TC Document

Country/Region: Regional TC Name: Promoting creativity and innovation in LAC TC Number: RG-T2959 Team Leader/Members: Matteo Grazzi (IFD/CTI), team leader; Mónica Salazar (CTI/CCO); Gabriel Casaburi (CTI/CAR): Leonardo Ortega (IFD/CTI): Adriana Oreamuno (IFD/CTI): Micaela Cordero (MIF/MIF); Margie-Lys Jaime Ramirez (LEG/SGO) Indicate if: Operational Support, Client Research and Dissemination Support, or Research & Dissemination If Operational Support TC, give number and n/a name of Operation Supported by the TC: Date of TC Abstract authorization: April 19th 2017 Beneficiary: Innovation Agencies, Ministries of Culture, Academia and NGOs in IDB Borrower Members¹ Inter-American Development Bank, through Executing Agency and contact name: the Competitiveness and Innovation Division (IFD/CTI) **Ordinary Capital Strategic Development** Donors providing funding: Program for Institutions (INS) IDB Funding Requested: USD 400,000 Local counterpart funding, if any: n/a Disbursement period (which includes 24 months Execution period): Required start date: July 1st 2017 Types of consultants (firm or individual Individual consultants and firms consultants): Prepared by Unit: IFD/CTI Unit of Disbursement Responsibility: IFD/CTI TC Included in Country Strategy (y/n): n/a TC included in CPD (y/n): n/a Alignment to the Update to the Institutional Productivity and Innovation Strategy 2010-2020:

I. Basic Information for TC

II. Objectives and Justification of the TC

2.1 The creative economy ² has been progressively recognized as an important component of the economic activity of a country. Creative activities are considered to

¹ The selection criteria of participating institutions in each activity are explained with more details in the components.

² Based on IDB (2013), the creative economy considers the group of activities through which ideas are transformed into cultural and creative goods and services, whose value is or could be protected by intellectual property rights.

participate in the economy through various channels. First, the direct contribution of the sectors included in the creative industry (like for example interior design, graphic arts, illustration, videogames, fashion, advertising and marketing, etc.), in terms of value added, exports, employment, investment and productivity growth. Not only the creative industry is already an important part of the economy, but it also shows high innovation and productivity rates (Backshi and McVittie, 2009; Muller, Rammer and Truby, 2009; Claussen et al., 2012), constituting an important driver of economic development (Potts and Morrison, 2009). Recent estimates show that Creative Industries generate US\$2,250 billion of revenues and 29.5 million jobs worldwide, employing approximately 1% of the world's active population, while in Latin America and the Caribbean, the contribution in terms of revenues is around US\$ 124 billion (approximately 2.2% of the GDP), employing around 1.9 million workers (EY, 2015).

- 2.2 A second channel is related to the role of creative activities as inputs in the production process of traditional industries, such as, for example, industrial design in the car industry. In fact, it has been shown that there are more creative professionals working outside of the creative industries than inside them (Cunningham and Higgs, 2009). Empirical evidence on the impact of such activities on firm performance is still limited, but there is a growing body of research analyzing returns to copyright, trademarks and design. In particular, design activities are found to be linked to better firm performance in terms of productivity growth, innovation performance and export sales (Gemser and Leenders, 2001; Haskel et al., 2005; Sentance and Clarke, 1997). These two channels, taken together, constitute what has been called the creative economy.
- 2.3 The emergence of the creative economy as a relevant economic sector is closely related to the diffusion of digital technology. In fact, many creative activities use state-of-the-art technology as input in their productive process. For example, the industry of videogames and animation rely on new, more and more complex, software to create new products. Moreover, the digital technology provided to industries based on creativity a space to develop and test their new products with high quality levels and lower costs. Musicians can have their own recording studio at home; industrial design and packaging industries benefit from the new 3D printers to develop prototypes and test their products in different stages of development at a lower cost. Digital technology can also offer a platform to promote and distribute broadly and quickly the creative products of entrepreneurs (e.g. online stores, digital marketing, etc.). The use of cutting edge ICTs by creative firms could also influence the overall market, promoting new technology diffusion in other sectors of the economy.
- 2.4 Considering this picture, there is generalized consensus among policy-makers and analysts of the potential of the creative economy as a development tool. However, the activities included in the creative economy share a set of properties that prevent markets to produce socially efficient outcomes. In fact, several different forms of market failures constitute a compelling economic rationale for public intervention in the sector (Benavente and Grazzi, 2017). Moreover, various information and coordination failures can also affect the creative ecosystem³. For example, demand for skills in these industries is very changing, generating a constant mismatch between

³ A Creative Ecosystem is defined as a set of economic agents and institutions (such as government, universities, research units, and the private sector) whose interaction determines the performance of a society in terms of creative outputs. Such interaction is key for the production, diffusion and consumption of creative goods and services.

knowledge and training provided by formal education and those needed in the market (Arnold et al 2014). Also, creative industries often ignore the demand from other sectors of the economy, and at the same time traditional industries are not aware of the potential gains resulting by incorporating creative inputs in their production process.

- 2.5 Furthermore, when it comes to implement public policies in the area, an additional challenge in terms of policy framework and institutional coordination appears to be important. In fact, it is usually the case that multiple public institutions sometimes with very different priorities, approaches and constituencies are simultaneously in charge of relevant aspects of the sector, making difficult the design and implementation of effective policy instruments in the absence of a formal articulation mechanism. These challenges are very relevant for most LAC countries, where relevant institutions in the area are without an adequate knowledge base in terms of program design and evaluation.
- 2.6 Although these market and coordination failures do not exclusively affect the creative activities, many countries have developed a policy mix that use vertical rather than horizontal public policy instruments. The main reason is that transversal policies usually do not reach creative firms or entrepreneurs due to the small scale of the business, lack of information, among other reasons.
- 2.7 Despite the described challenges, the creative economy is already very relevant in the region. However, statistics and research available in LAC are insufficient to estimate the real contribution of the sector and to understand its actual impact on firm innovation and productivity. On the one side, when looking at existing indicators, a substantial amount of information remains missing for many countries in the region. On the other side, this situation prevents researchers from producing conclusive empirical evidence on many aspects related to the functioning of the creative economy, and it limits the capacity of policy makers to design and implement an evidence-based policy mix.
- 2.8 The general objective of this TC is to enhance the capacity of LAC policy-makers to design, implement, monitor and evaluate policies aimed to promoting the development of the creative economy in the region. This will be obtained through three specific objectives: 1) the definition and generation of statistical information and related analytical knowledge products based on LAC; 2) the strengthening of the regional creative ecosystem, through activities of knowledge generation, capacity building and regional dialogue; 3) the promotion of human capital formation in creative activities through the design, implementation and evaluation of a pilot program aimed at improving entrepreneurship skills in the creative economy.
- 2.9 Many countries in the region have recently approached the Bank, requesting technical assistance in the area. As a first response to such requests, CTI is working closely with the MIF. In 2016-2017, the projects UR-T1150 "Innovation Vouchers in the Creative Industries in Uruguay", and PR-T1232 "promotion of the Creative Economy in Paraguay" have been approved, and other projects in Chile and Argentina are under preparation. Moreover, in order to strengthen CTI internal capacities to respond to region's necessities, it has been organized in collaboration with NESTA⁴, the Cutting

⁴ NESTA is an innovation foundation in United Kingdom with a mission to help people and organizations bring great ideas to life. They main area of work are: Citizen engagement in public services, digital arts and media,

Edge Training Program "Digital Economy 2.0: When Technology meets Creativity" focused on the design, implementation and evaluation of public instruments for creative industries. This TC complements these efforts in supporting the development of the creative economy in Latin America and the Caribbean.

The TC's main objective and expected results are aligned with the GCI-9 Sector 2.10 Priority Institutions for Growth and Social Welfare. Alignment with the quoted GCI Sector Priority flows directly as one of the mainstream tools for growth is innovation and productivity enhancement. The project is also aligned with the Update to the IDB Institutional Strategy 2010-2020 (Document AB-3008), where the low level of innovation and productivity is identified as one of the main challenges in the region. Given the close relation between the creative economy and innovation and productivity performance, the expected result of this TC in terms of improved capacity of LAC policy-makers to design, implement, monitor and evaluate policies in the area is directly linked to the challenge of low level of innovation and productivity in the region. The TC expected outputs are aligned with the Corporate Results Framework indicators in the areas of institutional development and regional integration. Finally, the project is aligned with the area of intervention "Knowledge Creation and Dissemination" of the Ordinary Capital Strategic Development Program for Institutions (INS). In fact, the TC will strengthen frontier knowledge in a substantially unexplored area, allowing a more effective design, execution and implementation of related public policies.

III. Description of activities/components and budget

- 3.1 Component 1. Statistical information and analytical research. This component will promote the production of statistical information and analytical research to allow policy makers in this sector to formulate evidence-based public policies. The component will finance the following activities: (i) development of a conceptual framework on how to measure the creative industries, taking into account the international best practices, including but not limited to the case of the Culture Satellite Account; (ii) definition and testing of a common methodological approach to collect indicators on creative industries, through a regional dialogue with LAC statistical offices; (iii) design and implementation of a Creative Innovation Survey pilot aimed to complement and improve the available statistical information in the region. The country where the Survey will be implemented will be selected on the basis of the interest on measuring the creative economy and its relationship with innovation, and the institutional capacity of its statistical office to carry out the survey; (iv) production of 3 working papers, that will use econometric analysis to explore the relation between creative activities, innovation and productivity in LAC firms, with a particular attention to the role played by digital technologies. The studies to be financed will be selected through an open Call for proposals. A technical workshop will be organized to discuss the methodology and scope of the selected proposals and to generate positive cross-contamination.
 - 3.2 Component 2. Talent Formation Pilot Program. This component aims to promote the human capital formation in creative activities, with a particular emphasis in creative digital entrepreneurship. It will finance: (i) A revision of the LAC current technical and academic program aimed at promoting formation of entrepreneurship skills in the sector, in order to identify strengths and weakness; (ii) Design, implementation and

innovation policy, health and ageing, impact investment, new models for inclusive economic growth, and opportunities for young people.

evaluation of a pilot program aimed to foster the capacities of creative entrepreneurs. The program will be developed in collaboration with a public or private partner with a credible and documented track record in the area of entrepreneurship training and with experience in working with the IDB.

- 3.3 **Component 3. Promotion of the Creative Ecosystem in LAC**. This component aims to strengthening the linkages among the key actors of the LAC creative ecosystem, in order to generate a more conducive environment for the creative activities. To achieve this, the Component will finance: (i) mapping of the Creative Ecosystem in the region and in 4 countries, selected on basis of interest in the area and of operational perspectives. A technical workshop will be organized in order to discuss the main results of the mapping exercises; (ii) design and implementation of a training program for LAC public agencies aimed at improving their institutional capacity to operate in the area of the creative economy; (iii) drafting of 3 operational inputs that will revise and discuss best practices of selected policy instruments to promote the creative economy, such as: fiscal incentives, creative vouchers, creative clusters; (iv) organization of a policy platform⁵ where relevant public institutions (Innovation Agencies, Ministries of Culture, or others, depending on the institutional arrangement of the creative sector in each country) can discuss common policy issues related to the performance of their Creative Ecosystem and explore regional cooperation initiatives.
 - 3.4 **Communication and Dissemination**. The dissemination strategy of the project consists of different activities, depending on the target audience. First, the main results of all the studies financed by the TC will be presented to relevant regional policy-makers within the activities of the policy platform financed by Component 3, and in the context of the meetings of the Regional Policy Dialogue of Science, Technology and Innovation Policy. In this way, it will be maximized the probability of internalizing the products of the TC within relevant stakeholders. Second, the results of the activities in the statistical information area will be presented in a dedicated meeting of the Ibero-American Network of Science and technology indicators. Finally, periodic posts on the CTI Blog "*Puntos sobre la I*" will present the main results of the projects to the public at large.
- 3.5 The total budget for this technical cooperation has been estimated at US\$ 400,000, see table below. The Indicative Results Matrix has been included to show the outputs to develop in the Components of this project. The TC will be financed with resources of the Ordinary Capital Strategic Development Program for Institutions (INS).

⁵ The policy platform will consist of an open policy dialogue mechanism based on in-person and virtual meetings, as well as other forms of knowledge sharing and discussion, decided on a case-by-case basis. Examples of potential participating institutions include CORFO in Chile, ANII in Uruguay and the Ministry of Culture in Argentina.

Component	Description	Product	IDB/Fund Funding	Total Funding
		Conceptual framework & statistics compendium	\$35,000	
0	Otatiatia al la farma di an	Creative Innovation Survey Pilot	\$70,000	
Component I	Statistical information and analytical research	Call for Paper "Creative Economy, new technologies and the digital economy": 3 working papers	\$60,000	\$170,000
		Workshop organized	\$5,000	
Component	Talent Formation Pilot	Mapping of entrepreneurship formation programs in the region	\$20,000	\$80,000
П	program	Talent Formation Program for Creative Entrepreneurs: Pilot in 1 countries	\$60,000	\$80,000
		Mapping of Creative Ecosystem in the region and selected countries	\$40,000	
Commonweat	Promotion of the	Training program in institutional strengthening and public coordination for public agencies in LAC	\$20,000	
Component III	Creative Ecosystem in LAC	3 background papers on policy instruments for the creative economy	\$40,000	\$150,000
		Policy Platform on creative economy for policy makers in the region	\$45,000	
		Workshop organized	\$5,000	
Total			\$400,000	\$400,000

Indicative Results Matrix

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Indicators	Measure	Value	Year	2017	2018	2019	Value	Year
Component I: Statistical informa	tion and analyt	ical rese	arch					
	0	utputs						
Technical notes created	Notes (#)	0	2017	0	1	0	1	2019
Survey conducted	Surveys (#)	0	2017	0	0	1	1	2019
Working papers prepared	Papers (#)	0	2017	0	3	0	3	2019
Workshop organized	Workshops (#)	0 2017 0 2017	0	0	1	1	2019	
Outcome: Knowledge	and indicators	s used fo	or evide	nce-bas	sed poli	icy mak	ing	
Number of downloads of documents and datasets	Downloads (#)	0	2017				200	2019
Component II. Talent Formation	Pilot Program							
	0	utputs						
Technical notes created	Notes (#)	0	2017	0	1	0	1	2019
Training products developed	Products (#)	0	2017	0	1	0	1	2019

Out	come: Creative	entrepr	eneurs	trained				
Number of creative entrepreneurs trained	Trainees (#)	0	2017				50	2019
Component III. Promotion of the	Creative Ecosy	/stem in	LAC					
	0	utputs						
Diagnostics and assessments completed	Diagnostics (#)	0	2017	0	4	0	4	2019
Training workshops delivered	Workshops (#)	0	2017	1	1	0	2	2019
Discussion papers developed	Papers (#)	0	2017	1	2	0	3	2019
Regional policy dialogues organized	Events (#)	0	2017	0	1	0	1	2019
Workshops organized	Workshops (#)	0	2017	0	1	0	1	2019
Outcome	: Creative Ecos	system i	n LAC s	strength	nened			
Number of citations of documents financed by the TC in policy documents in LAC countries	Citations (#)	0	2017				5	2019

IV. Executing agency and execution structure

- 4.1 The IDB through IFD/CTI will be responsible for the direction, supervision and coordination of this TC. Given the experience of CTI in the topics included in this TC, this unit will be responsible for the procurement and supervision of the products.
- 4.2 The Bank will select and contract all consulting services (firms and individuals) according to current procurement policies and procedures. The monitoring and evaluation of the TC will be carried out by IFD/CTI with the support of CTI specialists in the country offices of participating countries.

V. Major issues

5.1 There are no major risks associated with the implementation of this TC. However, the success of the activities included in Component I and II will depend on the capacity of identified partners to execute the pilot survey (Component I) and pilot talent formation program (Component II). To mitigate this risk, the project team the partners will be selected on the basis of their experience in the field, institutional capacity and previous work with the IDB. Moreover, the project team will work closely with the TC partners in all the phases of the project, involving also other recognized international institutions active in the field, such as UNESCO, NESTA and RICYT (Component I) and NESTA and British Council (Component II). Finally, the long-term development impact of the project will depend on the capacity of countries to internalize the results of the TC. In this sense, the effective functioning of the policy dialogue platform will be key to generate awareness on the potential of the creative economy and on the necessity to use resources to promote its development.

6.1 No exceptions to Bank policy are envisioned.

VII. Environmental and Social Strategy

7.1 The project will not generate any significant social or environmental negative impacts. According with the toolkit program, this project was classified with "C", meaning that no environmental assessment studies or consultations are required for this category.

Required Annexes:

- Terms of Reference for activities/components to be procured
- Results Matrix
- Procurement Plan
- References

Regional

IFD/CTI

Promoting Creativity and Innovation in LAC (RG-T2959)

TERMS OF REFERENCE

Background

The Competitiveness and Innovation Division (CTI) at the Inter-American Development Bank is in charge of promoting the creation and growth of dynamic enterprises in the countries of Latin America and the Caribbean, by increasing their capabilities and the availability of the necessary tools to innovate and compete in international markets. In this context, the Division is opening a new area of analytical and operational work related with the creative economy.

The creative economy has been progressively recognized as an important component of the economic activity of a country. In fact, creative activities are considered to participate in the economy through various channels. First, the direct contribution of the sectors included in the creative industry, in terms of value added, exports, employment, investment and productivity growth. This contribution has been estimated and found to be particularly relevant for innovation and productivity rates constituting an important driver of economic development. Moreover, creative activities are closely related to the innovation dynamics of a society as a whole, and can often spillover their benefits to other sectors of the economy.

A second channel is related to the role of creative activities as inputs in the production process of traditional industries, for example through industrial design. In fact, it has been shown that there are more creative professionals working outside of the creative industries than inside them (Cunningham and Higgs, 2008). Empirical evidence on the impact of such activities on firm performance is still limited, but there is a growing body of research analyzing returns to copyright, trademarks and design. Design activities, in particular, are found to be linked to better firm performance in terms of productivity growth, innovation performance and export sales (Gemser and Leenders, 2001; Haskel et al., 2005; Sentence and Clarke, 1997). These two channels, taken together, constitute what has been called the creative economy.

Despite the described challenges, the creative economy is already very relevant in the region. However, statistics and research available in LAC are insufficient to estimate the real contribution of the sector and to understand its actual impact on firm innovation and productivity. On the one side, when looking at existing indicators, a substantial amount of information remains missing for many countries in the region. On the other side, this situation prevents researchers from producing conclusive empirical evidence on many aspects related to the functioning of the creative economy, and it limits the capacity of policy makers to design and implement an evidence-based policy mix.

Consultancy objective(s)

The objective of this consultancy is to provide analytical and technical support to CTI on how creative activities generate innovations and productivity gains in the region, with emphasis on the

role of new technologies and the digital economy. The products of this consultancy will be a key input for the technical dialogue of the IDB with countries in Latin America and the Caribbean.

Main activities

The selected consultant will perform the following activities:

- Conduct research and analysis on issues related with the creative economy. In particular, the consultant will address the following research questions:
 - How creative activities generate innovation and productivity gains?
 - What is the role of new technologies in the innovation dynamics?
 - What is the relation between the creative economy, ICTs and innovation?
 - o How do disruptive technologies affect cultural and creative industries?
 - When using and applying technologies, how do creative industries affect and disrupt the rest of the economy and the society?
 - What are the main innovation obstacles in the creative economy?

Reports / Deliverables

The contractual will deliver the following:

- A draft of a working paper including a detailed analysis of the various aspects of creative economy described above. (Product 1)
- A final working paper including comments received by the IDB and external reviewers (Product 2). The final report will include a Policy Summary for dissemination.
- A blog post on the topic of the research (to be agreed) included in the final report, to be published in the CTI blog (product 3)

The consultant is asked to submit the abovementioned Reports by the following dates:

- Products 1: 12 weeks after the signing of the contract
- Product 2 and 3: 18 weeks after the signing of the contract

Payment Schedule

The consultant will be paid a lump sum to be paid as follows:

- 20% on contract signing
- 30% on receipt of Product 1
- 50% on receipt of Products 2 and 3

Qualifications

- Academic Degree / Level & Years of Professional Work Experience: Master's degree or PhD. Degree with 5 years or more of professional experience in the area of creative economy or cultural economy.
- Languages: English and Spanish

• Areas of Expertise: Creative Economy, Cultural Economy, Public Policy, Economy

Characteristics of the Consultancy

- Consultancy category and modality: Products and External Services Contractual, Lump Sum
- Contract duration: 120 days during the period of September 1st, 2017 to August 31st, 2018
- Place(s) of work: External consultancy. The external advisor is expected to participate in one seminar. Related travel expenses will be covered by this contract.
- Coordinator: The consultant will work under the supervision of Matteo Grazzi (Science and Technology Specialist of the IFD/CTI Division <u>matteog@iadb.org</u>).

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. In addition, candidates must be citizens of an IDB member country.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuals, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

Regional

IFD/CTI

Promoting Creativity and Innovation in LAC (RG-T2959)

TERMS OF REFERENCE

Background

The Competitiveness and Innovation Division (CTI) at the Inter-American Development Bank is in charge of promoting the creation and growth of dynamic enterprises in the countries of Latin America and the Caribbean, by increasing their capabilities and the availability of the necessary tools to innovate and compete in international markets. In this context, the Division is opening a new area of analytical and operational work related with the creative economy.

The creative economy has been progressively recognized as an important component of the economic activity of a country. In fact, creative activities are considered to participate in the economy through various channels. First, the direct contribution of the sectors included in the creative industry, in terms of value added, exports, employment, investment and productivity growth. This contribution has been estimated and found to be particularly relevant for innovation and productivity rates constituting an important driver of economic development. Moreover, creative activities are closely related to the innovation dynamics of a society as a whole, and can often spillover their benefits to other sectors of the economy.

A second channel is related to the role of creative activities as inputs in the production process of traditional industries, for example through industrial design. In fact, it has been shown that there are more creative professionals working outside of the creative industries than inside them (Cunningham and Higgs, 2008). Empirical evidence on the impact of such activities on firm performance is still limited, but there is a growing body of research analyzing returns to copyright, trademarks and design. Design activities, in particular, are found to be linked to better firm performance in terms of productivity growth, innovation performance and export sales (Gemser and Leenders, 2001; Haskel et al., 2005; Sentence and Clarke, 1997). These two channels, taken together, constitute what has been called the creative economy.

Despite the described challenges, the creative economy is already very relevant in the region. However, statistics and research available in LAC are insufficient to estimate the real contribution of the sector and to understand its actual impact on firm innovation and productivity. On the one side, when looking at existing indicators, a substantial amount of information remains missing for many countries in the region. On the other side, this situation prevents researchers from producing conclusive empirical evidence on many aspects related to the functioning of the creative economy, and it limits the capacity of policy makers to design and implement an evidence-based policy mix.

Consultancy objective(s)

The objective of this consultancy is to provide technical support to CTI on measuring the creative industries in LAC. The products of this consultancy will be a key input for the definition and testing

of a common methodological approach to collect indicators on creative industries, through a regional dialogue with LAC statistical offices.

Main activities

The selected consultant will perform the following activities:

- Conduct research and analysis on issues related with the creative economy. In particular, the consultant will address the following:
 - Mapping of the main sources and current data availability related to the creative industries in Latin America and the Caribbean.
 - Identifying the main challenges in the current measurement of the creative industry in the region
 - Development of a conceptual framework on how to measure the creative industries, taking into account the international best practices, including but not limited to the case of the Culture Satellite Account

Reports / Deliverables

The contractual will deliver the following:

- A draft of a working paper including a detailed analysis of the various aspects of creative industry described above. (Product 1)
- A final working paper including comments received by the IDB and external reviewers (Product 2). The final report will include a Policy Summary for dissemination.
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The consultant will be paid a lump sum to be paid as follows:

- 20% on contract signing
- 30% on receipt of Product 1
- 50% on receipt of Products 2 and 3

Qualifications

• Academic Degree / Level & Years of Professional Work Experience: Master's degree or PhD. Degree with 5 years or more of professional experience in the area of creative economy or cultural economy.

- Languages: English and Spanish
- Areas of Expertise: Creative Economy, Cultural Economy, Public Policy, Economy

Characteristics of the Consultancy

- Consultancy category and modality: Products and External Services Contractual, Lump Sum
- Contract duration: 180 days during the period of September 1st, 2017 to August 31st, 2019
- Place(s) of work: External consultancy. The external advisor is expected to participate in one seminar. Related travel expenses will be covered by this contract.
- Coordinator: The consultant will work under the supervision of Matteo Grazzi (Science and Technology Specialist of the IFD/CTI Division <u>matteog@iadb.org</u>).

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. In addition, candidates must be citizens of an IDB member country.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuals, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

Regional

IFD/CTI

Consultancy for the Talent Formation Component for Creative Entrepreneurs

Promoting creativity and innovation in LAC: RG-T2959

TERMS OF REFERENCE

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Despite the described challenges, the creative economy is already very relevant in the region. However, statistics and research available in LAC are insufficient to estimate the real contribution of the sector and to understand its actual impact on firm innovation and productivity. On the one side, when looking at existing indicators, a substantial amount of information remains missing for many countries in the region. On the other side, this situation prevents researchers from producing conclusive empirical evidence on many

aspects related to the functioning of the creative economy, and it limits the capacity of policy makers to design and implement an evidence-based policy mix.

2. Objectives

The objective of this consultancy is to design, implement and evaluate a pilot training program for creative entrepreneurs that aims at improving entrepreneurship skills in the creative economy and to promote the human capital formation in creative activities.

3. Main activities

Mapping of training programs in the LAC: A revision of the LAC current technical and academic program aimed at promoting formation of entrepreneurship skills in the sector, to identify strengths and weakness

Training program for Creative Entrepreneurs: Design, implementation and evaluation of a three-day pilot program aimed to foster the capacities of creative entrepreneurs and to equip creative entrepreneurs with the tools and knowledge they need to succeed.

Evaluation: after the experience of the pilot training program, it is required that the firm conduct an evaluation analysis related to the results of the training program, identifying main effects in the participants, lessons learned, and main challenges.

4. <u>Results and Deliverables</u>

The consultant firm will deliver the following:

- A draft of a working paper regarding to the Mapping of training programs in the LAC described above. (Product 1)

- A final working paper regarding to the Mapping of training programs in the LAC including comments received by the IDB and external reviewers (Product 2). The final report will include a Policy Summary for dissemination. (Product 2)

- A draft of the Training Program Agenda (product 3)
- Implementation of the training program (Product 4)

- A final report of with a preliminary evaluation of the training program, lessons learned and main challenges to extend the pilot program in other countries (Product 5)

5. Acceptance Criteria

5.1. The Team Leader will approve each of the previous products and deliverables to process the payment to the consultancy firm.

6. Coordination and Supervision

6.1. The consultant firm will work under the supervision of Matteo Grazzi (Science and Technology Specialist of the IFD/CTI Division <u>matteog@iadb.org</u>)

7. Payment Schedule

- **7.1.** The payment schedule will be based on the deliverables of the consultancy. The Bank does not expect to process advance payments unless it is required an important amount for travel plans.
- 7.2. The payments will be processed as follows:

Payment Schedule	
Deliverables	%
Product 1	10%
Product 2	20%
Product 3	10%
Product 4	40%
Product 5	20%
ТОТ	AL 100%

Regional

IFD/CTI

Promoting Creativity and Innovation in LAC (RG-T2959)

TERMS OF REFERENCE

Background

The Competitiveness and Innovation Division (CTI) at the Inter-American Development Bank is in charge of promoting the creation and growth of dynamic enterprises in the countries of Latin America and the Caribbean, by increasing their capabilities and the availability of the necessary tools to innovate and compete in international markets. In this context, the Division is opening a new area of analytical and operational work related with the creative economy.

The creative economy has been progressively recognized as an important component of the economic activity of a country. In fact, creative activities are considered to participate in the economy through various channels. First, the direct contribution of the sectors included in the creative industry, in terms of value added, exports, employment, investment and productivity growth. This contribution has been estimated and found to be particularly relevant for innovation and productivity rates constituting an important driver of economic development. Moreover, creative activities are closely related to the innovation dynamics of a society as a whole, and can often spillover their benefits to other sectors of the economy.

A second channel is related to the role of creative activities as inputs in the production process of traditional industries, for example through industrial design. In fact, it has been shown that there are more creative professionals working outside of the creative industries than inside them (Cunningham and Higgs, 2008). Empirical evidence on the impact of such activities on firm performance is still limited, but there is a growing body of research analyzing returns to copyright, trademarks and design. Design activities, in particular, are found to be linked to better firm performance in terms of productivity growth, innovation performance and export sales (Gemser and Leenders, 2001; Haskel et al., 2005; Sentence and Clarke, 1997). These two channels, taken together, constitute what has been called the creative economy.

Despite the described challenges, the creative economy is already very relevant in the region. However, statistics and research available in LAC are insufficient to estimate the real contribution of the sector and to understand its actual impact on firm innovation and productivity. On the one side, when looking at existing indicators, a substantial amount of information remains missing for many countries in the region. On the other side, this situation prevents researchers from producing conclusive empirical evidence on many aspects related to the functioning of the creative economy, and it limits the capacity of policy makers to design and implement an evidence-based policy mix.

Consultancy objective(s)

The objective of this consultancy is to provide analytical and technical support to CTI on how creative activities generate innovations and productivity gains in the region, with emphasis on the

role of new technologies and the digital economy. The products of this consultancy will be a key input for the technical dialogue of the IDB with countries in Latin America and the Caribbean.

Main activities

The selected consultant will perform the following activities:

- Conduct research and analysis on issues related with the creative economy. In particular, the consultant will address the following:
 - Discuss international and regional best practices of selected policy instruments to promote the creative economy, such as: fiscal incentives, creative vouchers, creative clusters promoting creative industries, creative incubators, seed capital programs for creative entrepreneurs, and other relevant instruments
 - The study will include a description of the case context, identification of the institutional arrangements present un the case (formal institutions, actors involved, legal regulatory framework, other relevant policies supporting the case, technical and operational procedures), as well as policy implications for Latin America and the Caribbean countries.

Reports / Deliverables

The contractual will deliver the following:

- A draft of a working paper including a detailed analysis of the various aspects of creative economy described above. (Product 1)
- A final working paper including comments received by the IDB and external reviewers (Product 2). The final report will include a Policy Summary for dissemination.
- A blog post on the topic of the research (to be agreed) included in the final report, to be published in the CTI blog (product 3)

The consultant is asked to submit the abovementioned Reports by the following dates:

- Products 1: 12 weeks after the signing of the contract
- Product 2 and 3: 18 weeks after the signing of the contract

Payment Schedule

The consultant will be paid a lump sum to be paid as follows:

- 20% on contract signing
- 30% on receipt of Product 1
- 50% on receipt of Products 2 and 3

Qualifications

- Academic Degree / Level & Years of Professional Work Experience: Master's degree or PhD. Degree with 5 years or more of professional experience in the area of creative economy or cultural economy.
- Languages: English and Spanish
- Areas of Expertise: Creative Economy, Cultural Economy, Public Policy, Economy

Characteristics of the Consultancy

- Consultancy category and modality: Products and External Services Contractual, Lump Sum
- Contract duration: 120 days during the period of September 1st, 2017 to December 31st, 2017
- Place(s) of work: External consultancy. The external advisor is expected to participate in one seminar. Related travel expenses will be covered by this contract.
- Coordinator: The consultant will work under the supervision of Matteo Grazzi (Science and Technology Specialist of the IFD/CTI Division <u>matteog@iadb.org</u>).

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. In addition, candidates must be citizens of an IDB member country.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuals, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

Result Matrix

Outcomes											
Outcome:	1 Knowledge ar	nd indicators	used for evid	lence-based	policy mak	ing					
Indica	ators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification		2017	2018	2019	EOP
1.1 Number of downlo and datasets	ads of documents						Р			200.00	200.00
and datasets			Downloads (#)	0.00	2017	BRIK	P(a)				0.00
			()				Α				
Outcome:	2 Creative entre	preneurs tra	ined								
Indica	ators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification		2017	2018	2019	EOP
2.1 Number of creative trained	e entrepreneurs						Р			50.00	50.00
trained			Trainees (#)	0.00	2017	ezShare	P(a)				0.00
							Α				
Outcome:	3 Creative Ecos	system in LA	C strengthene	ed							
Indica	ators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification		2017	2018	2019	EOP
3.1 Number of citation financed by the TC in							Р			5.00	5.00
LAC countries			Citations	0.00	2017	ezShare	P(a)				0.00
							Α				

RF - Contribution

Outputs: Annual Physical and Financial Progress

Statistical information and analy	tical research							Physical Pro	gress		
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification		2017	2018	2019	EOP	
1.1 Technical notes created	Other(INS)	Notes (#)	0	2017	BRIK	Ρ		1		1	Р
						P(a)				0) P(a)
						Α					Α
1.2 New databases created	Other(INS)	Databases (#)	0	2017	ezShare	Ρ			1	1	Р
						P(a)				0	P(a)
						Α					Α
1.3 Working Papers prepared	Other(INS)	Papers (#)	0	2017	BRIK	Р		3		3	P
										0	-

						P(a)				0	P(a)
						А					Α
1.4 Workshops organized	Other(INS)	Workshops (#)			ezShare	Р			1	1	Р
						P(a)				0	P(a)
						А					A
2 Talent Formation Pilot Program								Physical Pro	gress		
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification		2017	2018	2019	EOP	
2.1 Technical notes created	Other(INS)	Notes (#)	0	2017	BRIK	Р		1		1	Р
						P(a)				0	P(a)
						А					Α
2.2 Training products developed	Other(INS)	Products (#)	0	2017	ezShare	Р		1		1	Р
						P(a)				0	P(a)
						Α					Α
3 Promotion of the Creative Ecosystem	in LAC							Physical Pro	gress		
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification		2017	2018	2019	EOP	
3.1 Diagnostics and assessments completed	Other(INS)	Diagnostics (#)	0	2017	BRIK	Р		4		4	Р
						P(a)				0	P(a)
						Α					Α
3.2 Training workshops delivered	Other(INS)	Workshops (#)	0	2017	ezShare	Р	1	1		2	Р
						P(a)				0	P(a)
						Α	0				Α
3.3 Discussion papers developed	Other(INS)	Papers (#)	0	2017	BRIK	Р	1	2		3	Р
						P(a)				0	P(a)
						Α	0				Α
3.4 Regional policy dialogues organized	Other(INS)	Events (#)	0	2017	ezShare	Р		1		1	Р

						P(a)		0	P(a)
						Α			Α
3.5 Workshops organized	Other(INS)	Workshops (#)	0	2017	ezShare	Р	1	1	Р
						P(a)		0	P(a)
						Α			Α

Other Cost

Total Cost		
CRF Indicator	ኛ Standard Output Indicator	

Ρ P(a) Α

erican Development Bank - IDB

-						
		Financial Pro	ogress			
	2017	2018	2019	EOP	Theme	Flags
	20000	15000	0	35000	Institutional Development	*
	0	0	0	0		
	0	30000	40000	70000	Institutional	*
l	0	0	0	0	Development	
	0	60000	0	60000	Institutional Development	٣

		0	0	0	0
۲	Institutional Development	5000	0	5000	0
		0	0	0	0
			aress	Financial Pro	
gs	Theme I	EOP	2019	2018	2017
*	Institutional Development	20000	0	20000	0
		0	0	0	0
*	Institutional Development	60000	30000	30000	0
	Development	0	0	0	0
			ogress	Financial Pro	
gs		EOP	2019	2018	2017
٣	Institutional Development	40000	0	40000	0
		0	0	0	0
	Institutional	00000		0	20000
*		20000	0	0	
7	Development				0
7		0	0	0	0
7	Development	0	0	0	0
7		0			
7	Development	0	0	0	0
۲ ۲	Development	0 0 40000	0	0 25000	0 15000

0	0	0	0		
0	5000	0	5000	Institutional Development	~
0	0	0	0		

2017	2018	2019	Total Cost			
\$55,000.00	\$275,000.00	\$70,000.00	\$400,000.00			

Inter-American Development Bank IFD/CTI

Country: REGIONAL Project number: RG-T2959					Executing agency: Bank (IFD/CTI)					Public or private sector: Public
					Title of Project:	Promoting cr	eativity and	Innovation in LAC		•
Period	cover	ed by the plan: July 2017 - June 2019								
		r ex-post review of procurements: n/a		Goods and se	ervices (in US\$):	70,000		Consulting services(US\$):	330.000	400.000
		· · · · · · · · · · · · · · · · · · ·				-,		0	,	
ltem Nº	Ref. AWP		Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (ex ante or ex-post) (3)	Source of financing and percentage		Estimated date of the procurement	Technical review by the PTL	Comments
						IDB/MIF %	Local/other %	notice or start of the contract	(4)	
		Component 1: Statistical information and								
1		analytical research	170,000							
		Individual consultants								
		Research Paper on how creative activities								
		generate innovations and productivity gains								
1.1		#1	20,000	IICQ	n/a	100	0	January 15th, 2018	n/a	
		Research Paper on how creative activities								
		generate innovations and productivity gains								
1.2		#2	20,000	IICQ	n/a	100	0	January 15th, 2018	n/a	
		Research Paper on how creative activities			,	100			,	
1.3		generate innovations and productivity gains Technical note that includes: (i)	20,000	IICQ	n/a	100	0	January 15th, 2018	n/a	
		development of a conceptual framework on								
		how to measure the creative industries; (ii)								
		definition and testing of a common								
		methodological approach to collect								
1.4		indicators on creative industries	35,000	IICO	n/a	100	0	September 1st, 2017	n/a	
1.4		Consulting firms	33,000	licq	11/4	100	0	September 13(, 2017	11/0	
		Design and implementation of a Creative								
1.5		Innovation Survey pilot	70,000	CQS	n/a	100	0	March 1st, 2018	n/a	
		Non-consulting services								
		Logistics costs related to the organization of								
1.6		a Technical Workshop	5,000	PC	n/a	100	0	March 1st, 2018	n/a	
2		Component 2: Talent Formation Pilot Progra	,			100	0		, u	
-	1	component zi ruient i ormation rilot riogit	00,000							

	Logistics costs related to the organization of								
1.6	a Technical Workshop	5,000	PC	n/a	100	0	March 1st, 2018	n/a	
2	Component 2: Talent Formation Pilot Progra	80,000							
	Individual consultants								
	Research Paper on current technical and								
	academic programs aimed at promoting								
	formation of entrepreneurship skills in the								
2.1	creative sector	20,000	IICQ	n/a	100	0	September 1st, 2017	n/a	
	Consulting firms								
	product that aims to foster the capacities of								
2.2	creative entrepreneurs	60,000	CQS	n/a	100	0	January 15th, 2018	n/a	
	Component 3: Promotion of the Creative								
3	Ecosystem in LAC	120,000							
	Individual consultants								

	Diagnostic Studies on mapping of the							<u> </u>
3.1	Creative Ecosystem #1	10,000	IICO	n/a	100	0 September 1st, 2017	n/a	
5.1	Diagnostic Studies on mapping of the	10,000	neq	11/4	100		11/ 4	
3.2	Creative Ecosystem #2	10,000		n/a	100	0 September 1st, 2017	n/a	
5.2	Diagnostic Studies on mapping of the	10,000	iicų	11/ d	100	0 September 13t, 2017	11/ d	
3.3	Creative Ecosystem #3	10,000		n/a	100	0 September 1st, 2017	n/a	
5.5	Diagnostic Studies on mapping of the	10,000	licų	11/ d	100	0 September 1st, 2017	11/ d	1
2.4	Creative Ecosystem #4	10,000		- /-	100	0 Contombor 1st 2017	n/a	
3.4	,	10,000	IICQ	n/a	100	0 September 1st, 2017	n/a	
	Discussion Paper on best practices of							
	selected policy instruments to promote the							
3.5	creative economy #1	15,000	IICQ	n/a	100	0 September 1st, 2017	n/a	
	Discussion Paper on best practices of							
	selected policy instruments to promote the							
3.6	creative economy #2	15,000	IICQ	n/a	100	0 September 1st, 2017	n/a	
	Discussion Paper on best practices of							
	selected policy instruments to promote the							
3.7	creative economy #3	10,000	IICQ	n/a	100	0 March 1st, 2018	n/a	
	Non-consulting services							
	Logistics costs related to the organization of							
3.8	training programs	20,000	PC	n/a	100	0 September 1st, 2017	n/a	
	Logistics costs related to the organization of							
3.9	a Workshop	5,000	PC	n/a	100	0 September 1st. 2018	n/a	
	Logistics costs related to the Organization	-,						
3.1	of a Regional Policy Platform	45,000	PC	n/a	100	0 March 1st, 2018	n/a	
				•				
	Total	400,000	Prepared b	oy: Matteo Grazzi	(IFD/CTI) Date	e: May 15, 2017		
) Groupin	ng together of similar procurement is recommended, su	ich as comp	uter hardwar	e, publications, trave	el, etc. If there are a nu	mber of similar individual contracts t	o be executed a	at different times, they can be
ouped tog	gether under a single heading, with an explanation in t	he commen	ts column ind	licating the average	individual amount and t	the period during which the contract	would be exect	uted. For example: an export
	project that includes travel to participate in fairs would		m called "air	fare for fairs", an est	imated total value od U	JS\$5,000, and an explanation in the C	Comments colu	mn: "This is for approximately
ferent ai	rfares to participate in fairs in the region in years X and	X1".						
) Goods a	and works: CB: Competitive bidding; PC: Price comparis	ion; DC: Dire	ect contractin	g.				
) Consulti	ing firms: CQS: Selection Based on the Consultants' Qu	alifications;	QCBS: Quality	y and cost-based sel	ection; LCS: Least Cost S	Selection; FBS: Selection under a Fixe	d Budget; SSS:	Single Source Selection; QBS:
uality Bas	ed selection.							
) Individu	ual consultants: IICQ: International Individual Consulta	nt Selection	Based on Ou	alifications: SSS: Sing	le Source Selection			
<u>-x-ante</u>	<u>/ex-post review:</u> In general, depending on the instituti	onal capacit	y and level of	risk associated with	the procurement, ex-p	post review is the standard modality.	Ex-ante review	can be specified for critical or

(4) Technical review: The PTL will use this column to define those procurement he/she considers "critical "or "complex "that require ex ante review of the terms of reference, technical specifications, reports, outputs, or o

Annex IV

RG-T2959 "Promoting creativity and innovation in LAC"

References

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