



TERMS OF REFERENCE

DESIGN AND DELIVERY OF A CAPACITY BUILDING PROGRAMME TO IMPROVE CUSTOMER EXPERIENCE IN THE INVESTMENT FACILITATION ECOSYSTEM IN THE CARIBBEAN

CONSULTING SERVICES

1. BACKGROUND

1.01 Introduction

Caribbean Export Development Agency (Caribbean Export) has received grant funding from the Caribbean Development Bank (CDB) to execute and implement the Improving the Ease of Starting a Business in the Caribbean Project (GRANT NO. GA /REG). The general objective of this project is to achieve an improvement in the processes and procedures for starting a business in the CDB's Borrowing Member Countries (BMCs) through: Reduction in the number of procedures and time to start a business through the establishment of a virtual one-stop shop for business registration; and enhanced ability to deliver superior customer service within the business registry ecosystem.

- 1.02 Caribbean economies continue to rebound from the COVID-19 shock, experiencing an average growth rate of 6.7% in 2023. This average however reflects significant oil production output in Guyana. Tourism remained a key driver of the regional economic performance, with service-exporting economies growing at an average of 2.4%, benefiting from strong demand from major source markets. By the end of 2023, 11 of these countries had overtaken pre-pandemic output levels. The CDB forecasts an average growth rate of 8.6% for its 19 Borrowing Member Countries in 2024. Controlling for anticipated oil output from Guyana, this growth projection falls to 2.3%, expected to be driven mainly by tourism. The Bank identified some key areas of focus for resilience and growth, including adequate, climate-resilient social and economic infrastructure, intra-regional trade logistics, enhanced food security, improved institutional frameworks for doing business, and facilitation of digitalization and adoption of new technologies¹.

Regional private sector development is critical to economic recovery, poverty reduction and social recovery programmes in BMCs. The private sector also plays an important role as an engine of economic growth and job creation. It provides resources and generates tax revenues, which are critical to help tackle development and

¹ CDB Annual News Conference 2024: <https://www.caribank.org/newsroom/news-and-events/caribbean-economies-rebound>

environmental challenges. In this regard, the private sector is also critical to the achievement of Sustainable Development Goals (SDGs).

- 1.03 MSMEs² are critical to the regional private sector development and aids in poverty reduction, wealth creation and supporting sustained and inclusive economic growth. According to findings published in a 2016 study commissioned by CDB, MSMEs contribute 50% of GDP and create 45%³ of the jobs in the Region. Almost 40% of small businesses are owned by women in the Caribbean, with up to 60% ownership in some countries. The competitiveness of MSMEs remain constrained by lack of high-quality data and insufficient market intelligence, inadequate business support services, outdated technology, limited access to affordable finances and socio-cultural biases against disadvantage groups such as youths and women.
- 1.04 Even though MSMEs account for such a significant proportion of enterprises, they face significant challenges stemming from a weak enabling environment characterised by inhibitive tax policies, an inefficient and time-consuming business registration process, limited access to affordable financing, and logistical and administrative constraints to trading across borders.
- 1.05 The performance of BMCs in the 2020 Ease of Doing Business Report (EDBR)⁴ also reflect the challenges in the business climate, which has seen limited reforms being undertaken in comparison to other countries which have implemented significant reforms and recorded improvements over the past five years.
- 1.06 The Caribbean MSME sector is further constrained by a high level of informality. This limits these businesses' access to finance, business development services and access to new market opportunities. A 2016 study conducted by Inter-American Development Bank (IADB) suggests that the size of the informal sector is 20% - 30% in The Bahamas, 30% - 40% in Barbados, 29%- 33% in Guyana, 35%- 44% in Jamaica, 35%- 45% in Suriname and 26% -33% in Trinidad and Tobago⁵. This can hide real economic output in the Region as the informal sector is unrecorded or underestimated in most countries. A 2019 study by the International Trade Centre (ITC) shows that fewer women are involved in trade or own registered companies and are more likely to work in low-productivity activities or find informal employment⁶. Given the high level of informality among women owned MSMEs any formalisation project will provide direct benefit to the sector.
- 1.07 The high level of informality is a consequence of existing inefficient and outdated business registration processes. The Caribbean also ranked low in the ease of starting a

² MSME stands for Micro, Small and Medium Enterprises. The parameters used in this document are number of employees (1-50); assets (up to a max of USD1 million), and sales up to USD3 million. This is consistent with the MSME definition used by the CDB and CARICOM.

³ Micro Small Medium Enterprise Development in the Caribbean: Towards a New Frontier. CDB, 2016.

⁴The EDBR covers 12 areas of business regulation for 190 economies. Ten of these areas, that is, starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency, are included in the ease of doing business score and ranking. The Report analyzes regulations that encourages efficiency and supports the ease of doing business, including heightened transparency, predictability, centralisation of information and procedures, among others.

⁵ <https://publications.iadb.org/en/estimating-size-informal-economy-caribbean-states>

⁶ She trades, Connecting Women Entrepreneurs to Markets, 2019.

business indicator in the EDBR. Excluding Jamaica, Caribbean countries recorded an average ranking of 114 of 190 countries. The indicators which were assessed included the number of days to register a business, number of procedures, and the level of decentralisation and digitisation in the registration process. The performance of the territories in 2020 relative to 2016 for this indicator points to a downward trend for most territories except for The Bahamas (94/118), Jamaica (6/9) and a slight improvement in Suriname (182/183), all other countries showed a decline in performance⁷.

Government and Donor Community Response to Business Climate Reform

1.08 Caribbean Export through the Caribbean Association of Investment Promotion Agencies (CAIPA) commissioned a 2019 study with the support of the Commonwealth Secretariat entitled: Improving the Business Climate by Strengthening Procedures to Start a Business in the Caribbean to assess the status of the processes to start a business in 12 Commonwealth countries⁸. Some key findings of the study were as follows:

- (a) Jamaica and Trinidad and Tobago displayed good practices in registering a business.
- (b) Limited digitisation of records was observed in participating countries - There have been tentative steps toward digitisation but lack of resources and/or commitment to reforms have affected the sustainability of digitisation processes.
- (c) Lack of interoperability of business registry systems with other systems involved in the process.
- (d) Staff training is needed to improve customer service - Training in the delivery of excellent customer service in business support and governmental agencies involved in starting a business is needed.
- (e) Inefficient Business process in need of re-engineering - There are many required steps before (and after) incorporation that add to the time and cost of starting a business.

1.09 Further to the study, Antigua and Barbuda, Belize, Dominica, Grenada, and St. Vincent and the Grenadines received support from Compete Caribbean⁹, partially financed by the CDB, to implement reform initiatives¹⁰ which focused primarily on business process re-engineering and digitisation. Preliminary findings indicate that progress was accelerated in the second half of 2022 and up to July 2023, in relation to the establishment of online systems to streamline business incorporation and with the launch of a credit bureau operating in all Eastern Caribbean Currency Union (ECCU) countries. While efforts are still needed to improve several dimensions of the business climate as measured by the Doing Business report and operationalize IT systems, Compete Caribbean has provided critical support to implement digital technology solutions that facilitate the incorporation of businesses and reduce the time to solve commercial

⁷ Antigua and Barbuda (130/107), Barbados (102/100), Belize (166/159), Dominica (71/63), Grenada (89/76), Guyana (111/92), Haiti (189/188), Saint Lucia (69/67), St. Vincent and the Grenadines (93/77), St. Kitts and Nevis (109/90), Trinidad and Tobago (79/72).

Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, and Trinidad and Tobago.

⁹ <https://www.competecaribbean.org/>

¹⁰ Support for these reforms totaled approximately United States dollars (USD) 14 million (mn) over the last seven (7) years, of which the Bank contributed USD 2mn. This programme provided significant support to Jamaica's business ecosystem through its contribution to the development and operationalisation of the movable assets collateral registry, secured asset transactions legislation, business registration super form created and operationalised, updated Insolvency legislation.

disputes. A new Securities Bill was drafted to enhance transparency and strengthen corporate governance in the regulation of the regional market of the OECS. The Business Ready report by the World Bank, as the successor of the Doing Business report, will assess many of the same principles identified as best practices, so Caribbean countries should focus on the timely implementation of the recommendations provided by these various studies.¹¹

- 1.10 The Commonwealth Secretariat also funded the participation of 35 Caribbean representatives at a 1-day workshop in Barbados on April 9, 2019, for the presentation of the Report and a discussion on the next steps. Present at the event were the National Business Registrars, the Investment Promotion Agencies of the Commonwealth Caribbean, Compete Caribbean and CDB. The good practice case study of Jamaica was the focus of the meeting. The meeting agreed that an initiative would be developed to assist countries in the Region to model the achievement of Jamaica. It is against this background that Caribbean Export has requested support from CDB to improve the ease of starting a business in the Caribbean.

2. RATIONALE

- 2.01 Notwithstanding the work undertaken by the CARICOM Secretariat and Compete Caribbean, to address some of the challenges related to the ease of doing business in the Caribbean, the 2018/2019 project with the Commonwealth Secretariat entitled: Improving the Business Climate by Strengthening Procedures to Start a Business in the Caribbean, to better understand the regional panorama in starting a business, the project reviewed the procedures, time, associated costs, and other challenges experienced by CARICOM member states in improving the ease of starting a business. The 2018/2019 study focused attention on gathering information on (i) the General Business Climate; and (ii) the Starting of a Business Process within the territories. Interviews were undertaken at the national level focused on stakeholders such as the registrar of companies, the IPAs, the attorney generals, attorneys, and private sector stakeholders. The summary findings were that: (a) in some countries that received assistance in establishing an Online Company Registration System (OCRS), the system was not being used either because there were persistent bugs and/or the staff was unaware of how to use the system; (b) there was a lack of interoperability between the system at the national registries and the other entities who formed part of the business registration ecosystem, e.g. the inland revenue department and the social security department at the national level; (c) the national registries could not afford to digitise the records to be stored on the system so in many cases reverted to the manual system; and (d) the national registries were not utilising the option to exchange data with other regional registries.
- 2.02 In addition, the World Bank's indicators for the ease of starting a business in the Caribbean also point to persistent deficiencies and the need to focus attention on other areas of weakness. Excluding Jamaica, the Caribbean countries have an average ranking of 114 of 190 countries in the ease of starting a business. The performance of the territories in 2020 relative to 2016 for this indicator points to a downward trend for most territories with the exception of the Bahamas (94/118), Jamaica (9/6) and a slight improvement in Suriname (182/183). The declines were: Antigua and Barbuda (130/107),

Barbados (102/100), Belize (166/159), Dominica (71/63), Grenada (89/76), Guyana (111/92), Haiti (189/188), Saint Lucia (69/67), St. Vincent and the Grenadines (93/77), St. Kitts and Nevis (109/90), Trinidad and Tobago (79/72).

2.03 Other relevant findings of the 2018/2019 project with the Commonwealth Secretariat entitled - Improving the Business Climate by Strengthening Procedures to Start a Business in the Caribbean included:

General Business Climate

- (a) With little exception, business climate reforms and policy formulation are influenced by an overly skewed public sector focus.
- (b) Where it exists, the stated business reform agenda is generally inconsistent and devoid of a structured approach as well as of adequate resources for implementation.
- (c) Doing business reforms does not appear to be central to national development strategies or active developmental policies.
- (d) There appears to be little to no permanent Public/Private Sector collaboration modalities for identifying, implementing, and sustaining business reforms

Starting a Business

As it relates to company registration/incorporation across the Region:

- (a) Jamaica is unquestionably the regional best practice both in terms of the number of procedures and time for starting a business, hence its number 6 global ranking.
- (b) Trinidad and Tobago is the current best practice, as it relates to the cost of starting a business.
- (c) There have been very tentative steps toward digitisation but lack of resources and/or commitment to reforms have affected the sustainability of digitisation processes.
- (d) Business registration/incorporation processes are not generally clear, predictable, and seamless, as they should be.
- (e) There are many required steps before (and after) incorporation that add to the time and cost of starting a business.
- (f) There is no established inter-agency cooperation agreement that has resulted in a unique Identification number (UIN), as obtains in best practice jurisdictions.
- (g) Business registration statistics and standards are not readily available.
- (h) Training in the delivery of excellent customer service is needed

2.04 These findings point to the need for further support in advancing the goals of the online registration process for those countries where the system was installed. In pursuit of a truly regional project, support to countries that were not included in the original initiative to deploy a similar system in these territories should also be pursued. Finally, having an online system does not ensure the ease of starting a business if the business process is inefficient

or costly if legislation does not support the ease of starting a business and if the customer experience falls short of expectations. In this regard, a reengineered business process is needed along with capacity building to manage the change and to improve the customer experience and TA to advance legislation that supports the ease of starting a business. It is anticipated that, with the execution of these initiatives an improvement in the ease of starting a business will ensue and any improved ranking in the EDBR for Caribbean territories will augur well for the Region in improving investor perceptions and by extension FDI.

- 2.05 To achieve the desired outcome of a measured improvement in the ease of starting a business in the Caribbean, several public sector transformation initiatives are being considered, including business process reengineering, IT support to improve the technology used by stakeholders and a legal review. However, changes in how organisations function from a procedural point of view is only a part of the equation. Importantly, the satisfaction of clients has become a priority. Studies have shown that good experiences by clients can boost outcomes such as increases in the number of firms starting a business. It is against this background that this assignment is being undertaken.

3. PROJECT OBJECTIVE

The objective of the assignment is the design and delivery of a capacity building programme for the relevant institutions within the public sector to improve customer experience in the investment facilitation ecosystem in the Region. The beneficiary entities will include the national business registries, the social security departments and inland revenue departments who are engaged in the process of starting a business within the beneficiary countries. All activities including training sessions will be done virtually.

4. SCOPE OF PROJECT

The scope of service is understood to cover all the activities necessary to accomplish the stated objectives as follows:

- (a) Design and undertake a client perception survey and focus group sessions with men, women, youth, persons with disabilities to gather critical insight into the views of clients internal and external to the public sector investment facilitation ecosystem in all participating countries (CDB BMCs).
- (b) Guided by the results of the survey, develop a programme for all participating countries that will enhance the gender-responsiveness and capacity of the public sector to maximise customer satisfaction by resetting the client's expectations and improving the reality based on an understanding of their differential needs. This programme should include a guidebook or tool kit and an online resource (including video presentations), that will serve as a ready reference of lessons from government leaders and provide guidance on how to identify customers, improve the customer journey, re-set client expectations and innovate to realise them, as well as the ways the public sector can cultivate a customer-centric culture, and build and sustain momentum with a motivated and trained team.

- (c) Develop a ranking system and a system of merit that can be implemented across the Region to acknowledge and credit public sector entities that are success stories and an accompanying communication and implementation plan.
- (d) Provide hands-on support over a period of 3 months following delivery of the resources to engage with public sector representatives, encourage their engagement and use of the materials and to report on any immediate changes that may have been as a direct result of the project.
- (e) Develop and deploy a tool for continuous assessment and monitoring of differential impact on various groups (women, men, youth, PWDs).
- (f) Develop and execute a communication strategy to inform clients of changes undertaken to improve their experience.

5. **REPORTING REQUIREMENTS**

Prepare and submit to Caribbean Export the following:

- (a) Within fifteen (15) working days of signing the services contract, a first Report that details the agreed timelines, approach, project design, a risk matrix with remedial action that should be considered and a draft questionnaire for the perception survey.
- (b) Within fifty (50) working days of signing the services contract, an Interim Report presenting the findings of the perception survey and a draft of the guidebook and tool kit.
- (c) Within one hundred (100) working days, a Report with the finalised guidebook or toolkit as well as online resources and a training schedule that details the countries who will be participating in the training, dates, and the staff to be engaged.
- (d) Within one hundred and twenty-five (125) working days, a Final Report on the handholding process, any success stories, and recommendations for the way forward. The report should also include information on the methodology for the Caribbean customer experience ranking system and communication and implementation plan.

All reports must be submitted to Phillip Jackson and copied to Dr. Damie Sinanan at pjackson@carib-export.com and dsinanan@carib-export.com respectively. All reports must be in Microsoft Word format.

6. **DURATION**

The assignment should not exceed a total of one hundred and twenty-five (125) working days for the Consultant.

7. **QUALIFICATIONS AND EXPERIENCE**

Key Expert Business Development Consultant

Postgraduate qualifications in Business Administration, Marketing, Economics, International Trade, Management, IT, or related fields.

At least five years of relevant professional experience in the provision of business administration and customer service consultancy.

Please provide examples of previous experience in at least two relevant projects and/or training on customer satisfaction by resetting the client's expectations and improving the reality. The project should include the development of a guidebook or tool kit and an online resource.

At least five years' experience in developing and executing a communication strategy to inform clients of changes undertaken to improve customer experience.

Proficiency in computer application and e-business solutions to assist institutions improve their service delivery.

Eligibility

As a consultant firm:

- be legally incorporated or otherwise organised in a CDB member country;
- have their principal place of business in a CDB member country and;
- be more than 50 per cent beneficially owned by citizen(s) and/or bona fide resident(s) of CDB member country(ies) or by a body(ies) corporate meeting these requirements.
- In the case of unincorporated firms, such as partnerships, or individual consultants the persons must be citizens or bona fide residents of a CDB member country.

8. **REQUIRED DOCUMENTATION**

1. A technical proposal outlining the approach, methodology and timelines together with Curriculum Vitae of participating staff, detailing education, training, certifications, and related work experience.
2. A financial proposal reflecting the budget for the timely and effective implementation of the technical proposal. These are to be sent electronically to Phillip Jackson at: pjackson@carib-export.com copied to Damie Sinanan at dsinanan@carib-export.com.

The deadline for submissions is March 31, 2024 at 4:30 P.M. Barbados Time (AST)

9. **FACILITIES TO BE PROVIDED BY CARIBBEAN EXPORT**

9.01 Caribbean Export will facilitate access to key stakeholders in participating Member States as well as relevant reports and/or studies.

9.02 No office accommodation is required of the Consultant during this assignment.

10. FACILITIES TO BE PROVIDED BY THE CONSULTANT

The Consultant shall ensure that additional experts, if required, are adequately supported and equipped. In particular, the Consultant shall ensure that there is sufficient administrative, secretarial, and general support for each additional expert to enable the Consultant to concentrate on his/her primary responsibilities. The Consultant must also transfer funds as necessary to support the activities under the contract and to ensure that all employees are paid regularly and in a timely fashion as per the rules of employment prevailing in the country.

Travel - No travel is required by the consultant.

11. EQUIPMENT

No equipment is to be purchased on behalf of the Contracting Authority as part of this service contract or transferred to the Contracting Authority at the end of this contract. Any equipment related to this contract which is to be acquired by the Contracting Authority must be purchased by means of a separate supply tender procedure.