REQUEST FOR EXPRESSIONS OF INTEREST
CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3831-P001
Selection Method: Fully Competitive
Country: *International/Regional*
Sector: Integration and Trade
Funding – TC #:   RG-T3831
Project #: ATN/OC-18952-RG
TC name: SUPPORT IPAS AND ECONOMIC DEVELOPMENT ORGANIZATIONS (EDO'S) DIGITAL TRANSFORMATION AND INVESTMENT ATTRACTIONS TOOLS AFTER COVID-19 TO STRENGTHEN LAC REGIONAL VALUE CHAINS
Description of Services: Design and development of a Digital Tool for national-subnational FDI coordination

Link to TC document: https://www.iadb.org/en/project/RG-T3831

The Inter-American Development Bank (IDB) is executing the above mentioned operation.   For this operation, the IDB intends to contract consulting services described in this Request for Expressions of Interest. Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (http://beo-procurement.iadb.org/home)   by: *14ᵗʰ December 2022]*, 5:00 P.M. (Washington D.C. Time).

To access the IDB Portal, the firms must generate a registration account, including **all** the data requested by the Portal. In the event that any of the information requested is not included, the firm will not be able to participate in this or any other Bank-executed selection process for operational work. If the firm has been previously registered, please validate that you have **all** the firm's information updated and complete before submitting an expression of interest.

The consulting services ("the Services") include *[The services requested are for Design and development of a Digital Tool for national-subnational FDI coordination. The services are expected to be delivered in a period of 12 months.]*

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: *Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work* - GN-2765-4. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described above in the draft summary of the intended Terms of Reference for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms as the representative.

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to: *Queila Delgado Ojeda* *QUEILAD@IADB.ORG ; Rospide, Maria De La Paz* *MROSPIDE@IADB.ORG*

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Draft Terms of Reference

Design and development of a Digital Tool for national-subnational FDI coordination

RG-T3831

SUPPORT IPAS AND ECONOMIC DEVELOPMENT ORGANIZATIONS (EDO'S) DIGITAL TRANSFORMATION AND INVESTMENT ATTRACTIONS TOOLS AFTER COVID-19 TO STRENGTHEN LAC REGIONAL VALUE CHAINS

1. Background and Justification

1.1. Foreign direct investment (FDI) supports economic growth. Evidence indicates that each $1 invested in investment attraction programs can generate up to $187 in the host economy, depending on the depth of the intervention. However, the global FDI fell 42% in 2020, with a 37% decline in LAC, and expectations for 2021 greenfield announcements fell by 46%. Therefore, the question is: how to promote and generate investments with a shrinking public budget? One option is innovation. The experience confirms that Investment Promotion Agencies (IPAs) obtain better results if they invest in: new tools and innovative programs, training, and promotion and facilitation activities.

1.2. Digital transformation has become almost mandatory for IPAs in a very short time. Still, few agencies are ready to respond by implementing tools more suited to current business reality. The objective is to support IPAs in digitalizing their services, country value proposition generation, teams´ work, and processes. Digital tools in FDI promotion activities can include: chatbots to answer to investors, drones to record images of industrial zones, artificial intelligence to generate leads, georeferencing maps/platforms (zoom prospectors/data microsites), virtual reality tours, data tracking services, revamped online value propositions, workforce sharing platform, online MOOCs, financial tools, talent-related activities, etc.

1.3. In terms of FDI promotion at the subnational level, each territory has its unique advantages and opportunities, as well as its own challenges (level of economic development, infrastructures, and availability of talent, among other factors). The regional specificities and the national heterogeneity require a coordinated effort among the territories and the central level. Such coordination makes it possible to effectively connect regional opportunities with investors' interests while being consistent with the country's image and the national value proposition. Geographical diversification of FDI within a country is a key attribute of high-impact investment. It contributes to the development of lagging geographical areas by promoting regional talent specialization and strengthening sector ecosystems through their link to international production systems and generation of local jobs and growth.

1.4. This regional technical cooperation has as objective to support IPAs and EDOs in their digital transformation to promote FDI in the LAC region. The use of a digital tool that assist coordination among national and subnational agencies is considered beneficial for promoting sustainable FDI and increase the countries value proposition. This TC will fund the design and testing in Chile of a pilot, which will could be replicated in other countries of the region.

1.5. The government of Chile is currently implementing the Law 21,074 of 2018, which introduces a series of modifications to different legal bodies to strengthen the regionalization in Chile. It provides greater autonomy and increases the responsibilities and powers of regional governments. It generates a mechanism for transferring powers from the Presidency to regional governments. It provides the possibility of managing metropolitan areas and creates three new divisions in regional governments: Productive Development and Industry, Social and Human Development, and Infrastructure and Transportation. It also implies establishing a coordination model to promote and attract FDI at the regional level.

1.6. In this context, it becomes even more relevant for InvestChile to have an operating model with the territories, supported by a digital tool, which allows compliance with the legal mandate to coordinate and ensure the coherence of regional efforts to promote and attract FDI.

1.7. Invest InvestChile's vision as Chile´s national IPA is to be a relevant and coherent piece of the country's economic growth and development policy. The main axis of its mission is the active search for investment projects that positively impact the country's sustainable economic development goals.   In this context, InvestChile's mission is to advise and facilitate the development of the regional capacities to promote and attract more and better investments according to each territory's productive capabilities and strategic development objectives. Coherence among national and regional investment promotion actions must be ensured to increase FDI across Chile.

2. Objectives

2.1. The general objective of this consultancy is to design and develop a digital tool for InvestChile. This tool will enable the coordination of FDI promotion efforts at the national and sub-national levels, provide transparency and traceability of the data exchanged between national and subnational agencies and increase the visibility of investment opportunities.

2.2. **Key Users:** There are two types of users: i) national IPA; and ii) subnational agencies for investment promotion. The main functionalities, but not limited to, that should be supported by the platform are:
- National IPA:
  - Communicate and publish potential investment leads, its location requirements and other relevant details (access to infrastructure, talent availability, office or manufactory plant needed, among others) to all the subnational agencies at once.
  - Gather data to analyze trends (# leads communicated, # of proposals received per lead, classifications per region and sectors, etc.).
  - Analyze the proposals submitted by subnational agencies and provide feedback if needed.
  - Accept or reject proposals.
  - Search and filter proposals and value offers per investment opportunity or agency.
- Subnational agencies:
  - Visualize current investment opportunities
  - Submit their proposals, identifying their location fit and other relevant details to the investment lead
  - Request of assistance to support leads or investments that contact them directly
  - Communicate to the National IPA new developments or assets that strengthen their location value offer.
- Other requirements:
  - The national IPA will have full access to the information exchanged within the platform, while subnational agencies will have limited information access to avoid confidentiality issues.
  - The levels of information confidentiality should be determined during the project analysis phase.
  - The solution should comply with technical requirements and dependencies of InvestChile infrastructure (see Annex X).

- The platform should have capabilities to support the extraction of data and key metrics for authorized users.

2.3. **Audience:** this digital tool aims to be an internal coordination platform for the two main types of key users. If the design identifies potential additional users, it should be mentioned in recommendations for further development stages of the tool.

3. Scope of Services

3.1. The selected consulting firm will provide consulting services as established in these Terms of Reference under the supervision of the Trade and Investment Division at IDB (INT/TIN).

3.2. The scope of services includes coordination with the national agency InvestChile and subnational government agencies; research and analysis, gathering information through the organization of workshops and interviews; the preparation of the deliverables defined in Section 5 of these Terms of Reference; and participation in internal INT/TIN meetings, when necessary.

3.3. The firm is expected to deliver a digital tool whose main aim is to support InvestChile's efforts to promote FDI throughout the nation. The platform users will be InvestChile and subnational government agencies' personnel. There will be at least two categories of users that will grant access to different levels of information. The specific functionalities will be designed through this consultancy but must include functionalities to manage leads and investors´ project portfolios and bidirectional data transfer. The system must be robust and user-friendly. The system should be easy to maintain and build upon. It must allow changes and the addition of complementary functions after the consultancy ends. The users´ needs must be at the core of the tool´s design.

4. Key Activities

4.1. Mapping the main stakeholders such as InvestChile and the regional organizations involved in attracting FDI in Chile. Once identified, workshops and focus groups will be organized to discuss the opportunities and challenges in designing a digital tool to foster FDI in Chile. These meetings will provide the insights to establish the set of specific needs, key processes, and critical elements.

4.2. Prepare a mapping of Chile's current digital tools, systems, and processes to manage investment leads and projects, facilitation services, and coordination with the purpose of maximizing the use of the current digital solutions available at InvestChile (see APENDIX).

4.3. Elaborate a set of recommendations and roadmap report based on the previous two activities and available reports on international best practices. It will be used as insight in the prototype design.

4.4. Design a Processes Engineering proposal for the Digital Tool Prototype, considering the previous inquiries and analysis. The main insights to nurture the design will be the FDI promotion and facilitation processes and tools in place, the identified needs, and international best practices. This design should indicate its potentiality, the challenges, as well as the technological and legal bases that it may imply. The prototype must include information flows in both directions[1], allowing FDI opportunities to be announced from the state level, just as the regions could communicate investment opportunities. It must ensure a constant flow of up-to-date information between the users. The technical proposal must consider the use and interoperability with the current technology[2] used by the national IPA.

4.5. Validate the prototypes with key users and stakeholders, collect feedback and adjust the prototypes accordingly. Gather feedback and integrate it, if pertinent, into the final design proposal. The final design proposal will include the IT structure design and its implementation work plan. It must be validated before going into development phase.

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[1] Please see paragraph 2.2
[2] Cloud, Microsoft Dynamics, among others.

4.6.   Implementation of the digital tool for Chile, considering the previous inquiries and analysis of the prototype. After the development of the digital tool, three months of in-use testing period to make the necessary adjustments is expected, as well as the production launch.

4.7.   Organize training workshops for those who will be in charge of updating the contents on the platform. A technical training should be provided to InvestChile's technical teams.

4.8.   Elaborate a toolkit of main recommendations and guidelines for designing a national-subnational collaboration tool to promote FDI. The main objective is to have a set of recommendations and guidelines that could be potentially applied in other LAC countries with similar needs.

4.9.   Final presentation of the results to the main stakeholders.

5. Expected Outcome and Deliverables

5.1.   The general result of this consultancy is to design and implement a national – subnational coordination digital tool that allows promoting and facilitating foreign direct investment across Chile.

5.2.   The expected deliverables are the following:

i.   Deliverable #1: Inception Report and Work Plan

ii.   Deliverable #2: Validate scope of services through interviews and/or focus groups with the main stakeholders (national and subnational agencies and IDB). It must include: platform features, technology choice[3], recommendations[4] and roadmap.

iii.   Deliverable 3: Digital Tool Prototype Design (including visual process architecture, IT structure design and implementation work plan)

iv.   Deliverable #4: Medium stage implementation report

v.   Deliverable #5: Final tool implementation and 2 Training workshops

vi.   Deliverable #6: Final Report and Toolkit: Main guidelines when considering the design and implementation of a national -subnational collaboration tool for FDI promotion. The toolkit aims to transfer knowledge in how this solution could be replicated in other countries.

6. Project Schedule and Milestones

6.1.   The project will have a total duration of 12 months with the following milestones:

7. Reporting Requirements

8. Other Requirements

8.1.   Contractual teams should have specific expertise, knowledge, and experience which will be the main criterion for their selection. It is anticipated that the team would comprise of individuals with strong competencies in: UX/UI, Backend and Develop, and Agile Methodologies. Experience working with IaaS and Microsoft Dynamics 365 is required[5]. Experience and knowledge in Foreign Direct Investment, national and subnational coordination or working with Investment Promotion Agencies will be a plus.

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[3] It must take into consideration current technology used by national IPA.
[4] Include categorization of features for different stages of implementation.
[5] See Appendix for the technical specifications.

The firm must have at least 3 years of previous experience developing and implementing similar or related solutions and tools, and have a team in Chile or to be able to travel to Chile. Fluent Spanish is a requirement for the key team members.

Head of Team: Senior Expert in Systems Design
- Professional with at least seven (7) years of experience developing and implementing software solutions for Customer Relationship Management (CRM) and interoperability of systems. Experience working with Public Sector in Chile will be highly valued.

- Qualifications:
   Master's in engineering, computer science or relevant field.

- Experience:
   a. Demonstrated experience developing and implementing software solutions related to Customer Relation Ships (CRM), data management and interoperability of systems.
   b. Experience working across multiple government organizations and private sector stakeholders involved in investment or trade.
   c. Leading technical teams and being responsible for clients relations (technical and non-technical).
   d. Previous experience working with Chilean institutions and in areas directly linked to this consultancy and Spanish proficiency.

8.2. Interviews and workshops with the private and public sectors must be agreed upon and have the authorization of the Government of Chile and the Bank prior to their conduct.

8.3. We suggest the use of Agile Methodology in the implementation process.

9. **The amount**

The estimates amount for this consultancy will be no more than USD 76000.

APPENDIX
Technical specifications

1. Regulations for development and implementation of the technological tool

The firm must use software development methodologies and include, starting from the design phase, attributes related to information security, in line with the NCh-ISO27000 standard (confidentiality, integrity and availability).
In addition, the firm must consider the regulations, policies and guidelines related to the Digital Transformation of the State, such as:
- Technical Guidelines for Software Development: provides the general guidelines and specific recommendations for software development in the State Administration, contributing to the construction of high-quality systems in public institutions.
- Supreme Decree No. 1 (2015): technical regulations for systems and websites of the State Administration Bodies.
- Law No. 19.628 (1999): protection of private life, personal data processing in registries or databases, by public bodies or by individuals.
- ISO 27.000 (standards for Security and Cybersecurity): strengthens and promotes good practices, policies, laws, regulations, protocols and cybersecurity standards in State Administration bodies.
- Law No. 19.799 (2002) and decree No. 14 (2014): electronic documents, electronic signature and certification services of said signature.
- Supreme Decree No. 83 (2005): technical regulations for state administration entities, on security and confidentiality of electronic documents.
- Supreme Decree No. 93 (2006): technical regulations for measures aimed at minimizing the harmful effects of unsolicited massive electronic messages received in electronic mailboxes of public officers.

More information here:
https://digital.gob.cl/transformacion-digital/estandares-y-guias/guia-desarrollo-software/
https://digital.gob.cl/transformacion-digital/estandares-y-guias/guia-para-el-diseno-de-interfaces-web-institucionales/

2. Infrastructure

InvestChile host a contract for Cloud Computing service in the Amazon Web Service (AWS) cloud, IaaS mode. The firm must evaluate the necessary technical requirements to maintain the digital tool, such as Hardware, Software, Networking, Traffic, etc. to determine the additional resources needed, once implemented.
InvestChile uses Microsoft Dynamics 365 CRM (Customer Relationship Management)

Integration Patterns
The integration pattern describes the type of interaction required with Dynamics 365 by other applications.   A business process that transcends one application would need information to be either created/updated, queried or 'notified of a change' to other application.
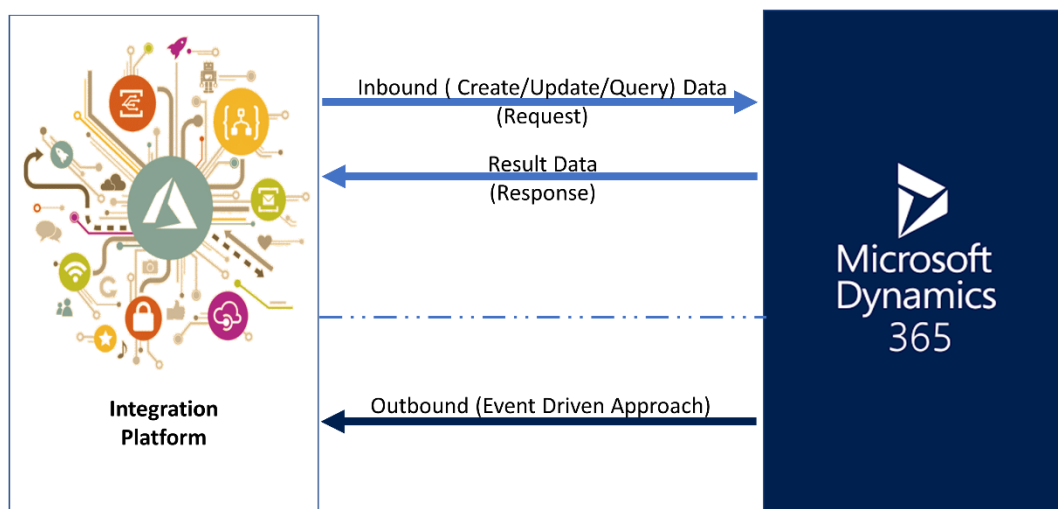
Inbound (Create/Update/Query): The integration platform supplies new or changed data to Dynamics 365 and querying to retrieve data from Dynamic 365 through a synchronous call.
Outbound (Event Driven Approach): Dynamics 365 supplies new or changed data to the Integration Platform using Event Driven approach.

Common Approaches to Dynamics 365 Integration
Here are a few of the most commonly used approaches to integrate Dynamics 365 with other Microsoft as well as 3rd party applications.
API Enable Integration
Dynamics 365 comes with a modern, RESTful web service which provides a way to interact with data and objects in the application. The Web API implements the OData (Open Data Protocol) v4. OData is an OASIS standard for building and consuming RESTful APIs over rich data sources.
Dynamics 365 Web API allows you to do various operations and presents them in RESTful style. Some major operations performed using Web API are:

- Create, Retrieve, Update and Delete Entity using Web API
- Querying Data using Web API
- Execute Batch Operation and Conditional Operation using Web API

Sometimes, business users don't want to share original URL and access credentials of Dynamic 365 APIs to integrate third party applications. You can hide all the address and credentials behind an API using Azure API Management (APIM). This configuration will act as a broker and provide access between your Dynamic 365 and third party applications.
Event Framework Enable Integration (Event-Driven & Webhook)
Event Framework provides the capability to register custom code to be run in response to specific events. Dynamics 365 event processing subsystem executes plug-ins based on a message pipeline execution model.
Plugins can be triggered by:

- A user action in the Dynamics 365 user interface
- Events triggered by the Organization Service or the Web API

Another option is to use webhooks.
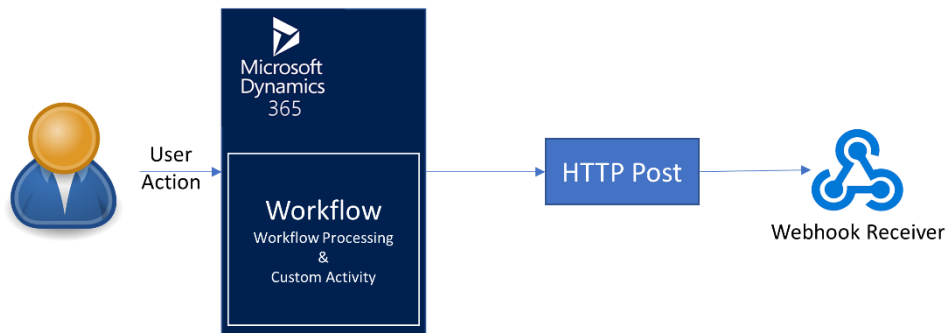
Webhook (Lightweight HTTP pattern) - also called a web callback or HTTP push API - is a way to provide real-time information to the apps for Dynamics 365 to send out data to an HTTP endpoint whenever an event occurs.

Tools Enabled Integration

Leading integration platforms provide on-demand multi-tenant cloud/ on-premises integration services, that enables integration with Dynamics 365. These tools enable other applications to connect with Dynamic 365 without the need to write code.

Microsoft Power Automate is a low-code tool that allows creating automated workflows between application and services to synchronize files, get notifications, collect data and more. These processes can be triggered by events or manually.

Microsoft Power Automate provides a prebuilt set of connectors to implement integration, automate workflow and make communication between Dynamics 365 and other applications. Connector provides standard operations to -

- Get (query) records
- Create new records
- Delete records
- Update records
- List records
- Get a notification when any record is created in Dynamics 365
- Get a notification when any record is updated in Dynamics 365
- Get a notification when any record is deleted in Dynamics 365

Data integration

The integration between the digital tool and InvestChile's CRM must allow the extraction of the following data contained in Microsoft dynamics:

Company information:

- Country of origin
- Company size

Investment Project:

- Name
- Description
- Investment amount
- Jobs
- Sector
- Regions