

TERMS OF REFERENCE

CONSULTANCY SERVICES FOR MARKET RESEARCH AND DEVELOPMENT OF PROMOTIONAL, BRANDING AND EXPORT STRATEGIES FOR MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES IN SURINAME

1. BACKGROUND

1.01 Suriname is a small open economy with a population of 586,000^{1/} and is well endowed with natural resources. The extraction and processing of its significant bauxite, oil, and gold deposits have historically accounted for around 30% of gross domestic product (GDP) and as much as 90% of exports.

1.02 Suriname's economy benefitted from favorable global commodity pricing which contributed to an average annual growth in GDP of 4.7% over the 2010–2014 period. During this time, GDP per capita increased from USD1,750 to USD9,472 in 2014. Since 2015, Suriname has experienced a number of economic crises due largely to the volatility of pricing for its main commodity exports and the cessation of the production of aluminum. Before the onset of the COVID-19 pandemic, GDP per capita had declined to USD4,000 and there was an average annual contraction in GDP of 2.5% in the four years before the start of the pandemic. Consequently, Suriname is confronting the ongoing pandemic with inadequate fiscal buffers, large fiscal and current account deficits, low growth, high debt levels, and low international reserves.

1.03 In 2020, the economy contracted by 15.9% and declined by another 3.5% in 2021. By the end of November 2021, Suriname recorded more than double the number of total positive COVID-19 cases and related deaths when compared to the global average relative to the size of its population and only 40% of the population was fully vaccinated. Evidence from a telephone survey conducted by the Inter-American Development Bank (IDB) on livelihood conditions five months after the onset of the pandemic, showed that the share of households receiving less than the minimum wage increased from 40% in January 2020, to 45% in June 2020. In addition, preliminary evidence suggests that female-headed households were relatively disadvantaged during the pandemic as they earned lower wages compared to their male counterparts. However, the magnitude of the shock appears to be greater for select male-headed households whose income earnings are below the minimum wage, as such households increased from 51% to 53%^{2/}.

1.04 Employment losses were reported across most occupational categories with 33% of employees from family-owned businesses becoming unemployed since the beginning of the pandemic. However, this employment type represents only 1% of the employment distribution. The largest share of the country's employed population is represented by private sector companies or private sector individuals which make up 40% of the labor force followed by the public sector which accounts for 35%. These employment categories registered employment losses of 24% and 19% respectively. The survey also noted that 17% of self-employed persons lost their livelihood and this sector represented the third largest falloff in employment. Overall, the percentage of Surinamese households reporting income below the minimum wage^{3/} increased from 23.2% in January 2020 to 31.7% in April–July 2020. Low-income households were the most severely affected, particularly by employment loss (35.9%), compared to middle and high-income households (27% and 14.9% respectively).

^{1/} United Nations 2020 population estimate.

^{2/} <https://publications.iadb.org/publications/english/document/The-Consequences-of-COVID-19-on-Livelihoods-in-Suriname-Evidence-from-a-Telephone-Survey.pdf>

^{3/} Suriname's national minimum wage is SRD8.40 per hour (SRD – Surinam Dollar).

1.05 To mitigate the impact of the pandemic and enhance social and economic resilience, the Government of Suriname (GOS) launched the Crisis and Recovery Plan, a coherent package of policy objectives and measures aimed at restoring economic and financial stability, improving public financial management and promoting economic diversification and private sector development.

1.06 The domestic private sector is dominated by small family-owned firms, many of which are informal and hence face several operational constraints. Firm-level evidence emanating from the 2021 Innovation, Firm Performance and Gender survey suggest that two of the main constraints to business operations in Suriname are: (i) unfavorable macroeconomic conditions (26.5% of firms) and (ii) an inadequately educated workforce (14.2% of firms). The survey further revealed that the lack of skills and innovation and the lack of connectivity to regional and world markets affected the productivity and economic diversification of firms domestically.

1.07 In addition, compared to other firms in the Caribbean region, female representation in top management (19%) in the private sector is lower than the average for Caribbean countries (27%). Some of the reasons giving rise to the lower female representation in top management relate to the pervasiveness of the informal sector, family-oriented responsibilities, and limited opportunities for professional expertise development. These developments limit women's ability to participate in the formal private sector and/or become entrepreneurial business owners.

1.08 GOS deems it necessary to strengthen the development of MSMEs enabling them to integrate into the regional value chain and contribute meaningfully to the diversification of the economy and the diversification of exports. This policy thrust is captured in Suriname's 2017–2021 Development Plan which succinctly captures the objective of diversification of the economy through an improved business climate, and increased participation in its international and regional markets.

1.09 Suriname is a party to several trade agreements inclusive of the Caribbean Community (CARICOM) Single Market and Economy (CSME) and the CARIFORUM - European Union (EU) Economic Partnership Agreement (EPA) in which the opportunity is ever present to realize greater sustainable growth through integration into the regional supply value chain. However, Surinamese enterprises appear to be isolated from the rest of the Region with few meaningful links to the regional supply value chains.

Role of Competitiveness Unit Suriname (CUS)

1.10 CUS was established by GOS in 2012 through the Office of the Vice President with technical assistance from IDB through the Compete Caribbean program and CDB under the project titled 'Technical Cooperation Framework for private sector development in Suriname'. The unit operates as a department of the Ministry of Economic Affairs, Entrepreneurship, and Technological Innovation to support business environment reforms. Its mandate is to monitor key competitiveness issues facing the country and provide recommendations necessary to improve the competitive position of the country. There is also great anticipation for the improved use of regional trade agreements forged through the remit of the CUS.

1.11 Over the years, CUS has undertaken several project initiatives including:

- (a) Suriname Business Climate and Innovation Programme – IDB.
- (b) Competitiveness and Sector Diversification Project – World Bank Group.
- (c) Secured Transaction Reform in Suriname – Compete Caribbean.
- (d) Marketing and Branding of the North Commewijne – Compete Caribbean.

1.12 In addition to the above, during the period 2016–2020, IDB supported GOS with the implementation of a pilot project titled Pilot Innovation for Firms in Suriname (IFS). The IFS pilot represented a sub-component of the Suriname Business Climate and Innovation Programme (SUBCIP), which was a four-year economic competitiveness enhancement project of GOS, financed by IDB and executed by CUS. This program aimed to increase the value-added of the private sector in the economy while supporting innovation development in local firms in Suriname—particularly MSMEs.

1.13 Following an assessment^{4/} of firms that participated in the IFS pilot in 2019, GOS has realised that firms need further assistance with marketing and branding goods and services for export markets. Some 71% of firms had still not begun to export though their capacity to do so had improved. Specifically:

- (a) All the participating companies stated that their current marketing materials are limited and that they have a very limited presence on the internet.
- (b) Only 14% of participants reported having a full business website and social media handles. Additionally, they do not transact business online, which suggests that they do not yet have e-commerce capabilities.
- (c) Of the participating firms, 28% stated that their capability statement and/or value proposition needs to be revisited if they are to use it to promote their goods and/or services in export markets.
- (d) More than half of the respondents reported that they have little to no knowledge of the export opportunities within the CSME. However, when presented with the opportunity to choose the top three export markets within CSME in which they wish to expand their business, the MSMEs selected Barbados, Guyana and Trinidad and Tobago.

2. OBJECTIVE

2.01 The objective of the consultancy is to undertake market research with the view of developing marketing, branding and export strategies for up to 60 MSMEs across various economic sub-sectors; establish the creation of digital assets to increase the visibility of MSME firms while building capacity within CUS to attain market intelligence of Barbados, Guyana and Trinidad and Tobago.

3. SCOPE OF SERVICES

3.01 The consultancy firm will work with CUS to conduct market research and gather market intelligence to develop an effective export strategy and a marketing and branding strategy to assist Suriname MSMEs in gaining access to key target markets within the CARICOM region. The team of experts will be responsible for designing the aforementioned strategies for 60 firms to be selected according to established criteria. While the proposed criteria for selection will be determined following initial consultations with stakeholders in preparation for the inception report, consideration should be given to enterprises that specialize in the production of eco-friendly/sustainable/green products.

3.02 This consultancy will increase the level of awareness of CUS staff to facilitate and promote technical support and mobilize resources to attain export readiness of the MSMEs for the target markets (Barbados, Guyana and Trinidad and Tobago). The consultant will engage with the staff of CUS and the 60 MSMEs to understand their business structure the constraints hindering their marketing and branding efforts as well as any constraints hindering export development (goods and/or services), including constraints and

^{4/} During the appraisal process of this project a small sample of seven firms were surveyed to gather feedback on their capacity and developmental needs.

challenges that affect women, youth and entrepreneurs in rural communities of Suriname. The consultant will devise the appropriate mechanisms and strategy to control and/or eliminate those constraints as well as take advantage of available resources to manage the proposed strategies (marketing, branding and export strategy). The consultant team will be required to use the information collected from the consultations and review existing documents, literature, and various studies made by different stakeholders in the sphere of marketing, branding and export development for MSMEs. The consultant will also be required to undertake digital and social media marketing to develop sound strategies for the participating Suriname MSMEs firms. The consultant shall ensure that the quality of the market research, marketing and branding strategies as well as export readiness and development strategies are of the highest standard, satisfies market entry requirements per country requirements and provide special attention to women and youth while mainstreaming gender and social issues. The consultant shall ensure that the information provided is accurate and verifiable by CUS and the MSMEs providing a list of all the resources used in the research as well as the date the data was retrieved.

3.03 Where possible, the consultant will also be charged with the responsibility of assessing the appetite for cluster development and identifying where those opportunities exist. The opportunities for clustering may not only be among participants engaged in the same delivery of service or product production but also with associated partners in the production value chain. In this regard, the consultant will, in collaboration with CUS and participants design an appropriate marketing, branding strategy and export strategy for the proposed cluster. Where a cluster approach is being developed, individual marketing, branding and export strategies need not be developed. Throughout this exercise, emphasis should be placed on developing export capacity of MSMEs not only to have a positive impact on each MSME but on the overall business ecosystem of Suriname.

3.04 The tasks will include, but not be limited to the following:

Component 1

- (a) Carry out market research for Barbados, Guyana and Trinidad and Tobago and prepare a comprehensive market research report that examines:
 - (i) Market Overview:
 - Population
 - GDP
 - Ease of Doing Business
 - Logistic Performance indicators
 - Language
 - (ii) Top Import and Export Data.
 - (iii) Prices, taxes and charges on imports.
 - (iv) Quality Standards, and main regulations affecting goods and services as it relates to the participating firms.
 - (v) Shipping routes, approximate time and cost as it relates to the participating firms.
 - (vi) Consumer profile and cultural references relevant to market products.
 - (vii) Digital Economy Data

- Internet inclusivity
 - % of internet users
 - Top 3 search engines
 - Social media stats
 - E-commerce market value
 - E-commerce trends
 - Top online marketplaces
 - Top e-payment systems
- (b) Present the findings of the market research to CUS staff and the 60 MSMEs via an in-person and/or virtual seminar.
- (c) Develop and facilitate a training session on the importance of branding and marketing communications to the 60 MSMEs. This training will provide basic information about branding and marketing, including extensive examples of best practices in branding and marketing communications, social media guidelines and other relevant resources. The facilitation mode of this training will depend on COVID-19 restrictions in force at the time of expected delivery, yet a participatory approach is desired. The consultancy firm should consider this in its approach to online and onsite delivery.
- (d) One-on-one coaching support to each MSME firm to develop or improve a value proposition and define priorities for their brand and implications for marketing communications. Each MSME will get support to:
- (i) Creating a capability statement.
 - (ii) Creating a simple 2-page B2B brochure that includes an e-brochure format.
 - (iii) Creating or improving a basic website giving information about their product and brand.
 - (iv) Each MSME will be interviewed and photographed to provide digital materials for the website, brochure and social media.
 - (v) Social media campaign and digital audit.
 - (vi) Each MSME will be supported to create a short series of social media posts (minimum of ten) and run a campaign for up to three months.
 - (vii) Review and advise on website design and social media listing.
 - (viii) Translation of marketing material from Dutch to English as needed.
- The one-on-one coaching will take place by combining online and in-person meetings in adherence to applicable COVID-19 regulations.
- (e) Develop a tracking master document in consultation with CUS. The consultant will develop a master document that tracks all the involvement and mentoring of each MSME for CUS to monitor and evaluate outcomes from this project.

Component 2(a) - The second component of this Project will commence upon completion of the first component. The consultant will work with MSMEs to assess their level of export readiness. The tasks outlined for this component will include but not be limited to the following:

- (a) Carry out export readiness assessment. During this component, the consultant will evaluate the export readiness of the export for the target markets (Barbados, Guyana and Trinidad and Tobago). For each MSME the consultant will identify the requirements that the MSME's products (goods and/or services) need to fully become export ready in the target markets and will provide a brief roadmap and link to resources on how to fulfill the requirements and an estimated timeframe. Each MSME will get a tailored Export Readiness Roadmap report outlining the required steps to get their offer export ready.
- (b) Develop a tracking master document. The consultant will develop a master document that tracks the involvement of each MSME in each project activity, including details on the MSMEs' participation in trade fairs, and a list of meeting contacts.

Component 2(b) - Identify industry fairs and linkages opportunities to support the regional export strategy for the MSMEs. During this component of the program, the consultant will identify industry fairs relevant for the MSMEs to participate. Market information will be made available to the MSMEs, plus coaching on how to participate, how to promote their products and services and identify leads. Depending on the COVID-19 restrictions the trade fairs may be virtual, in such cases, the consultant will guide the MSMEs in how to register and actively participate in a virtual trade fair. Each MSME should have the opportunity to participate in at least one industry fair.

3.05 The consultant will not be responsible for the cost associated with participating in the industry fairs.

4. REPORTING REQUIREMENTS

4.01 The consultant will report to a designated Project Coordinator appointed by CUS and will be required to submit/deliver the following for review and approval:

- (a) Within two weeks of commencing the assignment, the Project Coordinator will provide the consultant with the initial list of IFS Pilot project participants. Within a week from receipt of the list and having an inception meeting with the Project Coordinator, the consultant shall submit the Inception Report. This report shall include:
 - (i) Approach to consultation (inclusive of MSME selection criteria and coaching of MSMEs).
 - (ii) A detailed work plan for completion of the assignment.
 - (iii) An outline and Table of contents of the market research and approach for the facilitation of the market research findings to CUS and MSMEs (onsite or virtual).
 - (iv) Draft of the tracking documents outlining the information to be monitored and evaluated.
- (b) Within three days of receipt of the Project Coordinator's comments on the Inception Report, submit the report with finalized market research outline, the branding and marketing training, the updated work plan, and the format of the tracking document.

- (c) Conduct training evaluation surveys pre and post-training to assess the gain of knowledge and skills.
- (d) Once the branding and marketing training is completed, submit all learning material prepared for the MSMEs, including presentation slides, and recording of the training (if delivered online). The consultant shall submit the list of participants that attended the training and update the tracking document accordingly.
- (e) Within one week from concluding Component 1 of the consultancy prepare a report outlining:
 - (i) Approach to assess the export readiness of the export offer of the MSMEs.
 - (ii) A detailed work plan for the completion of this assignment.
 - (iii) An outline and table of contents in the Export Readiness Roadmap report that each MSME will receive.
 - (iv) Draft of the tracking documents outlining the information to be monitored and evaluated.
- (f) Prepare and submit a monthly report to update the Project Coordinator on the advances of the Project and advances on the one-on-one coaching stating the deliverables achieved within the reporting timeframe. With each monthly report, the consultant shall submit an updated version of the tracking document.
- (g) Within a month of completion of all tasks, submit the final report summarising all findings and tasks completed during the assignment. The final report should be submitted as a draft to the Project Coordinator for review and feedback. The consultant shall review and update the final report based on the feedback received from the Project Coordinator and submit the final report.

5. DURATION

5.01 It is estimated that this consultancy will require 300 person-days over 17 months.

6. QUALIFICATIONS AND EXPERIENCE

6.01 The consultants will assemble a team of qualified experts to undertake the assignment. The team of qualified experts should collectively possess the following qualifications and experience:

Key Expert 1 - Expertise in Logistics, International Marketing and Branding

- (a) Postgraduate qualifications in International Marketing, International Economics, Digital Commerce, or a related field.
- (b) At least ten years of experience at a senior level in delivering trade promotion services within a development agency or private sector organizations; hands-on experience in conducting or managing market research and conducting business development for MSMEs within CARICOM.

- (c) Experience in conducting branding and marketing strategies for MSMEs within the CARICOM region and similar small island developing states. Please provide examples of previous experience in at least two relevant projects on relevant topics within the last five years.
- (d) Experience in global marketing of goods and services; a successful track record of assisting goods and service enterprises to enter the target market(s) and familiarity with the marketing and distribution systems and players in the targeted markets will be an asset.
- (e) Excellent interpersonal and communication skills (written and verbal) in the English language, including the preparation of high-quality reports.

Key Expert 2 - Expertise in International and CARICOM Trade Policy

- (a) Postgraduate qualifications in International Trade Policy, International Economics, Logistics and Supply Chain Management, or a related field.
- (b) Ten year's experience in supply chain management, and the trade and logistics environment within CARICOM Member States or similar small island developing states.
- (c) Understanding and practical experience in gender mainstreaming, including experience in designing and implementing gender-responsive export development interventions, projects, or programs.
- (d) Experience in developing export business strategies in the Caribbean region and similar small island developing states will be an asset.

Key Expert 3 - Expertise in ICT Development Systems

- (a) Undergraduate qualification from a recognized university.
- (b) Proven experience designing websites, digital brochures, and social media campaigns for MSMEs within CARICOM. Please provide examples of previous experience in at least two relevant projects and/or virtual events within the last three years.
- (c) Five years of hands-on experience in developing Information Management Systems.
- (d) Excellent interpersonal and communication skills (written and verbal) in the English language, including the preparation of high-quality reports.
- (e) Knowledge of the business, trade and logistics environment within CARICOM Member States.
- (f) Proficiency in computer application and e-business solutions to assist MSMEs in promoting their business online and facilitating transactions online
- (g) Proficiency in English and Dutch language.