

TERMS OF REFERENCE

Consultancy Services: ADDRESSING GLOBAL ECOMMERCE E-PAYMENT CHALLENGES IN THE CARIBBEAN

1. BACKGROUND

The Caribbean Export Development Agency is the only regional export and investment promotion Agency in the African Caribbean and Pacific (ACP) States. The Agency was established by an Inter-Governmental Agreement signed by the 15 States of the Caribbean Forum (CARIFORUM), namely: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Dominican Republic, Haiti, Grenada, Guyana, Jamaica, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Caribbean Export's mission is to increase the competitiveness of Caribbean countries by providing quality export development and trade and investment promotion services through effective programme execution and strategic alliances. The Agency focuses attention on providing training to CARIFORUM firms and Business Support Organisations (BSOs), technical and financial assistance and coaching and connecting investors with Caribbean opportunities and buyers and sellers are priority focus areas.

Given the significant growth globally in ecommerce, the challenges to firms due to COVID-19 and the need for suppliers to bring products to the doorsteps of buyers, the Caribbean Export Development Agency (Caribbean Export) has sought to prioritize ecommerce as a means of increasing exports from and within the Caribbean.

Ecommerce in the Caribbean is currently in the early stages of development. The challenges in the region include issues such as high financial barriers to entry and operation, access to technology, cybersecurity, policies, logistics and by extension the cost and availability of freight services, warehousing and fulfilment centers, among others. Studies undertaken have also highlighted limited knowledge by Caribbean firms of ecommerce and issues related to the management and maintenance of a presence on existing ecommerce platforms such as AMAZON. Additional issues include the pricing of Caribbean products (when one considers the competitive on-line market), the ability to fulfil orders given challenges related to shipping and warehousing, the sustainability of the ecommerce efforts and the troubling matter of payment processing.

To provide information and training to Caribbean firms and business support organisations, the Agency undertook a series of ecommerce advisory and training interventions. In June 2020, more than 1,400 representatives were exposed to ecommerce via 4 online webinars. During the months of October, November and December 2020, the Agency sought to develop an online database of information related to ecommerce and provide training and advisory services to firms, paving the way for the development of new ecommerce sites by Caribbean firms and increased cross border sales.

Notwithstanding some progress made and the significant interest by Caribbean firms to embrace ecommerce, problems associated with cross-border payments remain a major barrier. Caribbean firms have reported that e-payments may be the largest bottleneck in the process chain, compared with other elements such as establishing an online business and logistics. E-payments make ecommerce possible. The Caribbean faces significant restrictions in the supply and availability of international e-payment gateways or services, particularly those that facilitate international e-payment (which includes inter-regional e-payment). The combination of e-payments and other online tools can mean easier access to a much wider customer base throughout a country, a region or across the globe. In turn, this will provide customers with greater convenience and choice. Without this element being available, easily accessible and affordable in the region, ecommerce will continue to be stymied in the Caribbean.

It is against this background that Caribbean Export, under the 11th European Development Fund Regional Private Sector Development Programme, in collaboration with the company Ethniv Inc, the Eastern Caribbean Central Bank and the Caribbean Association of Banks, is seeking to assess this challenge and provide solutions for the region in the form of a white paper.

Caribbean Export is mindful of the fact that several other research initiatives are underway including the Commonwealth Secretariat funded project: *To Assess Digital Trade and E-Commerce Readiness in the OECS*. It is not the aim of this assignment to replicate work that is already being undertaken and as such, this initiative will seek to collaborate with others that are currently being implemented so that a comprehensive review of the wider Caribbean can be facilitated.

2. OBJECTIVE, ACTIVITIES & EXPECTED RESULTS

2.1 Overall objective

The objective of the consultancy is to provide information on international ecommerce e-payment challenges and solutions for the Caribbean, with a view to increasing dialogue and advocacy for an enabling environment for international ecommerce e-payment in the region.

2.2 Specific objective

The specific objective is the development of a white paper that details the “state of play” in the Caribbean on international ecommerce e-payment, highlighting global good practices and positing recommendations for the Caribbean to improve the current ecommerce e-payment environment based on e-payment solutions that are of benefit to CARIFORUM countries. This white paper will guide discussions on the way forward for the Caribbean and drive policy adjustments for an ecommerce enabling environment in the region.

3. ASSUMPTIONS & RISKS

3.1. Assumption underlying the project

- CARIFORUM member countries and key stakeholders are willing to support the initiative, so widescale consultations will be prompt and positive; and
- Information can be easily gathered via desk research, surveys and teleconference calls, without the need for travel, given the challenges associated with COVID-19.

3.2. Risks

The above assumptions are not met.

4. SCOPE OF THE WORK

4.1 General

Caribbean Export is seeking the professional services of a consultant/firm whose primary goal will be to develop a white paper that addresses the challenge and solutions related to international ecommerce e-payment in the Caribbean and provide recommendations for an enabling environment in the region.

For the purposes of this assignment, a white paper is defined as an authoritative report or an educational guide that informs readers concisely about a complex issue and presents a perspective on the matter including recommendations for the Caribbean for the near, medium, and long term to facilitate international ecommerce e-payments.

4.2 Specific Activities

The consultant is expected to:

- Present the importance or relevance of the issue to each CARIFORUM member, providing an overview of the issue (or the problem definition);
- Detail the current “state of play” for international ecommerce e-payment in the 15 CARIFORUM territories, including good practices and any payment-related hurdles faced by stakeholders conducting business digitally across borders;

- Assess the “state of play” within the Caribbean banking sector in terms of the level of readiness to partner in the development of an ecommerce environment in the region;
 - Provide a cost benefit analysis of the available options in the region;
 - Present information on global good practices that are relevant for small island developing countries like those in the Caribbean;
 - Present actionable recommendations to support the development of an enabling environment for international ecommerce e-payment in the Caribbean, considering issues related to accessibility and security for users, efficiency for e-payments processing and proportionate prudential oversight or the regulatory environment. Present justifications to counterarguments where necessary; and
 - Provide a conclusion or summary that clearly reminds stakeholders of the importance of this issue, presents the overall goal, the necessity for action, and the feasibility of the proposed action.
- Develop a white paper that distills the findings of this assignment and makes recommendations for the way forward.

5. DELIVERABLES or REPORTS

- Report 1/Inception meeting report: This report will capture agreed timelines, approach and any potential changes to project design, that are discussed at the inception meeting, as well as an initial list of stakeholders for consultations;
- Report 2 – A draft white paper is required with appendices that collate all information gathered during this consultancy. The draft white paper will be circulated for comments; and
- Report 3/Final Report – A final white paper including all accepted comments.

6. TERMS OF PAYMENT

- Upon presentation and acceptance of Report 1, 20% of the total cost will be paid;
- Upon presentation and acceptance of Report 2, 30% of the total cost will be paid; and
- Upon presentation and acceptance of Reports 3 and 4, 50% of the total cost will be paid.

7. REQUIREMENTS

7.1. Personnel

7.1.1. Key expert

All experts who have a crucial role in implementing the contract are referred to as key experts.

- **Education:**

- Training in ecommerce, business administration, marketing or a related field.

- **Work Experience:**

- Knowledge of and experience in the area of payment gateways and services
- At least ten years' relevant experience in ecommerce.
- Experience working in or with the private sector in the Caribbean is a strong asset.
- Experience working with the banking sector on related matters would also be an asset.

7.2. Office accommodation

No office accommodation shall be provided to the Consultant during this assignment.

7.3. Facilities to be provided by the Consultant

The Consultant shall ensure that additional experts, if required, are adequately supported and equipped. In particular, the Consultant shall ensure that there is sufficient administrative, secretarial and general support for each additional expert to enable the Consultant to concentrate on his/her primary responsibilities. The Consultant must also transfer funds as necessary to support the activities under the contract and to ensure that all employees are paid regularly and in a timely fashion as per the rules of employment prevailing in the country.

7.4. Equipment

No equipment is to be purchased on behalf of the Contracting Authority as part of this service contract or transferred to the Contracting Authority at the end of this contract. Any equipment related to this contract, which is to be acquired by the Contracting Authority must be purchased by means of a separate supply tender procedure.

7.5 Commencement date and period of implementation of tasks

The duration of this term of service shall be from 17 May 2021 to 17 September 2021 (both dates inclusive). Extensions may be agreed upon by both parties, if applicable.

8. SPECIAL REQUIREMENTS AND EVALUATION

A financial proposal in EUROS and a technical proposal that details work undertaken in the area of ecommerce epayment are to be presented electronically to Suzette Hudson at: shudson@carib-export.com copied to Damie Sinanan at DSinanan@carib-export.com.