

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Promoting Gender Equality, Diversity and Inclusion in the Private Sector
▪ TC Number:	RG-T3509
▪ Team Leader/Members:	Albertos, Carmen (SCL/GDI) Team Leader; Oueda Cruz, Stephanie (INO/NFP) Alternate Team Leader; Roza, Vivian Ellen (SCL/GDI); Uribe Vasquez, Lina Eugenia (SCL/GDI); Greco, Maria Sofia (LEG/SGO); Saldarriaga Jimenez, Andrea (SCL/GDI); Serrano Pardo, Jimena (INO/NFP); Villanueva, Maria Teresa (SCL/GDI); Martin, Carolina Susana (SCL/GDI); Blandin Andino, Lourdes (SCL/GDI)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	18 Jun 2019
▪ Beneficiary:	Private entities, business associations, local organizations in the LAC region
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$1,250,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Gender and Diversity
▪ Unit of Disbursement Responsibility:	Social Sector
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Gender equality; Diversity

II. Objective and Justification

- 2.1 The principal objective of this TC is to strengthen the capacity of public and private stakeholders to close organizational gender gaps and to facilitate the integration of historically excluded populations (indigenous and traditional peoples, African descendant populations, persons with disabilities and LGBTQ+ individuals) in companies' workforce, value chains and markets.
- 2.2 Despite important progress over the last decades, factors of race, ethnicity, and gender stand in the way of a large number of people rising out of poverty and achieving economic progress in Latin America and the Caribbean (LAC). Indigenous and traditional peoples, African descendant populations, persons with disabilities, and LGBTQ+ individuals account for an estimated 40% of the region's population. Many members of these groups face common development barriers such as higher poverty rates, unemployment and risk of abuse or violence; lower educational attainment; limited access to public services; and underrepresentation in decision-making bodies. Although data is scarce, a 2010 Ethos Institute study of 105 large businesses in Brazil found that only 5.3 % of executives were African descendant—a mere 0.5 % were women—and that only 28 % of those businesses had policies in place to improve African descendant representation in leadership positions. In Panama, formal sector labor market participation of indigenous peoples is more than 30 percentage points lower than that of

the non-indigenous population. In Colombia, a small survey of the labor market suggests that being an African descendant applicant lowers the chance of receiving an initial contact for an interview by approximately 8 %, while being white increases it by 3%. Women in the labor market also face similar barriers. Although the region has made progress in closing gender gaps in education, female participation in the labor market has slowed down. Women's labor force participation continues to lag behind men's (56.3% vs 78.4%), and the gender pay gap is 12.5% against women. Moreover, women make up only 4.2% of CEOs in LAC. To close these gaps, the IDB has shown a clear commitment to promoting women's empowerment and supporting the development with identity and the inclusion of diverse population groups across LAC. To promote women's economic empowerment, the IDB, in collaboration with the World Economic Forum (WEF) established the Gender Parity Taskforces (IPGs), public-private partnerships that seek to increase women's participation in the labor force, reduce the gender wage gaps and increase women in leadership positions. The work of the IPGs across the region has revealed both the interest of the private sector to work on advancing these three indicators but also the need for guidance and access to practical tools to promote women's leadership and close the gender economic gaps within their organizations. In the area of diversity and inclusion, previous Bank efforts have focused on improving access to social services, basic infrastructure and/or transport; strengthening traditional governance structures; promoting economic empowerment; supporting natural resource or land management by indigenous peoples; and combating discrimination. Few of these efforts have focused on strengthening the private sector's capacity to understand the challenges these groups face in accessing jobs in the formal sector, nor strategies for private sector actors to create economic opportunities for these groups. Designing approaches to adequately integrate diverse groups in private sector operations requires deeper knowledge of what works to attract this type of talent, and how to better integrate minority businesses in corporate value chains, especially when trying to go beyond corporate social responsibility. It also requires raising awareness about unconscious bias in the workplace.

III. Description of Activities and Outputs

- 3.1 Component 1: Improve public and private stakeholders' capacity to close economic gender gaps. The objective of this component is to enhance IPG capacity and private sector participation in the IPGs across the LAC region and ensure that they contribute to achieving the three IPG objectives: increasing female labor participation, reducing the gender wage gap and increasing female leadership in IPG countries. The following technical support will be provided and financed: (i) Creation and/or adaptation of existing guidelines and toolkits to close gender economic gaps inside LAC companies and promote women's leadership development from entry to managerial level positions; (ii) Provision of workshops to guide the private sector and IPG companies, in the implementation of policies and practices to close gender economic gaps; (iii) Organization and/or participation in national and regional events to share best practices and knowledge among LAC public and private sector on effective policies and programs to close economic gender gaps and promote gender equality; (iv) Systematization of the technical support provided .
- 3.2 Component 2: Strengthen public and private stakeholders' capacity to integrate and work with indigenous and traditional peoples, persons with disabilities (PWD), Afro-descent and LGBTQ+. This component seeks to identify and leverage opportunities to facilitate these groups' insertion in the labor markets, while respecting their dignity and identity. This objective will be met through the following activities: (i) Design and support at least two studies on barriers and opportunities to the inclusion of underrepresented groups in private sector activities in the region; (ii) Map stakeholders and partners to design a talent inclusion strategy in private sector companies (iii) Create guidelines to

attract and retain diverse talent; (iv) Organize workshops and high level meetings to share best practices in promoting diversity and inclusion; (v) Provide technical assistance to foster additional diversity and inclusion in private sector projects; and (vi) Pilot initiatives and participatory workshops to train underrepresented groups in the future of work skills and integrate them in their workforce and/or supply chain.

3.3 **Component I: 1. Improve public and private stakeholders’ capacity to close economic gender gaps.** The objective of this component is to enhance IPG capacity and private sector participation in the IPGs across the LAC region and ensure that they contribute to achieving the three IPG objectives: increasing female labor participation, reducing the gender wage gap and increasing female leadership in IPG countries.

3.4 **Component II: 2. Strengthen public and private stakeholders’ capacity to integrate and work with indigenous and traditional peoples, persons with disabilities (PWD), Afro-descent and LGBTQ+.** This component seeks to identify and leverage opportunities to facilitate these groups’ insertion in the labor markets, while respecting their dignity and identity.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
1. Improve public and private stakeholders’ capacity to close economic gender gaps.	US\$530,000.00	US\$0.00	US\$530,000.00
2. Strengthen public and private stakeholders’ capacity to integrate and work with indigenous and traditional peoples, persons with disabilities (PWD), Afro-descent and LGBTQ+.	US\$720,000.00	US\$0.00	US\$720,000.00
Total	US\$1,250,000.00	US\$0.00	US\$1,250,000.00

V. Executing Agency and Execution Structure

5.1 The execution of this TC will be carried out by the Bank through the Gender and Diversity Division (SCL/GDI) in coordination with IDB Invest.

5.2 The Bank’s role as executing agency of this TC is justified because the activities are intended to reach all countries in the region and there will be economies of scale in the execution. These activities will benefit public and private stakeholders with similar characteristics in different LAC countries that can take advantage from the generation of horizontal knowledge and the development of spillovers. In addition, the Bank has the knowledge to prioritize sectors and institutions that can maximize the scope of the activities prioritized by this TC.

VI. Project Risks and Issues

6.1 This TC is exposed to the following risks: (i) Inability of governments to convene the private sector to join IPGs, eliminating the demand for practical guidelines to have gender inclusive corporate policies; and ii) Lack of demand for diversity and inclusion pilots. The first of these risks will be mitigated by contracting a consultant of IPG who will be responsible for convening the private sector and developing tools that respond to the specific needs and demands of businesses. To mitigate the second risk, the TC will finance research and training on the economic benefits of diversity and inclusion and

share this information with private sector stakeholders. In addition, technical assistance will be provided to support companies in taking part in these pilots.

VII. Environmental and Social Classification

7.1 The ESG classification for this operation is "undefined".