



## Terms of Reference

### Barbados Services Sector Development Strategy

#### **1. Background**

The Commonwealth Secretariat is assisting the Government of Barbados, through the Ministry of Finance and Economic Affairs, to formulate a services sector development strategy.

The services sector contributes up to 80% of GDP and is therefore of critical importance to the long term development of the country. While tourism is the main driver of the services sector, there has been a growing recognition of the importance of nurturing the growing non-traditional services. The country's National Strategic Plan of Barbados (2006-2025) envisions in part a *'society driven primarily by a services economy fuelled by a steady rate of export growth'*. Its implementation is expected to result in increased contribution of services to employment, exports and investment, including:

- A rise in the service export sectors' contribution to GDP by 2018
- Increased service export contribution to overall employment generation of new careers, technology intensive jobs and international partnerships
- Consolidation of and increase in existing service exports
- Improved performance of the agriculture and manufacturing sectors
- Greater diversification within the service sector beyond tourism and financial services to include new export sectors
- Increased penetration and diversified service export offerings in existing market destinations and accessing new and emerging non-traditional markets
- Heavy investment in ICT as a delivery mode for "Borderless 24/7 trading."

Nonetheless, the strategic and institutional framework to underpin the realisation of these aspirations is lacking. As a result, implementation remains fractured and uncoordinated with a consequential negative impact on the overall development of the sector and the country's standing in international trade in services.

Government has taken steps to negotiate market access for services in several target countries. Barbados has signed the Economic Partnership Agreement (EPA) with the European Union as part of CARICOM. Negotiations are now underway for the conclusion of a Free Trade Agreement (FTA) between CARICOM and Canada. Barbados has prioritised a number of sectors, including business and professional services, transportation, creative and cultural services, construction, Information and Communications Technology (ICT). The operationalization of the Caribbean Single Market Economy (CSME) is expected to further spur the export of service in the region.

A number of initiatives have been undertaken to support services trade, investment, export promotion, international marketing and distribution. However, growth has been hampered by a range of supply side constraints and weak inter-agency coordination.

## **2. Scope of work**

The goal of the project is to foster services-led growth in Barbados with the objective of formulating a services sector development strategy. Technical expertise is required to:

- a. Review the contribution of services to the country's long term development, including employment, job creation, productivity enhancement, export and investment
- b. Identify the sector's capabilities, opportunities and challenges in the context of current developments in the regional and international business environment, including those with potential for growth in the medium to long term
- c. Assess existing sectoral policies and strategies, recommending how they can better be aligned for increased trade and investment
- d. Propose policy instruments and programmes to support competitiveness and export development in the services sector
- e. Map the mandates, functions and performance of various agencies in the public and private sector charged with facilitating the development of the services sector
- f. identify gaps and make recommendations on how the institutional framework can be further strengthened
- g. Review the implementation of the key recommendations of the COMSEC 2005 *Marketing Plan for professional services* and draw out major achievements and lessons learnt.
- h. Formulate a national services development strategy with timebound indicators, outputs, lead institutions and estimated resource requirements.
- i. Recommend a mechanism, including a Monitoring and Evaluation framework to effectively co-ordinate the implementation of the strategy
- j. Share international best practice in services sector development.

The main output is a 5 year service sector development strategy and implementation plan.

### **3. Deliverables**

- An inception report following the first mission to Barbados 6 weeks from contract signature
- A progress report after 12 weeks
- A draft final strategy and implementation plan to be presented to a stakeholder workshop after 16 weeks
- A final strategy and implementation plan to be submitted at the end of the assignment.

### **4. Approach and implementation arrangements**

The main client is the Barbados Coalition of Services Industries (BCSI), a membership organization funded by Government and representing over 45 services associations with a mission to develop, diversify and foster the international competitiveness of the country's service sector.

It is anticipated that the assignment will be undertaken through a stakeholder-driven approach. The consultant is expected to convene stakeholder consultations at key stages of the project. The project will be supervised by the Trade Advisor, Commonwealth Secretariat. In-country support will be provided by a Technical Supervisory Committee (TSC) comprising representatives from the BCSI, the Ministries of Finance and Economic Affairs; Commerce and Trade; Industry and Small Business Development.

The BCSI will provide office space and provide the necessary administrative support.

### **5. Qualifications and expertise**

- A degree in International Law, International Trade or Economics
- At least 10 years' experience in policy and trade development
- Considerable experience in national or sectoral strategy development for services acquired preferably in developed or emerging economies
- Good understanding of the cross cutting linkages between services and the wider economy as well as up to date knowledge of services-related policy issues in the regional and international trade arena.
- Ability to work with a broad range of stakeholders

**6. Level of effort**

18 person weeks of technical input over a 7 month period.

**7. Project Budget**

An all-inclusive fee of £45,660 (includes professional fees, air and local travel, subsistence allowance and other incidentals). Workshop costs will be covered separately by the Secretariat.

*(JL/07-February-2013)*