

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Regional
▪ TC Name:	ConnectAmericas Cross-Border Facilitation Services
▪ TC Number:	RG-T2359
▪ Team Leader/Members:	Fabrizio Opertti, Team Leader (INT/TIU), Ady Beitler (INT/TIU), Matias Bendersky (ORP/ORP), Yasmin Esteves (INT/INT), Francisco Estrazulas (INT/TIU), Daniel Hincapie (ORP/ORP), Shunko Rojas (INT/TIU), Matthew Shearer (INT/INT).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request: (IDB docs #)	IDBDOCS-#37764544-ConnectAmericas - Carta Solicitud Costa Rica
▪ Date of TC Abstract:	May 22, 2013
▪ Beneficiary:	Regional
▪ Donors Providing Funds	Regional Infrastructure Integration Fund
▪ Executing Agency and contact name:	The Inter-American Development Bank (IDB), through the Trade and Investment Unit (INT/TIU).
▪ IDB Funding Requested:	US\$ 750,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	June 15, 2013 – December 31, 2014
▪ Required start date:	June 15, 2012
▪ Types of consultants (firm or individual consultants):	Firms and individuals
▪ Prepared by Unit:	Trade and Investment Unit (INT/TIU)
▪ Unit of Disbursement Responsibility:	Trade and Investment Unit (INT/TIU)
▪ Included in Country Strategy (y/n);	No
▪ TC included in CPD (y/n):	
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration

II. Objective and Justification

ConnectAmericas (CA) is a trade and integration facilitation infrastructure sponsored by the IDB that will offer SMEs from Latin America and the Caribbean (LAC) an online platform where they will be able to 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 will promote integration from and for the private sector, allowing SMEs to move from the margins to the mainstream of international value chains.

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)¹ only 13% of all LAC firms export. 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, and 86% of the companies surveyed had a proprietary website and spend resources in online advertising.²

The CA integration platform infrastructure will offer users the following features:

Connect: this option will allow users to join professional networks of industry colleagues in cross-border facilitation services and their potential clients, suppliers and investors. In these trade facilitation communities, users will be allowed to show their companies' information, including description of their services, links to their websites, product catalogs, marketing materials and special offers or requests. CA will also facilitate matchmaking services in these communities, and will offer cost-effective solutions to enable business transactions, such as high quality video conferencing and messaging tools. Users are expected to use this Internet infrastructure in the same way as buyers and sellers use roads and physical marketplaces.

Learn: users will be directed to a repository of tutorials, databases, webinars and interactive tools that will enhance their knowledge of the exporting process. First, CA will provide videos on how the export process works in practice in each member country and testimonials from other companies operating in the region, as well as information channels such as blogs, news feeds and social media tools, providing the latest trends in the industries where users have formed communities. Additionally, CA will promote the services offered by government agencies - particularly Trade and/or Investment Promotion Organizations (in general, TPOs) - 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 the most comprehensive data on free trade agreements signed by countries in the region – will have an interactive tool to show the existing tariffs, trade and non-trade barriers, sanitary and phytosanitary regulations, and examples of other export operations.

¹ Moreno, La Década de América Latina (2012)

² http://www.infoweek.biz/la/wp-content/uploads/2010/05/100513_internet_presentacion.pdf

These features will be part of the Integration Capacity Building Program developed in the context of the Integration Strategy of the Bank (GN-2565-4) that is also being financed by a RIIIF funded project (RG-T2265) and will contribute to the RIIIF's Intermediate Outcome 2.2.2. "Strengthened institutional capacities to implement and participate in cross-border and regional infrastructure initiatives", and the RIIIF's Immediate Outcome 2.2.2.a. "Improved knowledge and skills among individuals involved in cross-border and regional infrastructure initiatives" through Output 2.2.2.a.1. "Training delivered to individuals involved in cross-border and regional infrastructure initiatives".

Finance: this module will offer 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.

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 21st Century that will enable SMEs to participate in regional and global value chains.

The design and development of ConnectAmericas is being funded by a variety of resources and operations, including funding from the FIRII (RG-T2241; RG-T2304; RG-M1218). These are currently supporting the design of the integration infrastructure platform, the analytical work required to identify and reach out to the target markets, and the development of the platform's first two modules (Connect and Learn).

The present operation is intended to design the ConnectAmericas "Learn" module, with particular emphasis on the integration of the trade facilitation services offered by TPOs and Customs Authorities consistent with the other trade facilitation online tutored courses being successfully delivered, and the production of audiovisual materials explaining the imports and exports processes in each beneficiary country.

The objectives and activities of the operation correspond to the Bank's Strategy for Global and Regional Integration (GN-2565-4) 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).

This operation is fully consistent with the objectives of the Multidonor Regional Infrastructure Integration Fund (RIIF; OP-590-1) insofar as it will promote the exchange of information between TPOs, Customs Authorities, logistics operators and SMEs from all over the region, thus "strengthening and adopting best practices ... to facilitate timely, efficient and secure movement of goods and services throughout the LAC region" by "removing bottlenecks at border crossings and other customs and logistic related inefficiencies" (Par. 2.4). In this sense, as the first regional infrastructure platform dedicated to facilitating international trade for SMEs and sharing best practices among public agencies in charge of

promoting SME internationalization, ConnectAmericas is expected to generate know-how, promote South-South cooperation and build export capacity at the public and private sector levels. This makes this operation consistent with the RIF's Results Framework outcomes of "deepened integration through cross border connectivity" and particularly the intermediate outcome of "improved knowledge and skills among individuals involved in cross-border and regional infrastructure initiatives" (2.2.2 (a)). In addition, this ConnectAmericas will provide a uniform framework to offer online services from Trade Promotion Organizations, this operation is also consistent with the intermediate outcome of "improved and regionally harmonized regulatory and procedural frameworks". Finally, insofar as this program will build on the Integration Capacity Building Program referred to above, these goals are also expected to be achieved through Output 2.2.2.a.1. "Training delivered to individuals involved in cross-border and regional infrastructure initiatives".

A sister TC is simultaneously being prepared and will be submitted to the FIRII Fund Eligibility and Strategic Committee.

III. Description of Activities and Outputs

Component I. Integration of Trade Facilitation Services. This component will integrate the ConnectAmericas platform with the online trade facilitation services offered by TPOs in the region. This may include information services on the export process as well as the tariffs and non-tariff barriers applicable to products and services in the agencies' home countries. ConnectAmericas will thus increase the outreach capacity of these services insofar as it will standardize their content and interface, thereby promoting South-South cooperation and know-how exchange among the 26 IDB borrowing member countries as well as key commercial partners in North America and Asia (e.g. Canada, the US, China, Korea and Japan) as trade and integration of LAC and both regions is key for its economic growth and development.

Component II. Production of Original Trade Facilitation Content. This component will strengthen the trade facilitation services offered by TPOs and Customs Authorities, by producing easy online interactive tutorials for exporters and importers to learn about the international trade processes in each country where ConnectAmericas will be implemented. These resources include videos, online courses and webinar series produced by experts and government officials alike. When these services are already offered by a TPO or Customs Authority in a given country, ConnectAmericas will provide technical assistance to integrate them and customize them to the rest of the infrastructure platform.

IV. Budget

Component I. Integration of Trade Facilitation Services. (USD 400,000). Activities to be financed under this component include consultancy services to: lead the coordination efforts with each TPO; set forth the technical requirements for the integration between ConnectAmericas and the TPOs' information systems; and develop the necessary integration tools within the ConnectAmericas platform.

Component II. Production of Original Trade Facilitation Content. (US\$ 275,000). Activities to be financed under this component include consultancy services to: design the contents of each tutorial (scripts for

videos, topics for webinars and syllabuses for online courses); produce the audiovisual materials; and deliver the webinars and online courses. In addition, licenses for technology solutions will be acquired when necessary to deliver the online courses and webinars.

Administration (50,000)

Monitoring and Evaluation (25,000)

V. Executing agency and execution structure

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 integration promotion activities, including the first meeting of Customs Administrators of the Americas and Asia (Panama, April 2013).

The contracting of project consultants will be carried out by the Bank in accordance with document GN-2350-9 (Policies for the Selection and Procurement of Consulting Services Financed by the IDB), while the procurement of goods and related services will be carried out by the Bank in accordance with document GN-2349-9 (Policies for the Procurement of Goods and Works Financed by the IDB).

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

The success of the project will depend on a significant level of engagement and participation of users and relevant stakeholders, including the TPOs and Customs Authorities in the beneficiary countries. 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

This operation does not present environmental and social risks. It was classified as Category C in the Environmental and Screening Classification <http://DOCNUM=37786346>.

Indicative Results Framework

	Results Statement	Indicator	Baseline	Target 2013	Target 2014	Data Source
Intermediate outcome 1	Improved procedures among SMEs and Trade Promotion Organizations	Number of Trade Promotion Organizations' online services integrated with the ConnectAmericas platform	0	1	6	Progress Report and CA website: www.connectamericas.com
		Number of original online trade facilitation training contents developed	0	8	8	Progress Report and CA website: www.connectamericas.com
Immediate outcome 1	Prioritized actions to harmonize the presentation of online export facilitation tools to SMEs through ConnectAmericas.	Number of actions plans approved by Trade Promotion Organizations to integrate their services offer to ConnectAmericas.	0	4	4	Progress Report and CA website: www.connectamericas.com
Output 1	Roadmaps with technical requirements developed, to integrate into ConnectAmericas the online export promotion services offered by Trade Promotion Organizations	Number of software integrations actions between Trade Promotion Organizations and ConnectAmericas completed	0	1	6	Project files at INT/TIU.
Output 2	Production of scripts and dissemination strategies for the original export promotion contents	Number of content materials produced and posted at the ConnectAmericas website	0	8	8	Progress Report and CA website: www.connectamericas.com
Intermediate outcome 2	Strengthened institutional capacities to promote exports.	Number of Trade Promotion Organizations benefiting from institutional strengthening through training.	0	4	4	Progress Report and CA website: www.connectamericas.com
Immediate outcome 2	Improved knowledge and skills among individuals involved in cross-border and regional infrastructure initiatives	Number of professionals successfully trained (receiving certification).	0	10	10	Progress Report and CA website: www.connectamericas.com
		Share of women in total persons receiving certification.	0	50	50	Progress Report and CA website: www.connectamericas.com
Output 3	Delivery of online training courses and webinars	Number of webinars and/or online training courses delivered through the ConnectAmericas platform	0	2	10	Progress Report and CA website: www.connectamericas.com
		Number of professionals who received training (disaggregated by gender).	0	10	10	Progress Report and CA website: www.connectamericas.com