

Technical Cooperation Abstract

I. BASIC PROJECT DATA

Country/Region:	Regional
TC Name:	Competition Strengthening to Support Creative Industries through Broadband in Jamaica and Trinidad & Tobago
TC Number:	RG-T2627
Team Leader/Members:	Ignacio L. De Leon, Team Leader (IFD/CTI); Florencia Attademo (IFD/CMF); Jaiwatee Anganu (IFD/CMF); and Enrique Iglesias Rodriguez (IFD/CMF); Mariela Rizo (IFD/CTI)
Taxonomy:	Client Support
Reference to Request:	Letter of Request
Date of TC Abstract:	May 8, 2015 (revised)
Beneficiary (countries or entities which are the recipient of the technical assistance):	Jamaica and Trinidad & Tobago
Executing Agency and contact name:	Inter-American Development Bank, through the Competitiveness and Innovation Division (IFD/CTI)
IDB Funding Requested:	US\$300,000
Local counterpart funding, if any:	US\$0.00
Disbursement period (which includes execution period):	39 months
Required start date:	December 2015
Types of consultants (firm or individual consultants):	Firms or individual consultants
Prepared by Unit:	IFD/CTI
Unit of Disbursement Responsibility:	IFD/CTI
Included in Country Strategy (y/n); TC included in CPD (y/n):	Yes (see paragraph 2.7) No
GCI-9 Sector Priority:	Institutions for Growth and Social Welfare; Support Competitive Global and Regional Integration; Small and Vulnerable Countries.

II. OBJECTIVE AND JUSTIFICATION

- 2.1 This program is intended to further expand the use and adoption of broadband technology in Jamaica and Trinidad & Tobago by identifying innovations and technologies that could add value to the economy and require high intensity broadband capacity.
- 2.2 Competition in the provision of internet services has enabled a wide array of innovative broadband technology applications beyond its original time-sharing function, from email to web surfing, mobile calling, messaging and audio and video uses, all of which have stimulated the emergence of vibrant creative industries from the 1990s on. Entertainment industries rest on constructive partnerships between creative industries and competitive broadband services. The potential impact of increased broadband competition in these creative industries could positively affect industries identified in the national cultural and

creative industries commissions of both Jamaica and Trinidad & Tobago such as content development in visual or audio technologies; advertising, crafts, design, designer fashion, software, interactive media and animation, web and mobile, sport industry (particularly on broadcasting, merchandising and events), performing arts, computer games or electronic publishing, television, music and radio.

- 2.3 Competitive broadband services in Jamaica and Trinidad & Tobago will ultimately rest on the knowledge of their telecom and competition agencies of bottlenecks stalling access to the network as much as in the effective use of the broadband by their innovative entrepreneurs particularly in industries with high intensity usage, such as the creative industries. This Technical Cooperation (TC) will supply the knowledge, experience, methodology and tools to perform a comprehensive assessment of existing services, assets and infrastructure to guide the development of technologies and innovations that would avail from high capacity broadband service in Jamaica and Trinidad & Tobago, particularly in the creative industries. In addition to support aimed at reinforcing the technical capabilities of both Jamaica's and Trinidad & Tobago's telecom regulators and competition authorities to improve network access and competition advocacy, which are critical to preserve a competitive landscape in the provision of broadband.
- 2.4 The project responds to the need to develop an enabling public policy environment as part of Inter-American Development Bank (IDB) strategy to foster innovation in creative industries, particularly those engaged in content development, by eliminating obstacles preventing Small and medium-sized enterprises (SME) from adopting Information and Communications Technologies (ICT).
- 2.5 This project builds upon RG-T2536, which creates a Regional Hub in the Caribbean for the commercialization of intellectual assets, including in the creative industries (REACH); also, RG-T2272 which harmonizes the Caribbean Spectrum Planning and Management; and RG-T2212, which creates a broadband infrastructure inventory and public awareness in the Caribbean, in particular, seeks to increase the level playing field for sector competition. Also, at the national level it complements the results of JA-T1079, which enhances the ICT regulatory environment in Jamaica by recommending a converged single regulator; as well as other national programs supporting business performance of SME's through improved use of ICT's (TT-M1009) as well as innovations in segments of the creative industries, such as the Masquerade industry of Trinidad/Tobago (TT-M1021); the internationalization of local SMEs through Global Offshoring Services (TT-L1038) and the preparation of a loan operation on innovation promotion (TT-L1043).
- 2.6 This project is fully aligned and implements the Bank's Sector Framework for Competitiveness, Technology and Innovation (GN-2791-3), in addressing the special case of innovation in services and ICT; and it is fully in line with the overarching strategy to develop an innovation ecosystem across the Caribbean through increased intellectual asset commercialization, REACH (RG-T2536). This TC is consistent, as well, with two of the objectives of the Broadband Special Program (BBD): (i) strengthen the capacity to all the involved institutions in making progress regarding the objectives of universality in access, adoption and usage of broadband services; and (ii) building institutional capacity for the development or adaptation of apps and software for instructional purposes. Also, it is fully in line with the Bank's Broadband Initiative and its strategy to accelerate broadband

deployment and use in the Region and, in particular, with three of the four the BBD 2015 allocation criteria related to (i) meeting the countries' demand through applications that promote the use and adoption of broadband, (ii) meeting the needs of countries in the Caribbean region, and (iii) supporting the operational program. Finally, it is also consistent with the Bank's strategy of Jamaica, currently "in preparation"¹ as well as Trinidad and Tobago.²

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

3.1 The project will be structured in three components.

3.2 **Component 1. Competition policy assessment.** This component will assess the current state of broadband access in Jamaica and Trinidad/Tobago, as well as other competition obstacles that may impair the effective use of the infrastructure by SMEs. This component will support the competition assessment work of Jamaica's Fair Trading Commission (FTC) and the Office of Utilities Regulation (OUR), and the Telecommunications Authority of Trinidad & Tobago. It will include:

- a. Evaluation of the current status quo of broadband access in Jamaica and Trinidad/Tobago and identification of best options to ensure competition in the use of such broadband by SMEs in the creative industries. This activity will identify dominant incumbent firms; and a methodology for assessing the various telecom competition markets, with special interest in that of the broadband.
- b. Identify areas of competition enforcement action needed to improve market access of content development firms operating in the creative industries and identification of future studies or assessments that will shed more information about potential areas for policy action (either by the regulatory entity or the competition authority, as the case may be); and
- c. Identify a capacity building plan tailored to the needs of competition authorities in the target countries to review any obstacles on competition promotion in the provision of broadband services.

3.3 **Component 2. Development of technological applications for the use of the broadband.** This component is intended to develop the practical use of the broadband access through the development of technology applications in three sectors of the creative industries of Jamaica and Trinidad & Tobago. This component will build on the current work already in progress by institutions such as the Jamaica Business Development Corporation;

¹ The Country Strategy with Jamaica expired in December 2014. A new strategy is currently in preparation and is expected to be approved later this year. The TC would have been linked to the previous priority sector of Improving the Business Climate which is expected to be maintained as a priority sector for the Strategy programmed for approval this year.

² The Country Strategy with Trinidad and Tobago (GN-2638) is consistent with this TC, in the promotion of private sector development since it contributes to improving the enabling environment - focus on the areas of (i) improving policies and institutions to promote entrepreneurship and investment in non-energy sectors and (ii) improving the enabling environment for business development.

the TT Council for Competition and Innovation, and similar institutions. This component includes:

- a. Preparation of an action plan defining strategies for partnering with incumbent broadband providers in film production, music and graphic design;
- b. Preparation of three (3) calls for innovative solutions in each of the areas identified above, for the development of technology applications that will increase the use of the broadband platform.
- c. A Manual that will contain a methodology to establish criteria for selecting innovative solutions with commercialization potential, their incubation and best commercial strategies for supporting their dissemination;
- d. Support of incubation activities of Jamaican and Trinidadian producers of Caribbean-themed content to develop skills in the production and marketing of films, music and graphic design that will include online market preparation, workshops, networking opportunities, business pitch events to industry professionals; and
- e. A proposal to attract “match funding” from local, regional, and international organizations to increase the sustainability of the Annual Accelerators.

3.4 Component 3. Dissemination of results. This component will raise public awareness about the importance of enhanced use of broadband in the creative industries through public events and a publication summarizing the results of the program. This component will include:

- a. Three (3) marketing and promotion initiatives to strengthen outreach, linkages, and partnerships with organizations in Jamaica and Trinidad & Tobago (“Annual Accelerator”). These accelerators will strengthen skills and lead to higher quality content being produced throughout the region;
- b. A report summarizing the results that will include a video and infographic information summarizing the program; and
- c. A roadmap for future action.

IV. BUDGET

4.1 The amount of this project is US\$300,000, see table below.

Table IV. 1. Indicative Budget (in US\$ dollars)

Activity/ Component	Description	IDB/Fund Funding	Local Counterpart	Total Funding
Component 1	Competition policy assessment	40,000	-	40,000
Component 2	Development of technological applications for the use of the broadband	200,000	-	200,000
Component 3	Dissemination of results	60,000	-	60,000
Total budget	Total costs	300,000	-	300,000
	Total	300,000	-	300,000

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 This TC will be executed by the Competitiveness and Innovation Division (IFD/CTI) in cooperation the Capital Markets and Financial Institutions Division (IFD/CMF), including teams members based in the Caribbean given its strategic importance for the Broadband Special Program, the Bank's knowledge agenda and the countries. Furthermore, the operation requires a high degree of coordination and contact with the countries, which can be better achieved if the execution of the TC is managed by the Bank.

VI. PROJECT RISKS AND ISSUES

- 6.1 The major risk identified relates to the availability of public information on broadband policies due to the realities of very different contexts in Jamaica and Trinidad & Tobago. Another risk involves the lack of centralized coordination among stakeholders in the creative industries sector, which may delay the identification of innovative proposals from SMEs as well as the overall implementation of the activities under this TC. To mitigate the risk, the studies will be based on the mission to the selected country and extensive studies conducted by the Bank, as well as relevant research and publications. External and local sources of information will also be used, as needed.

VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 7.1 Given the nature of the program, there are no associated environmental or social risks. Based on the Environment and Safeguards Compliance Policy (OP-703) this operation is classified as "C" (See [Safeguards Policy Filter Report and the Screening Form](#)).