



Information for Development Program

Request for Expression of Interest

Improving Business Competitiveness and Increasing Economic Growth in Ghana: *The Role of ICT*

Country: Ghana

Notice/Contract Number: 1260

Publication Date: 4 August 2005

Deadline: 29 August 2005

Funding Agency: *infoDev*

Implementing Organization: *infoDev*

Contact Person: Seth Ayers, *infoDev* (sayers@worldbank.org)

Eligibility of Bidders:

The Consultants are expected to be a team of experts with the ability to complete a multifaceted assignment within a short timeframe and with a minimum of 8 years of experience in private sector development, in performing country analysis and benchmarking, particularly in the ICT-enabled service sectors, and in designing concrete recommendations and implementation strategies for development projects.

Expression of Interest (EOI):

infoDev invites eligible consultants to indicate their interest in providing expert services to perform a study on **Improving Business Competitiveness and Increasing Economic Growth in Ghana: *The Role of ICT*** as detailed in the attached Terms of Reference.

The work involved in this assignment is scheduled to be completed within approximately 7 months from the date of signing the contract agreement within an available lump-sum budget of \$190,000, which includes all fees, travel, and additional related expenses, including an independent audit performed at the conclusion of the assignment.

Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Consultants may associate to enhance their qualifications.

For this assignment, we specifically request the submission of a 5 page note that provides in greater detail how the consultants would conduct this assignment if selected. The note should include the following: (i) an analytical framework and a process by which the research will be conducted; (ii) a

timeline that demonstrates the consultants ability to meet the deadlines as noted in the Terms of Reference below; (iii) a brief narrative on resource allocation; and (iv) brief summaries of key personnel to be involved in the work, particularly their experience that directly relates to needs of this study. In order to prepare the note, interested consultants should review the Terms of Reference, which is provided below. **We suggest that the Expression of Interest, including the 5 page note and other supporting materials, should not exceed 25 pages in length.**

Selection will be based on the “Consultants Qualifications” (CQ) method of procurement and Consultants will be selected in accordance with the procedures set out in the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers May 2004 (current edition). Electronic submission of the Expression of Interest, including the note, is preferred. The EOI can be submitted either as a Microsoft Word or PDF file. **Please send your email submission to sayers@worldbank.org by Monday, August 29, 2005 before 23.30h Eastern Daylight Time (EDT).**

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Note: More information about World Bank procurement processes and guidelines can be found on its eProcurement web site at <http://www.worldbank.org/eprocurement>.

Terms of Reference

Improving Business Competitiveness and Increasing Economic Growth in Ghana: *The Role of ICT*

Challenges & Opportunities

Ghana has entered a phase of accelerated economic expansion over the last three years with real GDP growth averaging 5.2 percent, compared to a twenty year average of 4.4 percent. Despite this acceleration, the pressures from a more liberalized global economy are mounting, particularly in agriculture, which currently represents about 35 percent of GDP. In response to increased global competition, the Government of Ghana (GoG) has identified information and communication technology (ICT) services along with agri-processing, tourism and other value-added sectors as key to further economic growth.

For Ghana to realize its potential in IT-Enabled Services (ITES), agri-business and tourism, access to infrastructure, technology and international markets will need to be improved in order to leverage the recent promising developments in these sectors. Today, the ICT sector in Ghana is only small part of the economy as evidenced by ITES (includes Business Process Outsourcing such as call centers, claim processing, etc), which currently provides approximately 2,000 jobs. In agriculture, Ghana has relied primarily on traditional crops such as cocoa but over the last five years non-traditional crops, especially tropical fruits and vegetables, have grown in importance. In tourism, the growth potential is also quite substantial, particularly in niche markets such as community, cultural and historical tourism as well as eco-tourism. In 2002, earnings from tourism represented 8 percent of GDP, up from 2 percent in 1991; in 2003 tourism revenues were 25 percent higher than in 1999.¹

Client Demand

The GoG is well aware of the opportunities noted above and after an extensive nation-wide consultative process, has adopted the ICT-led Socio-Economic Policy for Accelerated Development which is “to be integrated within government's three-pronged development strategy for its second term, which revolves around: (i) the development and enhancement of the nation's human resource base; (ii) the continued rejuvenation of the Private Sector, and; (iii) the entrenchment of Good Governance”. These focus areas are consistent with the current World Bank Country Assistance Strategy (CAS).

In parallel, the GoG has adopted a pro-investment National Telecommunication Policy, Trade Policy and medium-term national Private Sector Development Strategy. GoG has also engaged in the revamping of its telecommunications legislation and regulations as well as initiated work with industry on an e-legislation package, both of which are key building blocks for an ICT-led growth, e-governance and e-government applications involving public-private partnerships. In addition, the proposed World Bank Group ICT and Knowledge for Growth (e-Ghana) Project aims to build on these efforts by supporting concrete initiatives to implement the GoG's ICT-led development strategy.

¹ Ghana Country Assistants Strategy. World Bank. February 2004.

National Study

infoDev, in close cooperation with the World Bank Group, proposes to conduct an in-depth review of the potential for, and constraints to, the further development of competitive ICT and IT-enabled service sectors, and the broader prospects for ICT-enabled growth, competitiveness in traditional and emerging sectors in Ghana. This study will be both a stand-alone product and an input into the proposed multi-million USD World Bank Group e-Ghana project. The study will include five main components:

- (i) A review of the position of Ghana's economy within the international business environment and the opportunities/challenges for increasing exports in ICT-enabled services, including ITES, and agri-processing, as well as growth opportunities in tourism and other emerging sectors;
- (ii) A review of international best practice and Ghana's experience to date with harnessing ICT for building competitiveness and increasing growth, particularly in ITES;
- (iii) An assessment of the needs with respect to regulatory and institutional environment, human resources, ICT infrastructure, and other constraints facing entrepreneurs and firms in Ghana (*refer to the Annex for key issues to be considered and addressed for ITES*);
- (iv) Recommendations for appropriate actions to address constraints and to support the realization of Ghana's growth potential in these emerging sectors, particularly in ITES, and in harnessing ICT for sustainable development, including relevant channels for investment promotion of Ghana to foreign investors for specific activities in ITES in which Ghana has a strong competitive advantage. The investment promotion assessment will provide the basis for a MIGA publication.
- (v) Conversion of these recommendations into project components of the proposed World Bank Group e-Ghana project with detailed implementation strategies.

infoDev will work closely with the World Bank Group's representatives in the region, particularly the team members working on the proposed e-Ghana project, as well as other donors active in Ghana, in preparing this study to ensure synergies and avoid duplication with ongoing studies, and to coordinate stakeholder consultations.

Scope of Work

A team of consultants, under the general supervision of *infoDev*, will perform and produce a national study on Improving Competitiveness and Increasing Economic Growth in Ghana: *The Role of ICT*. The consultants will:

1. Design and implement a process of wide consultation, by face-to-face and electronic means, with key policymakers and stakeholders in Ghana, representatives of development agencies, potential and past foreign investors and others actively involved in ICT-for-development and economic development programs in the country. *infoDev*, the World Bank Group and other donors will establish a committee of key policymakers and private sector leaders to provide input and to facilitate access to needed information.
2. Review and assess existing growth and competitiveness studies and ICT reports/initiatives supported by donors, including the World Bank Group and the broader international community, which focus on private sector development and innovation in Ghana.
3. Evaluate the broader international economic environment in which Ghana operates and competes. Assess the role for ICT in enabling Ghana to improve competitiveness, increase economic diversification and ensure sustainable economic development within the broader international context. Draw upon recent research sponsored by *infoDev* on growth, competitiveness and ICT in Tanzania and the Caribbean.

4. Review and assess existing and past ICT initiatives, including call centers and cyberparks (both in Ghana and internationally), in order to generate lessons learned and best practices from these efforts. In addition, the consultants should assess the opportunity for Ghana to position itself as a technology-enabled business parks destination (i.e. attract the regional head offices of private companies and large NGOs). It is important that the views of potential and past foreign investors involved in these initiatives are taken into account to gauge the market's perception of Ghana as a viable market for services ranging from technology-enabled business parks to business process outsourcing (BPO).
5. Identify and assess the: (i) constraints to ICT utilization for private sector innovation and diversification; (ii) challenges of scaling up successful ICT-based businesses; (iii) impediments to entrepreneurship and innovation at the local level and based on local needs; and (iv) strategic partners (e.g. foreign investors) in Ghana that support private sector development and innovation to improve international competitiveness and economic growth, as well as Ghana's capacity to attract and utilize foreign direct investment (FDI), particularly in ICT-enabled services.
 - a. Within this context, determine whether business incubation initiatives aimed at fostering entrepreneurship and private sector development at the local level based on local expertise and comparative advantage would address some of the constraints facing new business development and innovation as identified by the needs assessment (e.g. Busy Internet).
6. Evaluate the ICT sector within Ghana. Assess whether or not the ICT sector is a viable sector in Ghana's economic development efforts (e.g. Can Ghana compete internationally in ITES and if so, in which ITES activities based on their competitive advantages?) Determine which sectors would be viable (i.e. sectors in which Ghana could have a comparative advantage) if Ghana improved its ICT infrastructure, capacity and penetration. Identify the primary constraints (and the necessary actions to remove these constraints) to supporting new, and expanding existing viable sectors within Ghana.
7. Evaluate the challenges faced by existing and traditional sectors, such as agriculture and tourism, in competing internationally, particularly in light of trade liberalization, and the opportunities for utilizing ICT to facilitate export promotion, increase agri-processing opportunities and improve competitiveness.
 - a. Within this context, determine whether an ICT support mechanism aimed at helping existing businesses intelligently adopt and utilize appropriate ICT would address some of the challenges that hamper private sector development and international competitiveness as identified by the needs assessment and would be feasible.
8. Assess the role of the Ghana Investment Promotion Centre (GIPC), the Chamber of Commerce, trade associations, Ghana Export Promotion Council (GEPC), Ghana Free Zone Board (GFZB) and other relevant institutions in promoting export services linked to ICT.
9. Recommend concrete actions for Ghana that GoG in partnership with the donors can take to:
 - (i) address and remove constraints to ICT utilization by the private sector in the country, particularly in ITES;
 - (ii) support the adoption and utilization of ICT by the private sector to improve competitiveness and stimulate economic growth in emerging sectors, as well as in traditional sectors;
 - (iii) encourage innovative uses of ICT and entrepreneurship at the local-level and based on local needs;
 - (iv) pursue targeted ITES activities based on competitive advantages and growth opportunities; and
 - (v) enhance economic development.
10. Assist the World Bank Group in transforming the study's recommendations into concrete project components. Specifically, assist the project team in drafting the Project Appraisal

Document (PAD) for the proposed e-Ghana project, which describes in detail each component of the project and the subsequent implementation strategy.

11. Lead a workshop, organized by *infoDev*, the World Bank Group and other donors in Ghana to discuss the findings of this study with key policymakers and stakeholders.

Preferred Timeline

August 4, 2005	Request for Expression of Interests (EOIs) published.
August 29, 2005	Closing date for submission of EOIs.
September 12, 2005	Target date for <i>infoDev</i> and the World Bank Group project team to have selected and hired consultant team.
September 19, 2005	Submission of detailed work program.
October 19, 2005	Submission of first draft of the study, including an executive summary of the key findings and recommendations that can be both a standalone document, as well as part of the full study.
Early November '05	Meeting to discuss first draft with key stakeholders in Ghana.
December 2, 2005	Submission of the second draft of the study, including the executive summary, and an assessment of targeted investment opportunities in ITES.
Mid-January 2006	Target date for the workshop in Ghana with key policymakers and stakeholders.
February 6, 2006	Submission of the final version of the study, including the executive summary, which incorporates feedback received during the workshop.
February - March '06	Assist the World Bank Group in designing the components of the e-Ghana project, as well as the implementation strategy for each component based on the findings and recommendations from the study.

Available Lump-Sum Budget

- Consulting fees and related expenses \$190,000

About *infoDev*

infoDev is a consortium of international development agencies, working in close cooperation with partners from civil society and the private sector, and assisted by an expert secretariat housed at the World Bank. Its mission is to help developing countries and their international partners use information and communication technologies (ICT) broadly and effectively as tools of poverty reduction, sustainable economic growth, and empowerment of individuals and communities. Its work is rooted in the conviction that information and communication are indispensable elements of effective and responsive institutions (including governments), markets and societies.

<http://www.infodev.org/>

- Annex -

The Consultants will evaluate the position of Ghana with regard to the following major factors for competitiveness in the ICT and ITES industry, drawing comparisons where possible to other countries in the region (especially Nigeria, Senegal and South Africa) and the world (such as India, China, Philippines, Mexico). Some of the key issues to be considered and addressed include the following:

Infrastructure

1. ICT

- Options for broadband connection, e.g. fiber, microwave, satellite
 - For each option:
 - Technical specifications, including capacity
 - Cost (initial set-up plus monthly charges), current and projected
 - Quality of service delivery, e.g. time required to order to set up, maintenance support, reliability
- Options for voice connection, e.g. landline, mobile, fixed wireless and also conventional versus VoIP
 - For each option:
 - Cost (initial set-up plus monthly charges)
 - Quality of service delivery, e.g. time required to order to set up, maintenance support, reliability

2. Power

- Adequacy of electricity (e.g. from alternative feeders), water, roads, traffic conditions, etc.

3. Transport

- Accessibility of location via roads from airport, availability of international flight connectivity

ICT/ITES Opportunities

1. Availability and suitability of potential locations for ICT/ITES companies

- Issues
 - Backhaul costs for telecom in the case of alternative locations
 - Real Estate
 - office rental rates (both shell rates and rates for fitted office space)
 - availability and cost of leasing / buying facilities
 - Supply of Workers
 - Wages for ICT/ITES skilled workers at various levels
 - Presence of labor unions
 - Number of national holidays / legislation for overtime
 - English language proficiency
 - PC proficiency (e.g keyboarding)
 - Potential cultural issues in performing IT transcription

- Similarity or familiarity with business practices and/or customer expectations in the U.S. and Europe
 - Note that the status, capacity and potential of ICT education in Ghana and the potential pool of skilled ICT employees could be complemented in a section of a separate study on youth and employment in Ghana.
- Business Environment Conducive to International Customers
 - Tax incentives for local suppliers of IT and ITES
 - Customs procedures; taxes and duties on importation of machinery and equipment
 - Intellectual property rights protection; anti-piracy laws and enforcement
 - Presence of successful foreign enterprises and business partnerships
 - Transparency, low level of corruption
 - Minimal “red tape” and bureaucracy
 - Open market policies by the government, visibly practiced
 - Favorable living conditions for ex-pats; hospitality for visiting business partners
 - Legal and regulatory framework with processes that do not pose undue risk for foreign investors
 - The Consultant should as much as possible avoid duplication of previous studies by reviewing existing reports on the business environment and investment climate in Ghana (e.g. Doing Business 2005, World Bank/IFC; Administrative Barriers to Investment Update, June 2003, FIAS; Regulatory and Administrative Cost Survey, September 2003, FIAS/GIPC), highlighting particular areas of concern to IT and ITES companies.
- Experience of Existing ICT/ITES Companies in Ghana
 - Describe the existing ICT/ITES industry in Ghana in terms of numbers of companies, numbers of employees, services provided, revenues (domestic and export) etc.
 - Describe the experience of existing ICT/ITES companies in Ghana and their views on the critical competitive factors above.
 - In the opinion of representatives of the ICT/ITES industry, what should be the appropriate role of government in promoting the ICT/ITES industry?
 - The Consultant should use IFC/Spintrack report (Investment Opportunities in West Africa ICT and Internet Sectors – Ghana, October 2003) as a reference.
- Other Issues
 - Identify any existing industry associations in the ICT sector in Ghana.
 - Identify and describe the quality of technical research institutions in Ghana.

Conclusions and Recommendations

- 1. Identify the major sources of Ghana’s competitiveness, define obstacles to such competitiveness, and identify issues, which if addressed, will increase the competitiveness of Ghana in the ICT/ITES industry.**
 - Compare competitiveness with countries like India, Philippines, Mexico, South Africa and China and also identify potential for co-location of investments.
 - Given the apparent competitive strengths of Ghana, identify which ITES industries Ghana should concentrate on attracting.

- 2. Identify set of necessary activities for the promotion to international investors of selected ITES in Ghana**