

TOBAGO BLUE ECONOMY



INNOVATION IDEAS COMPETITION



<https://tobagoblueeconomy.com/>



GUIDELINESS

Objective

The Inter-American Development Bank (IDB) seeks to support innovative projects that contribute to mainstreaming the Blue Economy in Tobago to achieve economic recovery, diversification, and inclusion.

[See context and objective](#)

Submission of applications

From June 1st to July 31st, 2022

Announcement of selected applications

End of August 2022

[Challenge Timeline](#)

Awards

IDB funding for developing concept ideas (under the terms and conditions outlined in section V) and participation in IDB regional networking events.

Geographical Scope

Participant organizations/individuals must be legally registered in Tobago and have proof of experience on the Island.

[See Applicant's details and requirements](#)

1. CONTEXT

Trinidad and Tobago has a hydrocarbon-based economy in which the energy sector is still the most relevant contributor to the county's Gross Domestic Product (GDP), but this makes it vulnerable to external shocks related to vagaries in oil and gas prices. The severe decline in oil prices in 2020 due to the impact of lockdowns related to the global pandemic has highlighted the economy's vulnerability. Additionally, the other sectors of the economy, including the services sector, have been directly impacted by the effects COVID-19 pandemic. Whereas the services sector in both Trinidad and Tobago has been negatively impacted, it is in Tobago, where tourism accounts for

about 13% of its GDP¹ (behind that of government and financial services), that this impact has been very acute. This sector has seen the largest decline, followed by manufacturing and the financial sector.

Currently, Tobago has several challenges that tend to limit the development of the services sector and impact livelihoods on the Island. Events such as the COVID-19 outbreak have prompted the need to seek economic diversification alternatives to recover lost jobs and boost economic growth. Sanitary measures such as lockdowns, social distancing, and travel bans interrupted labor supply and demand, significantly decreasing supply chains and collapsing the sector. According to a survey deployed by the Inter-American Development Bank (IDB) for Trinidad and Tobago, the roughest economic consequences of the coronavirus pandemic have been the loss of jobs and income.² It is reported that at least 70% of households experienced income loss in the second quarter of 2020, and more than 66% of low-income families were impacted by employment loss during the same period. Also, more than 55% of businesses have had to close due to government restrictions or lack of demand since the pandemic.³

The economy of the Island also endures challenges related to the environment and climate change. Like many Caribbean coastal zones, Tobago is already being negatively impacted by deforestation, land-based and marine pollution, increased sedimentation and declining coastal water quality, and the influx of sargassum and invasive species such as lionfish. The Island is also highly vulnerable to natural hazards and climate change-related phenomena like tropical storms and flooding. Although no specific information for Tobago was found, recent studies suggest that Trinidad and Tobago's high emissions scenario could experience increased annual mean temperatures between 2°C and 2.1°C.⁵ It is also very likely that by 2050, the average annual rainfall will have decreased from the current 2000 millimeters and that wet and dry seasons will become more dehydrated. Finally, the sea level is expected to rise from 62 cm to 1.15 m by 2100.⁶

To prompt an economic recovery from the COVID-19, address the inherent socio-economic challenges of a Small Island Developing State (SIDS), and align with local development strategies, Tobago must rethink using its natural resources, mainly marine and coastal. The Blue Economy offers the country excellent opportunities to harness resources sustainably and leverage its services beyond traditional business models. This approach allows for diversification into new emerging ocean-based activities and sectors and generates employment and growth while ensuring the sustainable use of ocean resources. Mainstreaming this approach could include

establishing and/or consolidating ocean-based industries in Tobago, such as fisheries and tourism. Several steps have been identified to create a Blue Economy framework, namely: (i) setting clear targets; (ii) creating economic and policy frameworks that provide an enabling environment for the Blue Economy to develop; (iii) effectively governing the use of marine space and resources; and (iv) developing and applying standards, guidelines, and best practices that support a Blue Economy.

2. OBJECTIVE OF THE CHALLENGE

The Inter-American Development Bank ("[IDB](#)") seeks to support innovative projects that contribute to mainstreaming the Blue Economy in Tobago to achieve economic recovery, diversification, and inclusion.

The IDB is looking to support private sector individuals and organizations based and/or legally constituted in Tobago, such as startups, foundations, non-profits, corporates, among others, to develop concept ideas for projects that will support blue economy sectors such as (additional details can be found in [section 03](#) below):

- [Ecosystem Restoration and Carbon Sequestration.](#)
- [Circular Economy.](#)
- [Aquaculture and Sustainable Fishing.](#)
- [Renewable energy, including marine-based renewable energy.](#)
- [Blue Biotechnology.](#)

The proposed solutions must:

- A. Be innovative and present a project idea or business model that has not been implemented before in the country or add an innovation component to an existing model.
- B. Focus on mainstreaming the Blue Economy, thus contributing to economic diversification, inclusion, and recovery.
- C. Contemplate a path for scalability or replication and financial sustainability.

3. PRIORITY BLUE ECONOMY SECTORS

The IDB seeks to identify innovative solutions that soundly manage the following priority Blue Economy Sectors:

A. Ecosystem Restoration and Carbon Sequestration

Latin America and the Caribbean countries should seek to manage ocean resources sustainably. The potential exists to restore and regenerate ocean ecosystems. However, political will and interest are needed, together with an inclusive framework that involves local stakeholders and extends to regional actors because of the interconnectedness of oceans. It benefits local economies, the environment, and populations by creating a more resilient society.

Restoration services can have major impacts on ocean economies that rely on their natural habitats as a source of food and materials and protection against environmental threats. It also brings non-market benefits that bolster cultural and social services and, consequently, tourism. Coral reefs suffer from climate change due to acidification and increased ocean temperatures. Coral conservation efforts are being carried out to save reefs and help protect marine habitats. By protecting coral habitats, these territories are, in turn, protecting fishing and tourist industries that rely on marine health. Restoration to protect and rehabilitate endangered native species and coastal blue carbon habitats (i.e., mangrove, seagrasses) can be achieved through a blue approach to integrated coastal management.

The sustainable management of ocean resources by ocean economies, in particular, is critically dependent on land management practices because of the close interconnectedness between land management and coastal health.

B. Circular Economy

A Circular Economy is an approach where the value of products, materials, and resources is maintained in the economy for as long as possible. Waste generation is minimized to develop a sustainable, low carbon, resource-efficient, and competitive economy. The following includes priority areas to be incorporated:

- Eliminate the concept of waste: The goal for Tobago should be to zero out waste and promote processes such as upcycling, reformulation, reuse, and efficiency improvement to reduce waste generation to zero. This can be accomplished by using, collecting, and reusing materials safely in perpetuity while valuing clean potable water and the oceans, using clean and renewable energy throughout for all economic, environmental, and social benefit of all. It also implies making strategic decisions regarding importing materials and products to facilitate the reusing, reformatting, or upcycling of materials.

- Understand material flows: Imported, existing materials flowing through Tobago need to be intentionally designed for cycling safely in either a biological or technical cycle. This requires a detailed understanding of all materials flowing onto, throughout, and islands. This also covers a comprehensive analysis to determine where resources are used and where they are disposed of after their use cycle has ended.
- Assess human and environmental health effects of materials: Material flow data needs to be combined with a comprehensive assessment of those materials' human and environmental health effects in the context of their use on the islands so that safe flows can be assured in perpetuity.
- Design and manage materials, energy, and waste to turn them from liabilities into assets: Armed with information, islands can begin to determine if the materials, energy, and water imported for their day-to-day operations are adequately specified, designed, and managed to be assets for perpetual use and reuse.

C. Aquaculture and Sustainable Fishing

Worldwide demand for fish and fishery products is expected to increase worldwide in the coming years. Nearly half of the production will likely come from aquaculture. The growing demand requires that aquaculture duplicates its existing capacity by 2050. Aquaculture is a global multi-billion-dollar industry, with an estimated value of US\$250 billion in 2018 and production consisting of aquatic animals (finfish, mollusks, crustaceans, other animals) and algae (seaweed). It is uncertain the level of output that is being undertaken in many territories, especially islands. However, mariculture and coastal aquaculture accounted for US\$ 106.5 billion (30.8 million tonnes) of production.

The development of marine aquaculture would increase food production and security, generate employment, diversify production, reduce the demand for food imports, and increase foreign exchange earnings. Developing this sector also creates the opportunity to develop sustainable techniques that could be marketed as a model to be scaled up or down.

Protecting local marine resources is one of the most urgent needs in promoting food security and sustainable development. Sustainable fisheries and aquaculture may play an important role in food security, poverty alleviation, and livelihoods while respecting ecosystems and creating local jobs. Circular models can assist new innovative approaches that create opportunities for local businesses, promote

artisanal fishing in communities, manage fishing activities to an optimal level, and restore fish stocks. A successful example of this is in Belize, where a managed access program is used to secure fishing areas for local fishers to promote sustainable, traditional practices.

D. Renewable energy, including marine-based renewable energy

Ocean economies must change their energy matrices by prioritizing investments in renewable energy such as solar, wind, wave, tidal, thermal, and biological sources. Renewable energy and energy efficiency, combined with the electrification of end-uses, make up 94% of the emission reductions worldwide. The share of renewable energy in the total primary energy supply would rise from 14% in 2015 to 63% in 2050. The percentage of renewable energy in the power sector would increase from 25% in 2015 to 85% in 2050. Marine-based renewable energy sources could significantly contribute to the increase in renewable energy. Marine-based renewable energy also carries significant potential for green job creation.

The availability of vast areas of ocean space. With global interest in renewable energy increases, the development of ocean-based energy will certainly grow in the following years and decades. By developing marine renewable energy, ocean economies could reduce their dependence on imported fossil fuels as baseload for electricity generation and increase their energy security. The development of marine-based renewables represents an opportunity given the limitations of land space and the competing options such as space for housing, tourism development, agricultural land, and urban development. "Marine renewable energy technology options include offshore wind, wave, tidal stream, thermal energy conversion, and salinity gradient, and the feasibility varies according to each technology as they range in development status globally. Considering the multiple benefits of marine renewable energy, energy security, environmental protection, and socio-economic benefits, it is a win-win solution for sustainable development and the blue economy." Recent estimates of benefits from investments in scaling up offshore wind production range from US\$2 - \$17 for every US\$1 invested. There is uncertainty regarding the environmental impacts of offshore renewables on the marine environment, and these will have to be understood and addressed before large-scale deployment of the technologies occurs.

E. Blue Biotechnology

Ocean sustainable management can be used to develop innovations that give value to new and existing ocean resources. Ocean economies, especially island territories

and states, rely on the exploitation of living and non-living resources and trade-related activities, which must be carried out sustainably and adopt innovative technologies through research and development (R&D). R&D on ocean resources can boost new food supply sources, preventive, therapeutic measures, novel drugs, and health and personal care products.

While the development of marine or blue biotechnology globally is at an early stage of development, the biotechnological potential of marine organisms is enormous, with macro-algae, microalgae, bacteria, and other living organisms having the capacity to deliver solutions to major socio-economic and political drivers.

4. WHO CAN PARTICIPATE?

Private sector individuals and organizations such as startups, foundations, non-profits, and corporates, with demonstrated expertise in at least one of the priority Blue Economy sectors mentioned in [section 03](#).

Organizations must be legally residing in Tobago.

5. AWARDS

IDB may consider the **five applicants** whose proposals are selected to receive financing up to **US\$10.000** to develop their project idea/business model.

Applicants whose selected proposals will also be showcased on the [Sustainable Island Platform website](#).

Selected Applicants will receive IDB funding once:

- The proposed project idea/business model has been duly analyzed to obtain evidence of its viability.
- The Applicant's experience in the sector, capacity to manage the financial resources, and project execution experience have been evaluated.
- A legal written agreement has been signed between the IDB and the winners.

6. EVALUATION CRITERIA

Applications will be evaluated according to the following criteria:

- Level of innovation of the project idea/business model, disruptive technologies, methodologies, and/or processes (15%).
- Degree of social and economic impact. Special consideration will be given to models targeting excluded groups and communities or low-income/poor and vulnerable populations in the country where the project will be implemented (20%).
- Financial sustainability or growth potential over the next 3-5 years after funding (revenue generation model) (15%)
- The technical capacity of Applicant and strategic partners, including compliance with environmental safeguards and targeted monitoring, and to implement the proposed model in the country where the project will be implemented (15%).
- Potential for scale or replication of the proposed business model in the country where the project will be implemented (15%).
- The model's viability of execution includes defining potential risks that may affect successful implementation and mitigating actions to address these risks (15%).
- Promotion of gender equity (5%).

7. TYPES OF FINANCING AVAILABLE

Applicants can present their applications and apply for a Non-Reimbursable Grant.

Please note that counterpart financing is expected but not mandatory.

8. APPLICATION PROCESS

1. Complete the online application:

- Submit a proposal through the [online platform](#) within the timeframe specified in [Section 10](#).

- Applications will be selected if they fully comply with the evaluation criteria and requirements described in [Section 06](#).

2. Upload Documents:

- a. Application form.
- b. Written proof of legal constitution or incorporation and bylaws.

9. SELECTION PROCESS

Phase I: After completing the application via the [online platform](#), an IDB Group technical team will review, analyze, and pre-select the applications.

Phase II: Due diligence visits or interviews will be conducted to analyze the viability of the model of the pre-selected applications. Subject to the outcome of the due diligence, pre-selected applications will proceed to Phase III.

Phase III: IDB will select applications according to the evaluation criteria described in [Section 06](#). Selected applications will be announced as per the established [timeline](#). Once the projects have been assessed, IDB will support the selected Applicant(s) to initiate the project's design (including developing a project plan and other documents necessary to request official internal IDB approval). This process may last up to six months, depending on the maturity of the proposed model and the implementing capacity of the selected Applicants.

*Note that final approval is subject to internal IDB procedures with the understanding that for a project to be selected to receive financing, it must have been approved by all those directly involved in the IDB approval process. Likewise, a legal agreement must be signed which sets forth how the financing and the counterpart resources will be used to implement the model.

10. CHALLENGE TIMELINE

Dates are approximate and subject to change:

Challenge Launch: May 15, 2022

Submit applications: June 1st – July 31st, 2022 (midnight, Eastern Time USA)

Review and due diligence by IDB Group: August 2022



Announcement of selected applications: End of August 2022

PLEASE SEND YOUR QUESTIONS AND SUBMIT YOUR APPLICATION AT:

<https://tobagoblueeconomy.com/>

11. Disclaimers and Reservation of Rights

The IDB reserves the right to eliminate participants at any part of the process, and this decision shall be final and binding. The IDB may decide not to select an Applicant if the submission did not meet the requirements or did not have sufficient quality.

The IDB may search for publicly available information regarding Applicants and seek to verify details referenced in the application. The IDB reserves the right to cancel the competition at any time.

All decisions of the IDB are final and binding, with no process for appeal.

Applicants that submit content that is offensive, illegal, etc., and those that disparage the IDB or other sponsors will be eliminated.

IDB will not consider participants who are ineligible to participate in IDB projects or contracts under its sanctions protocol.

Applicants are responsible for all content such as photos, images, videos, graphics, written content, audio files, information, or data uploaded or submitted. Applicants must attest that the submittal is original and that they are not infringing on any copyrights or other intellectual property. Any such infringement may result in disqualification.

The IDB will not be responsible for maintaining the intellectual property of the submitted applications.

The IDB does not provide individual feedback or comments on applications.

To receive IDB funding, selected Applicants must sign a legal agreement with the IDB, including relevant commitments, representations, and grants of indemnity by the Applicant.



IDB reserves the right to disseminate and share the identity of the Applicants and any other information deemed relevant.

IDB reserves the right to share the application information, without the need for consent or approval from the Applicant, within the IDB Group and/or with strategic partners under non-disclosure agreements to look for co-financiers.

These terms and conditions may be updated and made available to all participants online.