

# CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

## SHAPING THE FUTURE OF INNOVATION ATN/ME-17852-TT/GRT/ER-17966-TT

### REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

**Institution:** *European Union and Inter-American Development Bank*

**Country:** *Trinidad and Tobago*

**Project:** *Shaping the Future of Innovation*

**Abstract:** *Consultancy Services for an Innovation Challenge Facility Management Firm*

**Grant No.:** *ATN/ME-17852-TT; GRT/ER-17966-TT*

**Contract/Bid No.:** *CAR/IDB/EU/2021-001*

**Deadline:** *9:59 am A.S.T., Thursday 15<sup>th</sup> April 2021*

The Caribbean Industrial Research Institute (CARIRI) has received financing from the European Union and IDB Lab, a member of the Inter-American Development Bank Group (IDB), for the Project, “Shaping the Future of Innovation”. The specific objective of the project is to catalyze an increase in innovation activity to drive business led **economic growth and jobs**, via the development of new markets, products, services, and business models.

The intervention will include three major components that will be implemented concurrently.

- (i) Component 1: The Innovation Challenge Facility<sup>1</sup>: SMEs and other organizations will be invited to participate in a competitive call inviting applications for financing of innovation proposals<sup>2</sup>. This call will be a 2-step process and some technical support will be provided to prospective applicants in preparation of their proposals. The fund will finance innovation in goods, services and business models for applicants qualifying under each call.
- (ii) Component 2: Building Industry and Academic Linkages: This component is geared towards piloting a programme that will improve collaboration between tertiary level postgraduates and local firms in Trinidad and Tobago. In this component a platform will be established linking postgraduates, with private sector firms seeking an intern specialized in specific areas to advance R&D /Innovation within their respective organizations.
- (iii) Component 3: Building the Innovation Network: Activities under this component will seek to build a network model linking local actors as well as external (regional and international) accelerators, incubators, academic institutions, venture capital funds and company builders to create an innovation network that can support continuity and expansion of the innovation thrust in Trinidad and Tobago.

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<sup>1</sup> Specific funding provided by the EU to support private sector innovation in Trinidad and Tobago.

<sup>2</sup> Details regarding the criteria for the Call for Proposals (CfP) will be defined by CARIRI in coordination with EU and IDB and shall be consistent with applicable regulations for CfP.

CARIRI intends to apply part of the project funding for consulting services to assist in delivery of activities identified under Component 1 and 2.

The specific objective of this consultancy is to structure, implement and monitor the Innovation Challenge Facility in collaboration with CARIRI. This facility will be a competitive and demand-driven fund that will provide grant financing to organisations in Trinidad and Tobago to commercialize or scale innovation. It is envisaged that a management consultancy firm with the requisite expertise will support day to day operations of this facility under the direction of CARIRI. This firm will be responsible for promoting the facility, organization of calls for proposals every six months, supporting an independent expert advisory panel in initial screening and shortlisting of stage one applicants, supporting applicants in development of detailed innovation financing proposals, linking applicants to other relevant funding sources and accelerator/company builders, development of legal agreements with applicants selected for financing, as well as monitoring, provision of ongoing technical and advisory support, and reporting on beneficiaries' performance in the post approval phase.

The innovation challenge will be open to all sectors, with the exception of primary Oil and Gas extraction and production as well as purely academic research projects with no commercialization potential. Priority areas will include Technologies for Inclusion, ICT, Renewable Energy, Energy Efficiency, Waste Reduction, High Value Agribusiness, and Manufacturing.

Under Component 2 the firm will assist in the definition and management of a suitable platform for matching potential interns with organizations seeking short term engagement of graduates with specialized skills that may not be available within their organization. In this regard, the firm will provide support to CARIRI in assisting in the assignment of interns and in the monitoring and reporting on results.

Please see a further description of the project in Annex 1

This Consultancy requires management consulting firms to demonstrate experience and/or capabilities, as follows:

- (i) Minimum of 5 years' experience managing innovation projects in the private sector.
- (ii) Prior experience managing calls for proposals for funding from the private sector.
- (iii) Demonstrated knowledge and experience in SME innovation.
- (iv) Demonstrate access to key team members that have multi-sectoral experience as well as an understanding of technology for innovation.
- (v) Project Management experience and certification
- (vi) Quality Management systems for management of client engagements
- (vii) Knowledge of innovation in the context of Small Countries
- (viii) Fluency in English language
- (ix) Understanding and experience in application of IDB and EU policies and procedures regarding project execution and fiduciary management would be an asset.
- (x) Local experience will be an asset.

A maximum indicative budget of US \$400,000 has been allocated for this consultancy for a period of 4 years.

CARIRI now invites eligible management consulting firms, (“Consultants”) to indicate their interest in providing the services as outlined through the submission of an Expression of Interest (EOI). Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the required services.

Estimated Duration of the Contract: an initial 12 months with an option to renew for an additional period of up to 36 months

Consultants will be selected in accordance with the procedures set out in the Inter-American Development Bank: [www.iadb.org/en/projects/project-procurement](http://www.iadb.org/en/projects/project-procurement) GN-2350-15 and is open to all eligible bidders as defined in the policies.

Consultants will also be selected in accordance with the procedures as outlined by the EU, specifically compliance with EU restrictive measures as outlined at the following link <https://www.sanctionsmap.eu/#/main>.

Please note this opportunity is open to providers from IDB member countries, and countries recognized by the EU as eligible.

Please access the list of IDB Eligible Countries and Territories for IDB-financed contracts via the following link:

[Project Procurement | IADB](#)

Please access the list of EU Eligible Countries and Territories as defined in Part II of Annex a 2a of the “External Action Financial Instruments and European Development Fund- Rules on Participation in the Procurement Procedure and Grants (PRAG)” via the following link:

<https://ec.europa.eu/europeaid/prag/annexes.do?annexName=A2a&lang=en>

Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. For the purpose of establishing the short list, the nationality of a firm is that of the country in which it is legally incorporated or constituted and in the case of Joint Venture, the nationality of the firm appointed to represent it.

A Consultant will be selected in accordance with the *Quality and Cost Based Selection* method set out in the IDB’s Consultant Policies GN-2350-15.

Any request for clarification must be sent by **11:59pm A.S.T., Sunday 4<sup>th</sup> April 2021** with the heading “**Request for Clarification**” in writing by electronic mail to CARIRI’s address as follows:

Attention: The Project Chief – Shaping the Future of Innovation  
Email: [stfoi@cariri.com](mailto:stfoi@cariri.com)

Please note there will not be an individual response to requests for clarifications, all responses will be posted publicly by CARIRI and can be accessed via the following link:

<https://future.cariri.com/>

Please note CARIRI will not provide additional updates and/or responses after **11:59pm A.S.T., Friday 9<sup>th</sup> April 2021**

Consultants must submit their EOIs no later than **9:59 am A.S.T., Thursday 15<sup>th</sup> April 2021** via email to [stfoi@cariri.com](mailto:stfoi@cariri.com)

Late EOIs will not be considered under any circumstances.

## ANNEX 1 Project Description

- I. **Project Name:** Support to Competitive and Innovative Economy in Trinidad & Tobago - Shaping the Future of Innovation
- II. **Funding Source:** IDB Lab and the European Union (“EU”)
- III. **Executing Agency:** The Caribbean Industrial Research Institute (CARIRI) will act as the Executing Agency for this operation
- IV. **Project Description:**

The specific objective of the project is to catalyze an increase in innovation activity in order to drive business led **economic growth and jobs**, via the development of new markets, products, services and business models, increased efficiency, and competitiveness. The intervention will include three major components that will be implemented concurrently.

### **Component I: The Innovation Challenge Facility**

The Executing Agency (“CARIRI”) will establish a competitive and demand-driven innovation challenge facility targeting organizations in Trinidad and Tobago (“T&T”) that are seeking financing for innovation in products, services, channels, new markets and business models, etc. Demand driven innovation funds that allocate resources to private firms on a competitive basis have been found to be an effective mechanism for driving innovation in the Latin America and Caribbean (LAC) region. The innovation challenge facility will be competitive, and demand driven, offering financing for innovation, primarily targeting Small and Medium Enterprises (SMEs). CARIRI will contract a private sector management consulting firm to provide support for the day-to-day management of the Innovation Challenge Facility. This private sector management consulting firm will be selected based on a competitive bidding process. To ensure transparency, equity, inclusion, and maximum impact, CARIRI will implement the Innovation Challenge Facility in accordance with clearly defined operating regulations, based on, and adapted from global models, as well as relevant regional and local studies and lessons learned. A structured multi-channel outreach program will be designed and rolled out by CARIRI to promote the facility and encourage participation, while also ensuring that gender, geographic and other relevant inclusion concerns, are addressed in all outreach and promotion efforts. The innovation challenge facility will be open to all sectors, with the exception of primary Oil and Gas extraction and production as well as purely academic research projects with no commercialization potential. Priority areas will include Technologies for Inclusion, ICT, Renewable Energy, Energy Efficiency, Waste Reduction, High Value Agribusiness, and Manufacturing. Additionally, it is expected that technology will be a key feature and platform for innovation proposals developed by applicants.

CARIRI will launch a series of calls for applications in T&T for financing under the innovation challenge facility until the funding for innovation is fully allocated. To address the issue of applying innovation for inclusion and improving lives of poor and vulnerable segments of the national population, at least two calls for applications will be launched for “Inclusive Innovation Solutions” that respond to challenges faced on a day-to-day basis by lower income and excluded groups within T&T. Such solutions could include for example, innovations in sustainable and affordable delivery of utilities, health, housing, transport, education, or access to credit for lower income segments of the population or inclusion of special needs/vulnerable groups.

In order to ensure that inclusive innovations are encouraged and prioritized, the development of the specific criteria and operating processes for the implementation of the Innovation Challenge Facility will be developed via a multi stakeholder engagement workshop led by CARIRI.

A two-stage process for applications to the innovation challenge is envisaged. The first is designed to crowd in the largest number of viable ideas using broad based outreach and a simple application model as well as the opportunity to participate in small workshops and online forums to support applicants’ preparation of a project pitch in this initial stage. Applicants are expected to include: (i) small organizations/innovators/entrepreneurs (ii) medium sized organizations with an established commercial track record and (iii) other organizations/clusters innovating delivery of goods and services, including models for delivery of goods and services that may traditionally be provided by the state. **For the first category of applicants (small organizations/innovators/entrepreneurs), current research and lessons of experience indicate that additional support and attention is required to curate and develop ideas to the point that they are evaluable and fundable.**<sup>3</sup> Individuals and small organizations have the ability to dream, but when they are operating in an underdeveloped innovation ecosystem, they often lack access to technical/advisory support and coaching required to convert ideas into viable investments for commercialization. To address this gap, small organizations and individual applicants to the innovation challenge facility will be enrolled in an existing Innovation Advisory Services (IAS) program<sup>4</sup> which is also financed by IDB Lab and is being already implemented by the Executing Agency CARIRI.<sup>5</sup>

Applicants shortlisted in the initial round to proceed to the second stage of evaluation will develop a more detailed funding proposal, using a business model canvas, anchored by a strong value proposition and articulating a clear theory of change. **Innovation proposals that target export earnings, job creation, deliver social and environmental benefits and those that**

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<sup>3</sup>NESTA, “Funding Innovation: A Practice Guide, Making Money Work Harder”, November 2018.

<sup>4</sup>TT-T1073, “Bridging the Gap to Commercial Application of Innovations”, approved December 2017.

<sup>5</sup> (TT-T1073 Bridging the Gap to Commercial Application of Innovation). This program provides technical advice and support to participants in the development of innovation value propositions, including scanning, market analysis, technology development and sourcing, rapid prototyping and the definition of a business model to facilitate investment for commercial application. Costs of participation are already covered by CARIRI under the IDB Lab financed operation TT-T1073, and on completion of this program, smaller organizations and individuals applying to the innovation challenge facility will be able to present a more evaluable financing proposal. In addition, other applicants that demonstrate a strong idea, but whose initial proposal submitted for the first round of evaluation requires further development, can also be enrolled in CARIRI’s IAS program, and may submit again in a subsequent call.

**specifically target and deliver benefits/solutions relevant to last mile, excluded and vulnerable populations will be prioritized.** Applicants selected to proceed to the second stage will be supported by a team of specialists, working one on one with applicants in bootcamps as well as virtual settings, to provide technical support and advice for their funding applications. Larger organizations applying for financing via this second stage of the innovation challenge, may be matched during the application stage and after award of financing (if successful), with local and regional accelerator programs, angel and early-stage investors as well as Venture Capital (VC) funds. These entities<sup>6</sup> (accelerators, company builders, VC funds) may be engaged as part of the design and delivery of the innovation challenge facility, and can potentially assist in co-financing, and in translating the implementation of an applicant’s innovation proposal to concrete commercial/social and environmental gains. **It is noted in current research, that lack of this type of downstream support is a key mistake made in the design of innovation financing models and can compromise successful and sustainable outcomes.**<sup>7</sup> Submissions in both the first and second stages will be evaluated by an **independent expert advisory panel** selected from leaders and innovators in the private sector, academia and science and technology organizations, primarily within the Caribbean and greater LAC region. IDB Lab in its role as a connector will assist the Executing Agency to identify organizations that can nominate potential candidates. In addition, CARIRI as the Executing Agency and a founding member of the World Association of Industry and Technology Research Organizations (WAITRO) will also draw on its network to identify potential candidates.

**The day-to-day management of the innovation challenge facility component will be managed by a specialized private sector management consulting firm, selected on a competitive basis.** This management consulting firm will be responsible for promoting the facility, organization of calls for proposals every six months, supporting the independent expert advisory panel in initial screening and shortlisting of stage one applicants, supporting applicants in development of detailed innovation financing proposals, linking applicants to relevant VC funds and accelerator/company builders, development of legal agreements with applicants selected for financing, as well as monitoring, provision of ongoing technical and advisory support, and reporting on beneficiaries’ performance in the post approval phase.

## **Component II: Building Industry and Academic Linkages**

The second component of the Project will seek to forge closer ties between postgraduates and private sector firms, by piloting a model for structured collaboration of postgraduates with local firms in advancing applied research and development (R&D) for innovation. This component seeks to improve upon research findings by the OECD from 2013 that note that SMEs are

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<sup>6</sup> These organizations can be identified with assistance from IDB Lab team, leveraging project partnerships and institutional partnerships formed over the past 2 years.

<sup>7</sup>NESTA, “Funding Innovation: A Practice Guide, Making Money Work Harder”, November 2018.

frequently disadvantaged relative to larger firms in accessing human resources in science and technology. The government of T&T has invested heavily in expanding access to tertiary education by providing financial support for undergraduate and graduate studies. However, the level of applied, commercially oriented R&D work between academic institutions and local firms remains low. Under this component, a program will be designed and piloted by CARIRI to link tertiary post graduate interns (at the masters or doctoral level) and other postgraduates, with local firms seeking to solve specific challenges and conduct applied research for innovation.

Research and development, and innovation projects proposed by firms seeking to attract graduate talent via the program, will be assessed by the Executing Agency CARIRI using their Innovation Gap Analysis (iGAP) methodology to ensure a clear definition of the core problem identified. iGAP is a methodology adapted for T&T by CARIRI with support from the Danish Technological Institute (DTI), to assess opportunities for innovation in local firms. DTI has trained 10 iGAP agents specialized in a range of disciplines from CARIRI's technical staff and will provide backstopping for the firm level assessments.<sup>8</sup> This exercise will assist applicant firms in structuring the requested internship. Direct costs of the iGAP assessment will be borne by participating firms.

Firm opportunities for graduate placement, as well as interested graduate student intern profiles will be posted on a platform managed by CARIRI to allow both parties to assess best fit and will be followed by a two-day mixer/matching event to allow participating firms and students to meet in person prior to finalizing placements. The internships will average six months and students will receive an internship fee during this period which will be partially financed by applicant firms, via a minimum contribution of 50% of internship costs,<sup>9</sup> with the balance financed with project resources. Payments will be disbursed by CARIRI to firms receiving graduate students to finance partial costs of the internships.

### **Component III: Building the Innovation Network**

This third component seeks to build capacity amongst local innovation stakeholders to better coordinate efforts of T&T's innovation ecosystem. CARIRI, as the lead organization driving innovation in the current ecosystem in T&T, and supported by a full-time innovation coordinator, will implement planned activities under this component. IDB experience in innovation financing indicates that coordination of key actors in the innovation ecosystem is a critical requirement. The focus of this component will be to engage the primary stakeholder organizations in a design thinking process to define and agree on three to four key initiatives on which they can collaborate to strengthen support to and reporting on innovation in T&T.

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<sup>8</sup> Since 2017 CARIRI has assessed over 70 local firms to assist in defining and developing innovation projects.

<sup>9</sup> The EU Action Document approved for provision of co-financing in respect of this project "Support for a Competitive and Innovative Economy in Trinidad and Tobago" includes specific reference to payments for student interns as an eligible expense duly considered and approved by the EU

Progress and lessons learned will be reviewed in a series of collaborative workshops over the period of the Project.

Additionally, critical supporting activities will include the following: (i) in order to secure ongoing financial support for innovation, Project resources will be used to secure a facilitator that can assist the CARIRI team in sensitizing the investment community as well as innovators on the potential opportunities and economic benefits of innovation financing, including the use of associated risk management tools and differentiated financial instruments currently available and in use in more advanced innovative economies; (ii) in order to provide linkages for support of innovation, a digital platform will be developed and maintained by CARIRI , which will connect local innovators with relevant and available resources locally and abroad, including financing, business support, incubation and mentorship programs and export market access mechanisms and support; (iii) to facilitate collation and reporting on T&T's progress in innovation, CARIRI with support from a consultant and other key stakeholders, will develop a Data Collection and Measurement Framework and process for reporting on international innovation indicators;<sup>10</sup> and (iv) to support sustainability and strengthening of innovation support in T&T, the Project will finance exchanges and knowledge sharing between CARIRI<sup>11</sup> as well as local ecosystem actors and successful regional innovation organizations such as CUBO in Brazil. Importantly, in the final year of Project implementation, key participating stakeholders will be engaged in the development, promotion and advocacy of a plan for sustainability. The plan will outline activities, resources and stakeholder engagement required for continuity in supporting innovation in T&T beyond the period of Project financing. In addition, this component includes a consultancy to provide CARIRI with advisory support to ensure gender and other inclusion factors are built into all outreach and stakeholder engagement activities, including those in Components I and II.

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<sup>10</sup> For example, data required to report on indicators for the Global Innovation Index (GII).

<sup>11</sup> Costs of participation by CARIRI in knowledge exchange with other innovation programs in LAC will be financed from IDB Lab resources included in the budget for Component III.