Contract Duration: Nine Months

Place of Work: Place of residence with travel as required.

Cost of Consultancy: Sixty Thousand United States Dollars (US \$60,000.00)

Qualifications:

- The consulting firm's key experts should each possess an advanced degree in Economics, Finance, Business Administration, Strategy, or related discipline;
- The consulting firm's key experts should each possess at least 15 years working experience, including experience in creating strategies for implementing technology transfer facilities;
- The consulting firm's key experts should each possess extensive knowledge in technology transfer/intellectual property issues to support commercialization and business strategy and governance;
- Experience in Business Plan and Investment Memoranda preparation and Business Incubation;
- Experience working with international development agencies (e.g. UNIDO, UNDP, UNESCO, OECD, UNCSTD, USAID etc.) on Science, Technology, Innovation and Technology Commercialization;
- Experience in S&T/I policy and commercialization in the Caribbean;
- Fluency in written and spoken English is required.

**The Curricula Vitae of the Key Experts must be submitted with the consulting firm's proposal.**

## **VII. SUBMISSION OF PROPOSALS**

Consulting firms interested in undertaking the consultancy must submit a proposal, including details of prior experience and the curricula vitae of the consulting firm's Key Experts to the REACH Project Assistant by e-mail at: [AdminAssistantREACH@sta.uwi.edu](mailto:AdminAssistantREACH@sta.uwi.edu) .

The deadline date for receipt of proposals has been extended to **December 16<sup>th</sup>, 2016**. Late submissions will not be accepted.

## **VIII. GENERAL**

### **Coordination**

The technical responsibilities of this consultancy will be coordinated by Ignacio L. De Leon Delgado, Private Sector Development Lead Specialist (IFD/CTI). The day-to-day technical coordination of the consultancy will be the responsibility of the Executing Agency, UWI.

**Payment and Conditions of Employment:** Remuneration will be determined in accordance with Bank regulations and criteria. The Bank may additionally contribute toward travel and moving expenses, if applicable. If a candidate is not a citizen or resident of the country where he/she will be working, the Bank will assist him/her to obtain the corresponding visa or work permit. If a candidate cannot obtain a visa to work at the IDB the contractual offer will be canceled.

**Consanguinity:** Individuals with relatives working for the IDB within, and including the fourth degree of consanguinity and the second degree of affinity are not eligible for employment as staff or consultants. Candidates must be citizens of a member country of the Inter-American Development Bank.

**Diversity:** The IDB is committed to diversity and inclusion and to providing equal opportunities in employment. 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.