

TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Support for improving the effectiveness of social protection and employment policies
▪ TC Number:	RG-T4738
▪ Team Leader/Members:	Urquidi Zijderveld, Manuel Enrique (SCL/SPL) Team Leader; Gonzalez Herrera, Beatriz Maria (SCL/SPL); Rivera Herrera Sergio Andres (SCL/SPL); Angeles Aguilar Niwin Monserrat (SCL/SPL); Hellman Carolina Franco (SCL/SPL); Goncalves Dos Santos Carolina (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	April 09, 2025
▪ Beneficiary:	Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, and Venezuela
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	May 30th 2025
▪ Types of consultants:	Individual consultants; consulting firms
▪ Prepared by Unit:	SCL/SPL-Social Protection and Labor Markets Division
▪ Unit of Disbursement Responsibility:	SCL/SPL-Social Protection and Labor Markets Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Social protection and human capital development; Gender equality; Diversity; Indigenous People; Afro-descendants; Persons with Disabilities; Institutional capacity, rule of law, and citizen security; Targets poor populations; Digital government

II. Objectives and Justification of the TC

- 2.1 The objective of Technical Cooperation (TC) is to enhance the operational effectiveness and development outcomes of projects in the areas of social protection and employment policies by strengthening the design, monitoring, and evaluation frameworks through evidence-based tools, systematic indicators and learning, and the integration of evaluability principles.
- 2.2 Even though the historical performance of the portfolio of those subsectors, measured through the Project Completion Reports (PCR) of the Inter-American Development Bank (Bank), had a successful rating that highlights a satisfactory performance in over 70% of the projects, an analysis of the effectiveness rating shows that only 45% of projects achieved excellent or satisfactory ratings in effectiveness during recent OVE

validations by the Office of Evaluation and Oversight of the Bank (OVE). Historically this portfolio was divided between two Bank Divisions under the Social Sector: The Social Protection and Health Division, whose projects in the social protection subsector had 45.8% of excellent or satisfactory ratings; and the Labor Markets Division, with 44% of projects that received excellent or satisfactory ratings.

- 2.3 Additionally, the two divisions had five projects canceled during their portfolio cycle, highlighting the necessity to consider factors that may have hindered these projects—whether due to context or project design.
- 2.4 One of the factors hindering the effectiveness of projects was the inability to measure the indicators proposed due to lack of data. Many of the projects rely still on surveys and make little use of administrative data. On the other hand, a growing number of projects in this portfolio finances digitalization, thus presenting an opportunity to promote the use of administrative data.
- 2.5 Administrative data offers alternatives to establish indicators that can be cheaply and easily produced and that can be monitored during project execution. Determining these sets of indicators and gathering evidence on appropriate targets for the indicators based on adequate benchmarks becomes a necessary step for its implementation.
- 2.6 Another factor that may hinder project effectiveness is the lack of information on assumptions considered in the vertical logic of projects and how they happen or fail and their impact on effectiveness. This requires an analysis of qualitative documents that may have been prepared during project evaluation and analyzing alternatives to document and monitor assumptions and considering their confirmation or failure in project adjustment and decision-making processes during supervision.
- 2.7 One of the knowledge gaps in project effectiveness is whether programs that have lower impact than expected suffer due to problems in design (e.g., targets set too high) or during implementation (e.g., the executing agency changed the processes, thus affecting the outcome). The TC addresses knowledge gaps regarding best practices for project implementation and gaps in information related to project impact and standardization of data that are complementary with other initiatives to address knowledge gaps.
- 2.8 By systematizing and collecting lessons learned and good practices to achieve the effectiveness of projects that were initially focused on Social Protection and Human Capital Development, this TC aligns with this focus area, because it will describe which tools and methods have been effective in projects already implemented that applied programs, whether labor training, skill development, employment promotion, or social assistance (whether through transfers or other mechanisms) to improve the effectiveness of future operations.
- 2.9 By establishing best practices for project execution and standardizing indicators in a way that can be monitored with administrative data, the TC will foster better results for the portfolio. Having standardized indicators in the mid-term would also make project design easier and improve comparability between projects, making it possible to identify when a project is encountering issues during implementation. Having qualitative data on best practices allows projects to better understand how to implement the theory of change to attain results.
- 2.10 **Strategic alignment.** This TC is consistent with the IDB Group's Institutional Strategy: Transformation for Greater Scale and Impact (CA-631) and is aligned with the

objectives of: (i) reducing poverty and inequality by supporting the effectiveness of social protection and labor markets projects in the region. The TC also aligns with the following areas of operational focus: (i) gender equality and inclusion of diverse groups of the population, through the analysis of how to use administrative data for monitoring projects, with a special focus on the follow up of services to women and diverse populations; (ii) institutional capacity, rule of law and citizen security, through the analysis of alternatives to strengthen administrative data in execution agencies; and (iii) social protection and human capital development, as it aims at promoting effectiveness in projects of these areas. Additionally, it is aligned with the Gender and Diversity Framework (GN2800-13), in the line of action 1: "Address gaps that arise from structural factors" through the specific action of promoting indicators that help make women and diverse groups visible throughout project execution; and line of action 3: "Measuring unequal treatment" through the improvement of G&D disaggregated data availability and quality.

- 2.11 The TC proposal aligns with the sector frameworks of social protection and labor markets by addressing critical components of project execution and effectiveness in labor markets and social protection. The Labor Sector Framework Document (GN-2741-12) is reflected in the TC's focus on identifying and promoting best practices to enhance the design, monitoring, and evaluation of employment policies, as well as its commitment to fostering inclusion and equity in labor markets. The Skills Development Sector Framework (GN-3012-3) Document is aligned through the TC's emphasis on leveraging technology and administrative data to strengthen project management and ensure interventions are evidence-based. Additionally, the TC supports the Social Protection and Poverty Sector Framework Document (GN-2784-12) by advancing the digitalization of administrative systems and promoting better monitoring of social protection outcomes, enabling more adaptive and inclusive policy responses.
- 2.12 In addition, it is aligned with priority area 5 of the OC SDP window 2 – Social Development (W2E) in accordance with the provisions of GN-2819-14, in particular with the objectives (i) to strengthen the efforts of public institutions so that they become more effective and efficient in social programming, group targeting and execution of social sector projects; (ii) support the IDB and its clients in their efforts to reduce poverty and inequality and promote social inclusion, gender equity, and diversity through projects and programs.

III. Description of activities/components and budget

- 3.1 The total cost of the TC amounts to US\$250,000 which will be financed by OC SDP Window 2 – Social Development (W2E) on a non-reimbursable basis. This TC has no local counterpart. The disbursement and execution period will be 36 months. The TC will fund the hiring of individual consultants, consulting firms, and the implementation of meetings and workshops. The activities have been organized into 2 components:
- 3.2 **Component 1: Development effectiveness tools for social protection and labor markets design.** This component seeks to design tools to enhance the effectiveness of social protection and labor markets projects. It will generate the knowledge required to enhance the operational effectiveness and development outcomes of projects in the areas of social protection and employment policies by designing tools to be used in order to strengthen the design, monitoring, and evaluation frameworks through evidence-based tools, systematic indicators and learning, and the integration of evaluability principles. The component will finance:

- 3.3 Project Preparation Deliverables: (i) set of evidence-based and standardized indicators for social protection and employment policies, to guide project designs with measurable outcomes and evaluability principles. The set of indicators will try to use administrative data as the preferred source of information and will consider disaggregation for women and diverse populations to promote the follow up of people that face greater challenges; (ii) Monitoring and Evaluation protocol for tracking indicators and mid-term evaluations; improved management tools for real-time monitoring and decision-making.
- 3.4 Project Evaluation Deliverables: (i) Analysis report of PCRs summarizing lessons learned. In the first stage, the PCRs will be reviewed to determine possible lessons learned. Then, project teams will be contacted to deepen the understanding of how projects behave in different contexts in order to produce operational knowledge to strengthen other operations.
- 3.5 To produce these outputs, the TC will fund the analysis of best practices in project execution through qualitative studies, indicator analyses, and the review of historical project outcomes to identify areas for improving the effectiveness of social protection and employment policies. Systematize lessons learned from previous experiences to guide the design and implementation of new projects. Determine how assumptions included in vertical logic happen or fail and their impact on effectiveness. This will require making assumptions visible and defining the vertical logic trees.
- 3.6 **Component 2: Development effectiveness tools for social protection and labor markets implementation.** The component seeks to support the implementations of the tools designed by component 1 to enhance the effectiveness of social protection and labor markets projects. This component will facilitate the adoption of tools and protocols to improve project management, monitoring, and evaluation. The component will finance:
- 3.7 Institutional Strengthening Deliverables: (i) Workshops and training sessions on evaluability and M&E protocol.
- 3.8 Knowledge Products: (i) Published document with PCR findings and recommendations to be used as an input for the social protection and labor markets knowledge plan to address evidence gaps.
- 3.9 This TC complements other initiatives of the Social Protection and Labor Markets Division that aim at creating similar tools for execution (start up and mid-term) and to establish knowledge gaps and define knowledge methodologies to generate operational knowledge through operations themselves.

Indicative Budget

Component	Description	IDB (W2E)	Total Funding
Component 1	Development effectiveness tools for social protection and labor markets design	200,000	200,000
Component 2	Development effectiveness tools for social protection and labor markets implementation	50,000	50,000
Total		250,000	250,000

- 3.10 **Supervision.** The TC Team Leader SCL/SPL Lead Operations Specialist will be the focal point for execution and oversight of each component. The team leader will oversee the proper development of the studies and analyses and the supervision of the activities for the achievement of the expected results. The TC will be monitored and evaluated in accordance with the Bank's applicable policies and through the Results Matrix. The annual reports and the final report shall be prepared as required by the OP-1385-4 document approved by the OPC.

IV. Executing agency and execution structure

- 4.1 The Executing Agency will be the Inter-American Development Bank (IDB), through the Social Sector, Social Protection and Labor Markets Division (SCL/SPL),, in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and in the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP 619-4). considering it aims at generating a regional perspective on the subject and that as a Research and Dissemination project it cannot be executed by a single country. The TC will also benefit from the experience of the Bank working in regional studies; its technical knowledge on social protection and labor markets; its operational experience; and its ability to hire high skill professionals. This execution arrangement is due to the regional nature of the project and the experience and capacity of the Bank in executing this type of project and its ability to hire high-level international consultancy with added value in addition to the Bank's greater options to transfer lessons learned to different countries.
- 4.2 The Bank will supervise consulting services. Ownership of intellectual property rights of products resulting from the execution of the TC belongs to the Bank. However, a license to use these products will be granted to the beneficiary governments, when applicable. In this regard, the Team Leader in charge of the administration and execution of this TC is Manuel Urquidi.
- 4.3 This TC aims to benefit countries in Latin America and the Caribbean (LAC) by improving the effectiveness of social protection and employment policies and projects executed by the Bank. This knowledge will also be disseminated with countries so it can also benefit their projects and policies even when not linked to financing from the Bank. Any advisory support to the countries that require work within their territory will require a formal request from the country, through a no-objection letter issued by the corresponding institution. No direct interventions will be carried out in the countries without receiving this letter.
- 4.4 **Procurement and financial management.** The activities to be executed under this operation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines. All knowledge products derived from this TC will be the intellectual property of the Bank, granting the corresponding license for use to the beneficiary governments of the TC.

V. Major issues

- 5.1 The team of this operation has not identified substantial risks at the level of accountability or macroeconomics. Due to its nature, the execution of this TC is not expected to result in a significant negative impact on the environment.

VI. Exceptions to Bank policy

- 6.1 None.

VII. Environmental and Social Aspects

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Results Matrix_85699.pdf](#)

[Terms of Reference_93425.pdf](#)

[Procurement Plan_17949.pdf](#)