

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

REGIONAL

STRENGTHENING THE INNOVATION AND INVESTMENT ECOSYSTEM IN THE CARIBBEAN

(RG-T4806)

PROJECT DOCUMENT

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PROJECT SUMMARY		
Operation Type:	Technical Cooperation	
Sector:	PRIVATE FIRMS AND SME DEVELOPMENT	
Subsector:	ENTERPRISE DEVELOPMENT, CLUSTERS AND INNOVATION	
TC Taxonomy:	Client Support	
Project Number under the Operational Support Taxonomy:	N/A	
Technical Responsible Unit:	PTI/CTI-Competitiveness, Technology, and Innovation Division	
Unit with Disbursement Responsibility (UDR):	PTI/CTI-Competitiveness, Technology, and Innovation Division	
Executing Agency:	Inter-American Development Bank	
PROJECT OBJECTIVE		
<p>The objective of this TC is to strengthen the institutional capabilities of key stakeholders by addressing the main institutional capacity gaps currently present in existing productivity, innovation, and investment ecosystems in the Caribbean. The specific objectives are to: (i) address financing and investment gaps in firms and Startups in the Caribbean; (ii) engage in capacity building activities for stakeholders in national innovation and investment ecosystems, including generating and disseminating knowledge related to these two objectives</p>		
FINANCIAL INFORMATION		
Financing Type	Fund	Amount in US\$
TCN - Nonreimbursable	W3B - OC Strategic Development Program Window 3 - Transitory Emerging Need for Sustainable Development in the Caribbean	150,000
TCN - Nonreimbursable	OCB - One Caribbean Multi-Donor Trust Fund	150,000
	Total IDB Financing	300,000
	Counterpart Financing	0
	Total Project Budget	300,000
Donors:	N/A	
Disbursement Period:	36 months	
Execution Period:	36 months	
ADDITIONAL FINANCIAL INFORMATION		
N/A		

I. JUSTIFICATION AND OBJECTIVE

- 1.1 **Diagnostic.** Prior to the pandemic, the Caribbean countries had a per capita Gross Domestic Product (GDP) growth of 1.22% between 2001 and 2019, and high economic concentration, mostly in the services (tourism) or commodities' sectors. The low growth trend of the Caribbean countries can be attributed to low Total Factor Productivity (TFP) growth, mainly driven by very scant business innovation, (creation or adoption of technology, high value-added products, and improved performance), which increases labor productivity at the firm level. Caribbean TFP has been declining since the 1980s as indicated by the region's loss of market share over time in its main products and services (ie. agriculture, tourism) (Ruprah, Melgarejo, & Sierra, 2014). Caribbean businesses invest less in innovation in products and services than other small world economies (Compete Caribbean- Inter American Development Bank, 2023). The small scale of Caribbean economies, and a cumbersome business climate hinders growth and innovation. The new technological global trends, digitalization and green transition, counterbalance some of the geographic limitations but the business and innovation climates need to respond to these opportunities (Inter American Development Bank, 2023). The Caribbean region has a high risk of climate events due to its geographical location, densely populated coastal zones and high susceptibility to extreme weather events and natural disasters (InterAmerican Development Bank and OECD Development Centre, 2025), creating and additional cost for doing business.
- 1.2 Financial markets in the Caribbean are largely retail bank-centric and the regional capital markets are underdeveloped. As a result, growth of the SME sector is restricted (Gitts, 2023). The private equity/credit market is not well-developed across the Caribbean and would benefit from increases in structured support from institutional and private investor pools, higher investee/borrower buy-in and more (regionally harmonized and) supportive legislative and regulatory frameworks ¹. Among the critical factors for success of a private equity/funding sector, are: (i) economic stability; (ii) level of investor sophistication and risk appetite; (iii) degree of investee awareness and sophistication; (iv) depth of capital markets; (v) regulatory and legislative sophistication and support; (vi) adequate pool of service providers and (vii) reliable exit opportunities for private equity investors.
- 1.3 In Jamaica, despite the reduction of the public-debt to GDP ratio by more than 60 percentage points to 75.5% in 2023⁵, there is a need to increase productivity to drive growth. In 2023, Jamaica's 2.6% growth⁷ was driven by net exports, mainly in tourism⁸, manufacturing and mining. A mismatch persists between the current global trends for Jamaican SMEs in areas such as (i) digital transformation; (ii) green transition; (iii) globalization and participation in value chains; (iv) business dynamics and innovative entrepreneurship; (v) transition to formality; and (vi) corporate responsibility ². Jamaica's innovation ecosystem is evolving, with strong government commitment and active development financing. However, it remains early-stage and undercapitalized, with VC investment still focused on traditional and low-risk sectors. Strengthening STEM education, enhancing R&D incentives, and

¹ IDB Invest.

² IMF Article IV Consultation.

encouraging diaspora investment are seen as key levers for the future. Although the DBJ's Venture Capital Programme (JVCP) has been developing the VC space, funds remain relatively small and concentrated in few sectors³.

- 1.4 Barbados, despite high levels of human capital development, has experienced stagnant Total Factor Productivity (TFP) growth over the past three decades, in part due to low levels of complexity in the economy, which would require investment in scientific research and coordination with the private sector to produce more sophisticated/higher value-added products and services. From 13 Caribbean countries surveyed at the business level, Barbados has the lowest proportion of innovative firms (12% compared to the Caribbean average of 39%), and the lowest proportion of potentially innovative firms (9% compared to the Caribbean average of 33%). Financing, uncertainty about which R&D investments to prioritize, and skills gaps are the more frequently obstacles cited by Barbadian firms. In addition, the VC ecosystem remains nascent with no major local venture capital funds⁴.
- 1.5 The Bahamas, is a small, open service-based economy, concentrated in sectors such as Tourism (38.2%), real estate (13%) and financial services which accounted for around 60% of GDP in 2023⁵. After undergoing a series of external shocks caused by Hurricane Dorian and the COVID-19 shock, the economy has rebounded, experiencing growth of 2.6% in 2023 and 1.9% in 2024, mostly from record tourism arrivals that increased 16.2% in 2024 and 55% compared to pre-pandemic levels⁶. However, firms, and in particular SMEs experience high operational costs due to high energy costs, difficult transportation logistics and cumbersome business procedures, producing a low level of Total Factor Productivity of 2.64, lower than the Caribbean average (Oxford Economics⁹, 2017). The VC ecosystem in The Bahamas is nascent but growing, driven primarily by government backed initiatives⁷.
- 1.6 Guyana's private sector is small and fragmented consisting of mainly micro, small, and medium-sized enterprises, with many firms operating in the informal sector (Wenner, 2018). Most firms sell their goods and services mainly in the domestic market, with only 15% selling to the Caribbean region and 3.8% selling beyond the Caribbean. The average Guyanese firm is 45% less productive than the average Caribbean firm. Guyana's economy is concentrated on oil production and exports, which accounted for 56.9% of GDP and 86% of exports in 2023, while traditional agriculture contributed to 5.5% of GDP, non-oil mining and quarrying 8.3%, and services 30%⁸. The non-oil sectors have experienced growth of 13.1% in 2024⁹, mostly in traditional sectors. However, strategic sectors with high growth potential and sustainability have not grown at the same pace. For example, forestry, which has a high potential contributed only 0.6% of GDP, fishing (including aquaculture)

³ Compete Caribbean. Entrepreneurship Ecosystem Diagnostic Report 2023

⁴ Compete Caribbean. Entrepreneurship Ecosystem Diagnostic 2023.

⁵ IMF. Article IV Consultation 2023

⁶ Ministry of Tourism

⁷ World Bank Caribbean Economic Report 2022

⁸<https://www.imf.org/en/Publications/CR/Issues/2024/03/05/Guyana-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-531923>. Bank of Guyana Annual Report 2023 <https://www.bankofguyana.org.gy/>

⁹ <https://finance.gov.gy/mid-year-report-2024/>

only 1.6% of GDP, and ecotourism less than 1.0% of GDP in 2023¹⁰. There is limited formal infrastructure like incubators, accelerators, or dedicated innovation hubs. However, recent economic growth and government interest have spurred initial efforts to foster entrepreneurship, especially in ICT and energy sectors¹¹. There is potential for promoting value-added activities while leveraging environmental services like carbon revenue and the governance and community stewardship mechanisms that these environmental services already have in place¹².

1.7 The Surinamese economy has been traditionally dependent on the exploitation of natural resources, mainly mining, which represents more than 75% of exports and makes the country highly vulnerable to external shocks, in addition to the high vulnerability to climate shocks¹³. The prospects of large discoveries of oil and gas create the need to strengthen the current productive base to prepare for the foreseen acceleration of GDP growth (InterAmerican Development Bank, 2024). The Surinamese venture capital ecosystem is in a developmental phase, characterized by a growing interest in sustainable and technology driven sectors, although early-stage funding is limited¹⁴.

1.8 Trinidad and Tobago has experienced recent moderate growth after the 2020 COVID contraction, but is still heavily dependent on hydrocarbons, which account more than 30% of GDP and 70% of exports¹⁵. Efforts to develop the tourism, manufacturing and financial services sectors have yet to show results¹⁶. Even though Trinidad and Tobago has a stock of well recognized academic and research institutions (the University of West Indies St. Augustine Campus, the National Institute of Higher Education, Research, Science and Technology- NIHERST, the Caribbean Industrial Research Institute – CARIRI and the Research and Development Facility -RDF), the innovation ecosystem remains fragmented and underfunded¹⁷.

1.9 A regional study carried out by IDB Lab¹⁸, found that fundraising is harder in nascent ecosystems such as the Caribbean as smaller jurisdictions show higher risk due to small deal-flow, less exit history and regulatory uncertainty. It also identifies the small number of investable firms, weak secondary markets and the need for parallel investment in SMEs investment readiness and regional cooperation.

¹⁰ IMF Country Report No. 24/86 <https://www.imf.org/en/Publications/CR/Issues/2024/03/05/Guyana-2023-Article-IV> FAO. Global Forest Resources Assessment 2020

¹¹ World Bank. 2020 Guyana Digital Economy Assesment

¹² For example, the Iwokrama Centre exemplifies co-managed conservation, combining traditional knowledge with scientific research, eco-tourism, and low-impact timber harvesting

¹³ World Bank Economic Review 2024

¹⁴ Statista Surinam Report 2025

¹⁵ IMF (2023). *Trinidad and Tobago: 2023 Article IV Consultation*. IMF Country Report No. 23/238. <https://www.imf.org/en/Publications/CR/Issues/2023/07/31/Trinidad-and-Tobago-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-536464>

¹⁶ IDB (2022). *Trinidad and Tobago Country Development Challenges*. <https://publications.iadb.org/en/trinidad-and-tobago-country-development-challenges>

¹⁷ *Ibid*

¹⁸ Fundraising for Venture Capital Funds in Latin America and the Caribbean (2024)

- 1.10 The venture capital and private equity in the above-mentioned countries, though in different stages of development, is still underfunded, fragmented, and incipient, with limited track records, incipient management structures and small markets. Government backed or development bank backed initiatives exist in Barbados and Jamaica. The Development Bank of Jamaica has directly promoted private funds to finance growing firms and the DBJ has capitalized a Jamaica-focused VC fund. However, founders are often not investor-ready and first-time managers need structuring governance and fundraising skills. Barbados has positioned itself as a regional financial and climate blue/economy hub and has developed specialty funds that channel growth capital and climate resilient SMEs. However, the domestic VC/PE capital is still thin, and deal flow is concentrated in a very few vertical sectors.
- 1.11 For Suriname, Guyana, Belize and the Bahamas, there exist some catalytic instruments provided mostly by IDB Lab, IDB Invest and Compete Caribbean that target innovative SMEs and startups, combined with public support for SMEs, but there is not yet a deep domestic PE/VC fund structures with professional partners.
- 1.12 The TC will support the strengthening and capacity building of the main actors in the investment and innovation ecosystem. First, it will provide training and networking in the context of the IDB Invest Caribbean Impact Manager Program, aimed at growing Caribbean sustainable private capital through three pillars: capacity building, investment, and eco-system building. The TC will specifically build on the successful Caribbean Impact Manager Masterclass, launched in Jamaica in May 2025 by IDB Invest in partnership with One Caribbean, and IDB Lab/ CARIBEQUITY. This Masterclass trained the first cohort of 50 participants from 30 aspiring fund managers from 15 countries and identified strong potential to grow private capital through home grown fund management. This TC will allow this program to further tap the region's unused potential, train annual cohorts of emerging fund managers to be institutional investor-ready and establish this program on a firm multi-year footing. The masterclasses would be organized each year in a different Caribbean location. Lessons learned from the successful Caribbean Impact Manager Masterclass show that: (i) combining standard-fund management content with Caribbean specific model need to reflect the region-specific constraints such as small deal-pool and limited exits; (ii) bringing together fund managers from across the Caribbean helped create peer networks, shared experiences and built trust and (iii) complementary actions to build a deal pipeline need to be carried out. In this sense, this TC complements the IDB Lab, IDB Invest, Compete Caribbean and related programs that provide catalytic investment for small high growth firms and startups, enhance the capacity of public sector actors and support the strengthening of the whole ecosystem.
- 1.13 Second, this TC will scale up the IDB Invest Caribbean Series Events, a recurring series of workshops/networking events, focused on tailoring IDB Invest's value proposition to local business needs. These have been successfully organized in Guyana, Suriname, The Bahamas and Barbados, and are expected to rotate through the region, resulting in pipeline growth and ecosystem initiatives such as corporate governance trainings to listed companies in Guyana and the Bahamas.
- 1.14 Finally, this TC will expose policymakers to international institutional arrangements that effectively support entrepreneurs and innovators that could be applied to the

Caribbean. As PTI/CTI is currently working in ecosystem building in countries such as Jamaica, Trinidad and Tobago, the Bahamas and Belize, there is much interest on looking at other successful initiatives. The results of this exercise will be disseminated in the other Caribbean countries and will be discussed in the Regional Policy Dialogue that is carried out in the region every three years.

- 1.15 The sustainability of this combined intervention is achieved by the lasting institutional capabilities created, the co-ownership of public and private actors, the dialogue and networks created and the promotion of a harmonized framework for the region that will facilitate cooperation. The interventions reinforce each other with the increase of supply of capable investors and the improvement of the enabling environment and the country and regional level.
- 1.16 **Request.** As part of the annual dialogue between the Bank and IDB borrowing member countries to establish the operational program, the operation has been selected to be processed and approved. The Bank will execute this TC through the Competitiveness, Technology and Innovation Division (PTI/CTI) as per CTI's experience in Innovation and Investment Ecosystems. Considering that this is Regional TC, as per the OP-619-4, Annex II, C 2.2, the Bank is the proposed EA. Execution by the Bank will ensure effective coordination between the activities in the participant countries, stakeholders involved, and centralization of efforts and knowledge. Thus, PTI/CTI will guarantee the quality and timeliness of the financed products, according to section 4.5 of the Bank's Technical Cooperation Guidelines (GN-2470-2). This section requires that for Bank executed technical cooperation: (a) the beneficiary country agrees and (b) the proposed activities are aligned with the strategies and programs of the Bank in the Country.
- 1.17 **Objective.** The objective of this TC is to strengthen the institutional capabilities of key stakeholders by addressing the main institutional capacity gaps currently present in existing productivity, innovation, and investment ecosystems in the Caribbean. The specific objectives are to: (i) address financing and investment gaps in firms and Startups in the Caribbean; (ii) engage in capacity building activities for stakeholders in national innovation and investment ecosystems, including generating and disseminating knowledge related to these two objectives.
- 1.18 **Complementarity.** The present TC will address those gaps by (i) creating professional local/Caribbean fund managers, (ii) improving SME bankability so the deal pipeline is real, and (iii) transferring ecosystem know-how from more mature markets to help governments and LPs understand how VC/PE can be structured, scaling up grant initiatives. It will also complement the IDB Lab, IDB Invest, Compete Caribbean and related programs (CARIBEquity, impact manager training, catalytic co-investment calls, technical assistance for SMEs plus debt/early equity calls targeting high growth potential SMEs). The project complements activity to increase capabilities on the private side with activities to strengthen capabilities on the public sector side. The combination of these initiatives – which apply IDB Invest's extensive network and experience in private capital in the Caribbean - will complement the IDB Lab and CARIBEquity program, a regional initiative that aims at consolidating a Caribbean investment ecosystem for include private-sector innovation, by targeting early-stage and growth oriented SMEs in the Caribbean, as this TC address the dimension of strengthening the skills of fund managers in the PE/VC. It will also complement the PTI/CTI initiatives

such as [4860/OC-JA](#) Boosting Innovation Growth and Entrepreneurship Ecosystems I and II and [BA-L1071](#) Supporting the Establishment and Implementation of the Barbados, that focus on strengthening the innovation and entrepreneurship ecosystems, by learning and sharing experiences for public decision makers, all of which will strengthen the Caribbean Innovation Ecosystem.

1.19 **Strategic Alignment.** The TC is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631), specifically its objectives of: (i) Addressing Climate Change, by supporting business climate reforms that include climate considerations; and (ii) Bolstering Sustainable Growth, by addressing business climate bottlenecks in strategic sectors. The TC is also aligned with the operational focus areas of: (i) Biodiversity, Natural Capital and Climate Action; (ii) Institutional Capacity, Rule of Law, and Citizen Security; and (ii) Productive Development and Innovation through the Private Sector. The TC is directly aligned to the private sector engagement priority area of the ONE Caribbean regional Strategic framework [GN-3201-5] as the activities to build capacity of fund managers and public and private stakeholders, will support the objective to improve the enabling environment to facilitate private sector productivity. Indirectly, the activities will also see the achievement of the climate adaptation and disaster risk management resilience windows by incorporating these themes in the training and capacity building activities.

1.20 This TC is consistent with the Innovation, Science, and Technology Sector Framework Document (GN-2791-13) through: (i) the line of action 3: "foster an enabling environment for private investment in innovation and connectivity" by strengthening the capacity of public and private stakeholders in private investment, financing and innovation; (ii) line of action 5: "strengthen key institutions to drive innovation" by enabling public-private dialogue. Additionally, the TC is aligned with the Climate Change Sector Framework Document (GN-2835-13) through the line of actions: (1) "adapt and build climate resilience";(2) "decarbonize rapidly"; and (3) "build effective governance", as the work carried out under the proposed TC will serve to facilitate Caribbean countries in engaging into dialogue to promote private sector activity under a climate framework. The program also aligns with the objectives of the IDB Group's 2021-2025 Country Strategy with Jamaica (GN-3138) as it aims to support private sector productivity and growth. It also aligns with the IDB Group 2019-2023 Country Strategy with Barbados (GN-2953-1) in priority area of promoting higher productivity by strengthening the regulatory environment for a more open and better business climate as it will promote private sector and innovation through public-private dialogue and to the IDB Group Country Strategy for Suriname (GN-3065-1) with the priority of enabling a business environment through the promotion of private sector competitiveness.

II. COMPONENTS

2.1 **Component I. Capacity building for stakeholders in the investment, finance and productivity sector (US\$253,000).**

- a. Objective: The objective of this component is to enhance the capacity of the key stakeholders in the investment, finance and productivity sector, private equity and fund managers in the Caribbean
- b. This component will finance:
- c. (i) in-person training activities for key stakeholders including private equity and venture capital fund managers in the Caribbean with the “institutional investment readiness” (Caribbean Impact Manager Masterclass) , jointly with online trainings to address specific knowledge gaps in the investment cycle following international best practices, in coordination with CTI will boost the IDB Invest Caribbean Impact manager program aimed at growing Caribbean sustainable private capital through capacity building, investment and ecosystem strengthening. This training will be carried out once a year.
- d. (ii) in coordination with CTI will carry out the IDB Invest Caribbean workshop/networking series for key actors in the venture capital ecosystem, continuing the successful series of workshops/networking events tailored to IDB Invest value proposition to local business needs. The topics to be covered will include risk management, ESG, impact, corporate governance etc. The series will be carried out during the second year of execution.
- e. (iii) development and consultation of a regional proposal to strengthen investment legislation across the IDB Group Caribbean jurisdictions, including proposal to harmonize legal structure framework for Caribbean regional investment funds. This proposal will be carried out after the in-person training has been completed.
- f. (iv) development and strengthening networks and partnerships. It is expected for the network to be completed after the carrying out of the training activities.
- g. Procurement activities: (i) Consulting services through Corporate procurement for the development of trainings for key stakeholders (GN-2303-33) through FCS; (ii) Consulting services through Corporate procurement for the development of IDB Invest Caribbean Series Workshops (GN-2303-33) through SCS; (iii) Individual consultants (AM-650).
- h. The expected outputs are: (i) Three IDB Invest Caribbean Impact Manager master class programs conducted including online trainings for addressing knowledge gaps, that will acquire the skills to grow private capital through home grown management in the Caribbean with 100 private equity and venture capital fund managers trained across three countries; (ii) One IDB Invest Caribbean series event tailoring local business needs to IDB invest

value proposition, resulting in pipeline growth and ecosystem initiatives with 200 local SMEs participating in networking and workshops for enhancing capacity on risk management, ESG, impact, corporate management among others; (iii) A network of private equity and venture capital managers operating, a partnership with an investment association and (iv) a) regional proposal to strengthen investment legislation across the IDB Group Caribbean jurisdictions, including proposal to harmonize legal structure framework for Caribbean regional investment funds.

- i. The expected results are: between 3-7 new Caribbean fund managers trained and supported in the establishment with TA/ecosystem direct/indirect support of IDB Group; (ii) based on past experiences, promotion of an estimated US\$200-300mln of new Caribbean private capital investment funds raised by the trained fund managers; (iii) 20-30 Caribbean SMEs directly financed by the funds and 400-500 supported by strengthening the investees' value chain. Caribbean SMEs financed through IDB/IDB Invest supported private sector funds/fund managers with Caribbean Alternative Investment Association ("CARAIA") and the related job creation; and (iv) a regional proposal to strengthen investment legislation across the IDB Group Caribbean jurisdictions, including proposal to harmonize legal structure framework for Caribbean regional investment funds consulted and approved

2.2 **Component II. Addressing knowledge gaps from officials and decision makers (US\$47,000).**

- a. Objective: The objective of this component is to enhance the capacity of the key stakeholders in the investment, finance and productivity sector, private equity and fund managers in the Caribbean.
- b. This component will finance:
- c. A study tour to a country with examples of successful innovation and entrepreneurship ecosystems to inspire Caribbean policymakers and other national innovation and entrepreneurship ecosystem stakeholders on mechanisms to support entrepreneurs, start-ups, and existing innovative businesses: The study tour also aims to strengthen relationships between national Caribbean ecosystem actors, and possibly, Latin American ecosystem actors. This study tour will be carried out during the first semester of 2026
- d. An ongoing awareness and communication campaign. This campaign will start after the completion of the study tour.
- e. Procurement activities: Individual consultants (AM-650) for the study tour and the awareness campaign.
- f. Expected outputs are: (i) one study-tour completed to observe at least one successful model of support for entrepreneurship and innovation, including

at least 20 Caribbean policy makers from several countries (expected to be 50% ODA).

- g. The expected results are the institutional arrangements strengthened implemented based on the agenda developed by the countries participating in the study tour.

2.3 **Beneficiaries.** The direct beneficiaries of this TC will be the key actors of the public and private innovation and investment ecosystem, including private equity and venture capital fund managers, local SMEs and public stakeholders and policy makers. The beneficiary countries are The Bahamas, Suriname, Barbados, Jamaica, Guyana, Trinidad and Tobago and Belize.

III. BUDGET

3.1 The total cost of the TC will be US\$300,000 that will finance \$150,000 with the W3B - OC Strategic Development Program Window 3 and \$150,000 with the OCB- One Caribbean Multi-Donor Trust Fund. The TC budget is presented on the following table:

Activity/Component	W3B – OC SDP	One Caribbean Multi-donor Trust Fund	Total
Component 1. Capacity building for stakeholders in the investment, finance and productivity sector	126,500	126,500	253,000
1.1. Development trainings for key stakeholders (fund managers) IDB Invest Caribbean Manager Masterclass)	100,000	100,000	200,000
1.1.2 IDB Invest Caribbean Series workshop/networking	15,000	15,000	30,000
1.1.3 Proposal for Regional Legislation	10,000	10,000	20,000
1.1.3 Networks	1,500	1,500	3,000
Component 2. Knowledge sharing and dissemination	23,500	23,500	47,000
2.1. Knowledge sharing for public officials and decisions makers (study tour)	20,000	20,000	40,000
2.2. Communication and dissemination	3,500	3,500	7,000
Total	150,000	150,000	300,000

IV. EXECUTION STRUCTURE

4.1 **Executing Agency.** The TC will be executed by the Inter-American Development Bank (IDB), based on a request by the beneficiaries, in accordance with the Bank's Technical Cooperation Policy (GN-2470-2). This section requires that for Bank executed technical cooperation: (a) the beneficiary country agrees and (b) the proposed activities are aligned with the strategies and programs of the Bank in the Country. Considering that this is Regional TC, as per the OP-619-4, Annex II, C

2.2, the Bank is the proposed EA, and the Bank will execute this TC through the Competitiveness, Technology and Innovation Division (PTI/CTI).

4.2 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.

4.3 As this project will receive direct funding from ONE Caribbean, the TC activities will achieve the following objectives of the Strategic Development Program Window 3 - Transitory Emerging Need for Sustainable Development in the Caribbean (W3B) (GN-2819-14): by promoting sustainable development and private sector engagement through the activities to build capacity of fund managers and public and private stakeholders, which will support enabling the environment to facilitate private sector productivity. Indirectly, the activities will also see the achievement of the climate adaptation and disasters risk management resilience windows by incorporating these themes in the training and capacity building activities. It will also address inter-dependent underlying challenges in the Caribbean with a focus on high-impact interventions under a regional approach; (ii) provide mechanisms to increase innovative financing and mobilization, improve capacity for project preparation and execution, enhance collaboration, and reduce risks; (iii) supplement national focus, while deepening regional integration to boost scale, promote coordination and exploit comparative advantages; and (iv) boost regional knowledge with partners to better address current challenges and identify opportunities and the next generation of priorities

4.4 **Execution and Disbursement Period.** The execution and disbursement period is expected to be 36 months.

4.5 **Monitoring, Reporting, and Supervision.** The operation will be executed by the Competitiveness, Technology and Innovation Division (PTI/CTI), in coordination with the One Caribbean Unit (FCU). The Team Leader, in collaboration with the One Caribbean Coordinating Unit, will oversee project implementation, supervision, and reporting.

V. POTENTIAL RISKS

5.1 There is a potential risk identified that may influence the success of the project, it is the capacity of public and private sector counterparts to engage in training and networking activities may delay the outcome of the TC. This risk will be mitigated by dissemination and communication activities.

VI. EXCEPTIONS TO BANK POLICIES

6.1 There are no exceptions to Bank Policy considered in this TC.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

REQUIRED ANNEXES:

- [Annex I: Request from Client](#)
- [Annex II: Results Matrix](#)
- [Annex III: Terms of Reference](#)
- [Annex IV: Procurement Plan](#)