

Promoting Knowledge and Capacity Building through the Regional Policy Dialogue

TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Promoting Knowledge and Capacity Building through the Regional Policy Dialogue
▪ TC Number:	RG-T2436
▪ Team Leader/Members:	Marina Bassi, Team Leader (VPS/VPS), Anna Nill (VPS/VPS), all Networks' technical coordinators (INE, IFD, INT, RES, SCL), Diego Valenzuela (LEG/SGO), Ileana Pinto (VPC/FMP), Maria Teresa Soto-Aguilar (VPC/FMP)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Research & Dissemination
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	NA
▪ Reference to Request: (IDB docs #)	NA
▪ Date of TC Abstract:	November 25, 2013
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	All LAC countries
▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {If Bank: Contracting entity} {If the same as Beneficiary, please indicate}	The Bank through VPS/VPS and VPS Divisions
▪ IDB Funding Requested:	\$1,500,000
▪ Local counterpart funding, if any:	NA
▪ Disbursement period (which includes execution period):	15 months
▪ Required start date:	December 18, 2013
▪ Types of consultants:	Individual consultants or firms
▪ Prepared by Unit:	VPS/VPS
▪ Unit of Disbursement Responsibility:	VPS/VPS
▪ Included in Country Strategy (y/n):	N
▪ TC included in CPD (y/n):	N
▪ GCI-9 Sector Priority:	All five GCI-9 sector priorities (see paragraph 2.5)

II. Objective and Justification

- 2.1 The Bank's Board of Executive Directors approved in 2000 the creation of the RPD (GN-2096-2), a program aimed at establishing networks of dialogue among LAC senior government officials working in the same sector to meet regularly with the purpose of exchanging experiences, sharing lessons learned, identifying common solutions to their most pressing development issues, and increasing their intellectual and institutional capital.
- 2.2 Since its inception, sixteen policy dialogue networks aligned with the Bank's institutional priorities have been created in the areas of: 1) citizen security; 2) climate change; 3) disaster risk management; 4) education; 5) energy; 6) financial institutions; 7) fiscal policy and management; 8) gender; 9) innovation; 10) labor markets and social security; 11) macroeconomic policy and finance;

12) open government; 13) social protection and health; 14) trade and integration; 15) transport; and 16) water and sanitation. The RPD networks are coordinated by Bank staff and formed by high level policymakers from borrowing member countries.

- 2.3 The **general objective** of the RPD is to promote a high-level policy dialogue between borrowing member countries and Bank officials to inform decision making, identify innovative practices, strengthen institutional capacity, and improve the quality of reform strategies. The RPD in turn provides the opportunity for the Bank to receive direct feedback about countries' public policy priorities, which subsequently informs Bank's future operational program.
- 2.4 The **value added** of this TC is that the knowledge and information produced will be used to: i) promote a high level policy dialogue and foster knowledge sharing among senior policymakers from the borrowing member countries and experts on key development issues; ii) expose policymakers to experts that will provide policy-oriented knowledge, analytical work and tools for the design, reformulation, and adoption of sound policies; and (iii) provide a space for the dissemination and dialogue with the countries about the Bank's operational and knowledge program.
- 2.5 This TC operation will continuity the activities developed within the Regional Policy Dialogue since 2010, financed by the Institutional Capacity Strengthening Fund (ICSF) through the following operations: RG-T1832, RG-T2017, and RG-T2252.
- 2.6 The execution of this TC will also allow Bank experts to adapt the work of the Bank and disseminate amongst policymakers the expertise it is generating on the **five GCI-9 sector priorities** and areas of work of the networks, namely to: i) identify potential areas of work in climate change adaptation, particularly in energy, water, sanitation, transport and risk management for natural disasters so our clients may develop the needed regulatory framework to invest in sustainable transport, renewable and efficient energy, clean water, waste management and other forms of alternative fuels; ii) develop critical thinking and innovation when considering incentives for the design of social safety nets, access to basic health services, financing social insurance systems to the informal worker, or providing basic quality schooling to primary and secondary students; iii) adopt policy reforms to strengthen fiscal transparency, public expenditure management and efficient financial services, and iv) work towards a competitive regional international integration.

III. Description of activities and outputs

- 3.1 **Component I.** The major component of the TC will include planning, organizing and holding **regional and sub-regional meetings** with high level government officials of LAC countries, to discuss issues identified as priorities to the borrowing member countries. The meetings will be held in HEQ or in the Region, and convened by the dialogue's network coordinators in coordination with VPS. The meeting agenda and supporting documents will be posted in the RDP web page and invitations will be extended to experts from international organizations, think tanks, professional organizations, universities and non-borrowing member countries to enrich the dialogue by contributing knowledge, innovative practices, and relevant experiences.
- 3.2 **Component II.** The second component will include the preparation of background studies to be presented and discussed during the dialogue meetings. The publications will be published in accordance to the Bank's Publication Protocol guidelines and will be disseminated through the RPD webpage.

3.3 **Component III.** The third component includes the dissemination of the results of the TC. For a detailed description of each network's activities, expected outputs and expected results, see Annex I.

IV. Budget

Indicative Budget			
Component	IDB / ICSF Funding	Counterpart Funding	Total Funding
Component 1. 24 Meetings	1,100,000	0	1,100,000
• Hiring consultants to organize logistics for meetings	200,000	0	200,000
• Travel and per diem for participants	700,000	0	700,000
• Other expenses (materials, interpretation services, catering)	200,000	0	200,000
Component 2. Publications (Studies, Books) and Presentations	310,000	0	310,000
• Hiring experts to prepare materials and publications	280,000	0	280,000
• Editing and printing	30,000	0	30,000
Component 3. Coordination and Dissemination	90,000	0	90,000
• Dissemination of TC results	90,000	0	90,000
GRAND TOTAL	1,500,000	0	1,500,000

V. Executing agency and execution structure

5.1 The Bank through VPS/VPS will be the executing agency. The document GN-2096-2 approved by the Board of Executive Directors for the implementation of the Regional Policy Dialogue authorized the Bank as the executing agency to ensure the active participation of the borrowing member countries to dialogue with the Bank through the set-up of networks (see paragraphs 1.3 and 1.4 of same document).

VI. Project risks and issues

6.1 One of the main risks of the project is the possible low participation rate of high-level officials in the RDP meetings. Following OVE's recommendations (RE-316-1), this risk has been mitigated since 2010 by paying travel and per-diem expenses, as well as through effective communication encouragement from the network coordinators. Another risk is that certain sub-regions are underrepresented in the networks' meetings. To reduce this risk, Management has required all network coordinators to submit a pluri-annual work plan in which they explain how their network's activities will cover all of LAC's sub-regions during the following three years.

VII. Environmental and Social Classification

7.1 There are no environmental and social risks and impacts associated with this TC. This TC has been classified in Category C.

Approved: _____
Santiago Levy, VPS

Date: 12 / 02 / 13

ANNEX I

Objectives, Deliverables and Expected Results by Network

Network (Division)	Objectives	Expected Outputs	Expected Results
Citizen Security (IFD/ICS)	<p>i) Promote the exchange of experiences, knowledge and lessons learned on urban violence prevention at the national and sub-national levels</p> <p>ii) Identify solutions to common challenges inside and outside the region</p> <p>iii) Help shape the operational, applied research and knowledge agendas of the Bank for citizen security according to the demands of the Region's policymakers</p>	<p>i) One regional meeting in Mexico during the first quarter of 2014, focused on analyzing good practices in the region on urban violence prevention, particularly the Mexican experience</p> <p>ii) One Technical Note on violence prevention</p> <p>iii) Annual Qualitative Summary</p>	<p>i) Greater exchange of information and experiences among countries of the region on urban violence prevention</p> <p>ii) Identification of common solutions on urban violence prevention and creation of strategic alliances between countries of the region</p> <p>iii) Institutional capacity strengthening of LAC policymakers in the design, implementation, and evaluation in urban violence prevention projects</p>
Climate Change (INE/CCS)	<p>i) Awareness raising among country authorities among priority sectors and Bank Staff on key challenges in promoting climate change mitigation and adaptation and addressing the impacts of climate change and their integration into development policy</p> <p>ii) Assist countries to improve their climate change policy agendas in an integrated manner by involving stakeholders from other key sectors</p> <p>iii) Achieve greater synergy of the Bank's multi-divisions' initiatives and efforts for effective technical services in LAC</p>	<p>i) One regional meeting in Mexico in 3Q 2014, focused on the impact of climate change in the tourism industry</p> <p>ii) One discussion paper on main climate challenges and possible solutions for sustainable tourism development</p> <p>iii) Annual Qualitative Summary</p>	<p>i) More informed decision-making by countries as to how to adopt climate change mitigation and adaptation policies in the tourism sector</p> <p>ii) Institutional capacity strengthening of LAC policymakers in the design and implementation of climate change adaptation and mitigation policies in the tourism sector</p> <p>iii) A better informed Bank to effectively support countries in climate change mitigation and adaptation</p> <p>iv) Use of Bank's instruments to effectively promote the preparation and execution of cross-cutting projects in climate change</p>
Disaster Risk Management (INE/RND)	<p>i) Awareness raising among country authorities on disaster risk management (DRM) and their integration into development policy</p> <p>ii) Assist countries to improve their disaster risk management policy agendas and to incorporate DRM in their national public investment systems</p>	<p>i) One subregional meeting in South America</p> <p>ii) One subregional meeting in the Caribbean</p> <p>iii) One technical study on the progress achieved in the incorporation of DRM in public investment in South-America</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Institutional capacity strengthening of LAC policymakers as to how to incorporate DRM into their national public investment systems</p> <p>ii) Use of Bank's financial instruments to effectively promote the incorporation of DRM into borrowing member countries public investment systems</p>
Education (SCL/EDU)	<p>i) Provide a high-level forum for dialogue for member countries and the Bank to achieve the goal of promoting effective teaching and learning among all children and youth in Latin America and the Caribbean to ensure that they acquire the skills they need for work and life.</p>	<p>i) One regional meeting in Washington, DC, May-June 2014</p> <p>ii) Two technical notes, one on Institutional Systems to Assure Education Quality and another on school finance to ensure adequacy, equity, and efficiency in education</p> <p>iii) Annual Qualitative Summary</p>	<p>i) Increased knowledge on institutional arrangements for education quality and equity assurance and improved financing systems among policy makers in the region</p> <p>ii) Promotion of the implementation of policies for institutional strengthening and organization of educational systems that aim at improving learning outcomes</p> <p>iii) Promotion of Bank's technical and financial assistance to apply appropriate models of reform processes for each country discussed during the meeting</p>
Energy (INE/ENE)	<p>i) Promote a high level discussion on ways to enhance the use of natural resources within the region and make more efficient the production of electricity</p>	<p>i) One regional meeting in Northeast Brazil in September 2014, focused on Optimization of renewable energy generation through regional electricity interconnection.</p> <p>ii) Study on Complementarity of Hydro and Non-Conventional Renewable Energy presented as Discussion Paper</p> <p>iii) Annual Qualitative Summary</p>	<p>i) Awareness raising within governmental authorities of a needed improvement in the use of natural resources, providing consumers within the region with a more efficient production of electricity</p> <p>ii) LAC governmental authorities with greater institutional capacity to design and implement energy policy that may lead to market structures capable of regional energy integration</p>
Financial Institutions (IFD/CMF)	<p>i) Analyze, harmonize and integrate ideas and strategies driven by regulatory bodies and by financial institutions from LAC, to</p>	<p>i) One regional meeting in Washington DC</p>	<p>i) Elaboration of two knowledge products</p> <p>ii) Reform proposals in member countries, at</p>

	promote the development and strengthening of the financial sector and financial inclusion	<ul style="list-style-type: none"> ii) One sub-regional meeting in Central America iii) Two technical notes on strengthening of financial institutions; and financial and productive inclusion 	least in one of the proposed topics of the agenda: financial inclusion; international standards on financial regulation and supervision; regional financial integration; price formation in the financial industry; and development of payment systems.
Fiscal Policy and Management (IFD/FMM)	i) Promote dialogue and the exchange of experiences and lessons learned between LAC countries, on tax reform, tax incentives, regional tax integration, effectiveness and efficiency of public expenditure, budgeting for results	<ul style="list-style-type: none"> iv) Annual Qualitative Summary i) Two regional meetings: One in Washington, DC in February 2014, on Treasury Management and Public Accounting Practices; the other on Public Sector Efficiency with LAC Budget Directors (place and date TBD) ii) One sub-regional meeting of the Council of Ministers of Finance of Central American, Panama and Dominica Republic, in Costa Rica in June 2014 on Tax Policy Integration iii) Two technical notes: one on taxation in free zones in Central America; one on the economic effectiveness and efficiency of public expenditure in LAC 	<ul style="list-style-type: none"> i) Institutional capacity strengthening of LAC policymakers in the design, implementation, and evaluation of fiscal policy ii) Reform proposals in member countries iii) Identification of financial and non-financial operations in the fiscal area
Gender Equality (SCL/GDI)	i) Promote dialogue and the exchange of experiences and lessons learned between LAC countries, on violence against women (VAW) and women's economic empowerment	<ul style="list-style-type: none"> iv) Annual Qualitative Summary i) One regional meeting on women economic empowerment, to take place in Washington, DC in 3Q of 2014 ii) One outcome document outlining key issues and recommended actions for governments and development partners to invest in effective interventions to prevent VAW iii) A communications strategy to publicize the outcomes of the meeting and raise the profile of VAW for which effective interventions require public awareness 	<ul style="list-style-type: none"> i) Awareness raising on the challenging issues of VAW and women's economic empowerment, ii) Identification of new public-private partnerships iii) Identification of south-south collaborations to exchange information and knowledge on projects (e.g. study trips) and to replicate successful initiatives in other countries of the region
Innovation (IFD/CTI)	<ul style="list-style-type: none"> i) Provide a forum for dialogue between borrowing member countries and the Bank on the design and implementation of policies and programs that promote entrepreneurship and innovation ii) Identify potential programs and projects that foster enterprise development and competitiveness at regional, national, and sub-national levels 	<ul style="list-style-type: none"> iv) Annual Qualitative Summary i) One regional meeting that will take place in South America in the second half of the year, focused on entrepreneurship and innovation ii) One technical note on entrepreneurship and innovation iii) Annual Qualitative Summary 	<ul style="list-style-type: none"> i) Provide a framework for evidence-based discussion on entrepreneurship and innovation policies and their impact ii) Identify new members in the areas of entrepreneurship and innovation to promote strategic partnerships in the region
Labor Market and Social Security (SCL/LMK)	<ul style="list-style-type: none"> i) Promote dialogue and the exchange of experiences and lessons learned between LAC countries, to identify solutions to common challenges in terms of unemployment protection, informality, and high employee turnover ii) Create a conceptual framework to better understand the interaction between labor markets, social security policies, and savings decisions for retirement and unemployment 	<ul style="list-style-type: none"> i) One regional meeting focused in unemployment, informality, and employee turnover; as well as labor protection legislation, unemployment insurance, and employment active policies, to take place in Washington, DC, September 2014 ii) Study on the effectiveness of different instruments to protect the unemployed iii) Empirical comparative study on employment protection legislature 	<ul style="list-style-type: none"> i) Dissemination of four years of research on unemployment protection among high-policymakers of the region ii) Awareness raising among policymakers in LAC on the need to provide protection to workers against unemployment, informality a high employee turnover iii) Promotion of Bank's technical and financial assistance to apply appropriate models of reform processes for each country discussed during the meeting
Macroeconomic Policy and Finance (RES)	<ul style="list-style-type: none"> i) Promote a high-level policy discussion on macroeconomic and financial issues ii) Foster collegial bonds among high-level policymakers from Central Banks and 	<ul style="list-style-type: none"> iv) Annual Qualitative Summary i) Two regional meetings (April and November) in Washington, DC ii) Five invited presentations and two studies on macro-financial issues 	<ul style="list-style-type: none"> i) Influence policy decision making in countries through enriching policymakers information and analysis ii) Promote exchange of information and

	Finance Ministries of LAC		coordination among countries on G-20 issues
Open Government (IFD/ICS)	i) Promote a high-level policy discussion on open government agenda issues (open data policies, citizen participation in the creation of public policies and services, digital government, access to information policies)	<p>iii) Annual Qualitative Summary</p> <p>i) One regional meeting focused on open government agenda, to take place in Washington, DC in April 2014</p> <p>ii) One annual report on the progress achieved in open government in the region</p> <p>iii) Virtual space to exchange of information and collaboration among LAC policymakers and IDB Staff</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Awareness raising on Open Government Agenda and exchange of lessons learned and good practices among key policymakers in LAC</p> <p>ii) Definition of Work Plan for 2015 and of the key issues to be analyzed in the 2014-2015 Annual Report of the Open Government Network</p>
Social Protection and Health (SCL/SPH)	<p>i) In health, the aim is to promote a high level dialogue focused on ways to improve the performance of primary health care services in the LAC</p> <p>ii) In social protection, the network will address the experiences, challenges and lessons learned on the implementation of promising investments for youth at risk</p>	<p>i) One sub-regional meeting on promising investments for youth at risk</p> <p>ii) One sub-regional meeting on primary health provision</p> <p>iii) Annual Qualitative Summary</p>	<p>i) Promotion of increased use of evidence-based decision-making for the organization of primary health care services, and enhanced exchange of best practices on primary care</p> <p>ii) Promotion of increased use of evidence-based decision-making for the use of promising investments for youth at risk</p>
Trade and Integration Network (INT/INT)	<p>i) Promote a strategic dialogue among LAC policymakers and the Bank related to their insertion into the global economy</p> <p>ii) Create a platform for raising awareness and discussing the political and economic rationale for integration-related interventions, as well as identify potential programs and projects that promote regional and global integration, supported by the provision of technical and financial support to client countries</p>	<p>i) One regional meeting on the new global trade agenda and its implication for LAC, to take place in Lima in March 2014</p> <p>ii) One sub-regional meeting in Southern Cone, focused on strategic regional and global integration of the sub-region, to take place in Buenos Aires in September 2014</p> <p>iii) Two technical notes as inputs for the network meetings, covering the respective topics</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Contribute to the implementation of the Integration Strategy of the Bank</p> <p>ii) Create an enabling environment, both in terms of political and economic awareness, that promotes the benefits of regional and global integration, as well as regional cooperation</p> <p>iii) Increase LAC countries' institutional capacities in the design, implementation and evaluation of integration projects</p> <p>iv) Use of Bank financial instruments to effectively promote the preparation and execution of integration projects</p>
Transport (INE/TSP)	<p>i) Promote dialogue among LAC countries and the Bank in order to adopt a Freight Logistics Approach in the planning and investment of the transportation sector</p> <p>ii) Create new opportunities for Bank participation and an action plan aligned with the countries' demand</p>	<p>i) One regional meeting on Freight Logistics, in Miami, October 2014</p> <p>ii) One Action Plan identifying main bottlenecks in terms of infrastructure and regulatory frameworks</p> <p>iii) An iPad application on best practices in Freights Logistics</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Awareness raising among LAC policymakers on the challenges the region faces on Freight Logistics</p> <p>ii) Identification of future IDB financial and non-financial operations to help member countries address the identified challenges</p>
Water and Sanitation (INE/WSA)	i) Raising awareness among decision-makers, disseminating knowledge about hydro-climatic services for adaptation in water resource management	<p>i) One regional meeting (Montevideo, March 2014)</p> <p>ii) One sub-regional meeting (Washington, second semester of 2014)</p> <p>iii) One study on Hydro-climatic products</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Better utilization of climate information within the water and sanitation sector in order to contribute to improvements in the operational efficacy of the companies that provide services in the sector and reducing their vulnerabilities to climate phenomena</p> <p>ii) Identification of future IDB financial and non-financial operations for the preparation and execution of such projects</p>