

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	Regional
▪ TC Name:	Monitoring, Evaluation and Dissemination of ConnectAmericas
▪ TC Number:	RG-T2410
▪ Team Leader/Members:	Fabrizio Opertti, Team Leader (INT/TIU), Ady Beitler (INT/TIU), Matias Bendersky (ORP/ORP), Oscar Vasco (INT/INT), Francisco Estrazulas (INT/TIU), Daniel Hincapie (ORP/ORP)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research and Dissemination
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request: (IDB docs #)	N/A
▪ Date of TC Abstract:	June 13, 2014
▪ Beneficiary:	Regional
▪ Donors Providing Funds	Fund for the Financing of Technical Cooperation for Regional Infrastructure Projects
▪ Executing Agency and contact name:	The Inter-American Development Bank (IDB), through the Trade and Investment Unit (INT/TIU).
▪ IDB Funding Requested:	US\$ 1,500,000
▪ Local counterpart funding, if any:	N/A at this time but may be available later
▪ Disbursement period:	18 months
▪ Required start date:	July 1, 2014
▪ Types of consultants (firm or individual consultants):	Firms and individuals
▪ Prepared by Unit:	Trade and Investment Unit (INT/TIU)
▪ Unit of Disbursement Responsibility:	Integration and Trade Sector (INT/INT)
▪ Included in Country Strategy (y/n); ▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration

## II. Objective and Justification

1. ConnectAmericas (CA) is a trade and integration facilitation infrastructure sponsored by the IDB that offers SMEs from Latin America and the Caribbean (LAC) an online platform where they can establish business links with clients, suppliers and investors from the rest of the region and the world; access relevant information and training tools to make international trade transactions simpler and less costly; and obtain information about trade finance opportunities. Such an infrastructure promotes integration from and for the private sector, allowing SMEs to move from the margins to the mainstream of international value chains.
2. CA is being developed and launched in a very favorable context thanks to the solid growth of intra-regional trade and investment in LAC, and the increased use of technology and Internet tools by SMEs. In fact, LAC is experiencing unprecedented growth in trade and investment. Between 1990 and 2010, intra-regional trade grew tenfold, approximately from USD 18 billion to USD 180 billion. In addition, although the vast majority of companies in the region are SMEs (at least 3.7 million with 5 employees or more)<sup>1</sup> they only account for 13% of LAC exports. This scenario provides powerful reasons to deepen the integration efforts and overcome the barriers that SMEs are facing when they attempt to integrate into regional and global markets. Finally, SMEs in LAC are taking more and more advantage of the possibilities opened by the Internet. A recent study by Google showed that Internet usage in the region grew nearly 891% between 2000 and 2009, 86% of the companies surveyed had a proprietary website, and spend resources in online advertising.<sup>2</sup>
3. CA was launched on March 28, 2014 at the IDB Annual Meeting in Brazil. As of this date, it has received almost 25,000 unique visitors and 5,500 businessmen and businesswomen have registered so far. It offers users the following features:
  - a) Connect: this option allows users to join professional groups of industry colleagues and potential clients, suppliers and investors. In these groups, users share their companies' information, including description of their services, links to their websites, product catalogs, marketing materials and special offers or requests. CA also facilitates matchmaking services and offer cost-effective solutions to enable business transactions, such as an internal messaging system.
  - b) Learn: users are directed to a repository of tutorials, databases, webinars and interactive tools that enhances their knowledge of the exporting process. First, CA provides testimonials from companies operating in the region, as well as information channels such as news feeds and social media tools, providing the latest trends in the industries where users have formed groups. Additionally, CA promotes the services offered by government agencies - particularly Trade Promotion Organizations (TPO) and Investment Promotion Agencies (IPA) - to support the internationalization of SMEs. Finally, INTRADE – a database developed by the IDB which contains the largest repository of information and statistics on imports and exports in the region, as well as

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<sup>1</sup> Moreno, La Década de América Latina (2012)

<sup>2</sup> [http://www.infoweek.biz/la/wp-content/uploads/2010/05/100513\\_internet\\_presentacion.pdf](http://www.infoweek.biz/la/wp-content/uploads/2010/05/100513_internet_presentacion.pdf)

the most comprehensive data on free trade agreements signed by countries in the region – has an interactive tool to show the existing tariffs, commercial statistics and barriers to international trade.

- c) Finance: this module offers users opportunities to learn about funding or technical assistance opportunities to improve their export capacity. This includes, among others: (a) information on the IDB lines of credit, such as the TFFP program - the list of affiliated banks, their products and the application processes for their credit lines; and (b) other financial services and technical assistance provided by the IDB Group to the SMEs, including: (i) direct financial and technical assistance by the Inter-American Investment Corporation and Multilateral Investment Fund; (ii) government programs funded by public sector windows of the Bank.
4. In sum, CA is a new generation of integration infrastructure that uses the Internet to replicate the physical marketplace whereby producers and buyers meet and exchange goods and services for profit. It is an infrastructure of the 21<sup>st</sup> Century that will enable SMEs participate in regional and global value chains.
  5. The design and development of ConnectAmericas is being funded by a variety of resources and operations, including funding from the FIRII (RG-T2361; RG-T2359; RG-T2241; RG-T2304; RG-M1218; RG-T2448). These are currently supporting the design and development of the integration infrastructure platform, the analytical work required to identify and reach out to the target markets, and the integration of the INTRADE database into ConnectAmericas.
  6. This operation is intended to develop digital tools to monitor and disseminate the activity of users within ConnectAmericas and the way they utilize the platform as a tool of integration into global markets and international value chains, via business contacts, learning materials and financial products; and to transform the information received from users into useful tools for the Bank and its clients to design policies to promote the internationalization of SMEs.
  7. The objectives and activities of the operation correspond to the Bank's Strategy for Global and Regional Integration (GN-2565-4-2, GN-2470-2) as it will facilitate regional commerce and promote the internationalization of SMEs, thereby increasing the demand for trade-related infrastructure (e.g. transportation and customs).
  8. In addition, this operation is consistent with the scope of the Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration (FIRII) (GN-2344-8) because the program will contribute to the development of a commerce facilitation infrastructure platform that is expected to increase the demand for trade-related infrastructure, particularly through public-private partnerships. In this sense, the operation is consistent with the objectives of the FIRII as expressed in Paragraph 3.13 of the Fund's bylaws: *“the expected outcome of the Integration Fund is to help the countries in the preparation of good integration projects including the economic, social and environmental perspectives. This, in turn, will have a positive impact in the sustained development of the region, and help attract to the pipeline of the Bank good infrastructure operations.”*

### **III. Description of Activities and Outputs**

- 1. Component I. Monitoring and Evaluation System.** This component will support the implementation of monitoring tools that can allow ConnectAmericas' administrators to obtain and interpret the metadata coming from the platform's usage and outside sources across the Web. In particular, these tools will monitor the way users utilize the platform as a tool of integration into global markets and international value chains, via business contacts, learning materials and financial products. Particular attention will be paid to the logistics and infrastructure communities of ConnectAmericas, and the way large international companies from these sectors do business with SMEs. These monitoring activities are expected to assist the Bank and other policymakers across the region to understand the behavior of SMEs against the use of a tool like ConnectAmericas, and other electronic means of export promotion in general.
- 2. Component II. Update and development of new features.** In parallel with the monitoring and evaluation of existing capabilities developed by the site, this component will support the update of ConnectAmericas' existing features, and the development of new functionalities that respond to the patterns of usage and behavior detected under Component I. The new functionalities are expected to benefit policymakers and trade promotion organizations from the region, including tools to promote their information services to SMEs from countries other than their own.
- 3. Component III. Outreach and dissemination.** In order to enhance the user base and the numbers of user groups participating in evaluation control groups, this component will support the dissemination of ConnectAmericas among trade promotion organizations, business associations and companies across the region.

### **IV. Budget**

- 1. Component I. Monitoring and Evaluation System. (USD 360,000).** Activities to be financed under this component include the purchase of analytics and internet listening software; consulting services to monitor the usage of the servers and provide metadata on usage preferences; purchase of databases with supplementary information to cross with ConnectAmericas' own information; and consulting services to provide a general analysis of the data collected from this and comparable sites.
- 2. Component II. Update and development of new features (USD 640,000).** Activities to be financed under this component include consulting services to: interpret the platform's metadata; refine the platform's user stories; write the technical requirements to update existing features and develop new ones; develop the corresponding updated and new features.
- 3. Component III. Outreach and Dissemination (USD 425,000).** Activities to be financed under this component include consulting services to design and implement a targeted

dissemination campaign to promote the platform to SMEs and TPOs in the region. This campaign will be focused on social media tools and other forms of digital advertising, focus groups and business meetings.

4. **Administration (50,000)**
5. **Monitoring and Evaluation (25,000)**

#### **V. Executing agency and execution structure**

1. This operation will be executed by the Trade and Investment Unit of the Integration and Trade Sector of the Inter-American Development Bank, in accordance with the Bank's Technical Cooperation Policy (Document GN-2470-2). There are two main reasons that justify the execution of the project by the Bank. First, as a regional project that involves coordination with several public and private sector stakeholders in LAC, the Bank is in a unique position to manage and coordinate the activities given its presence in all countries. Second, the Bank, through the Integration and Trade Sector in particular, has gained invaluable know-how in the execution of international trade and investment promotion activities, particularly ConnectAmericas, which has been managed by TIU since its inception in 2013.
2. For the contracting of consulting firms and other services different to consulting the project team will follow the Bank's Corporate Procurement Policy and procedures (GN-2303-20); and in the case of individual consultants, the Human Resources selection procedures (AM-650).
3. INT/TIU will have the principal responsibility for the technical aspects of the project as well as the responsibility for disbursements and basic administration.

#### **VI. Project risks and issues**

1. The success of the project will depend on a significant level of engagement and participation of users and relevant stakeholders, including the trade promotion agencies of the countries where the integration infrastructure platform will be launched. The operation will mitigate the risk by engaging these users and stakeholders in the activities from the start of the TC and through an intensive promotion strategy during the preparation of the Components.

#### **VII. Environmental and Social Classification**

1. This operation does not present environmental and social risks as it is an international trade infrastructure that is based on the Internet. It was classified as Category C in the Environmental and Screening Classification. [IDBDOCS-#38855950- Safeguard Screening](#).