

## TC ABSTRACT

### I. BASIC PROJECT DATA

- Country/Region: Regional
- TC Name: LAC's experience in Social Innovation Programs
- TC Number: RG-T2544
- Team Members: Team leader: Carlos Guaipatin (IFD/CTI), Claudia Suaznabar (IFD/ CTI); Liora Schwartz (IFD/CTI) and Mariela Rizo (IFD/CTI).
- Type of project: Research & Dissemination
- Date of TC Abstract: July 29, 2014
- Beneficiary (countries or entities which are the recipient of the technical assistance): LAC countries with focus on Peru, Chile, Argentina, Colombia, Bolivia, Brazil and Ecuador.
- Executing Agency and contact name: Inter-American Development Bank (IDB)
- IDB Funding Requested: US\$120,000
- Local counterpart funding, if any: No
- Disbursement period (which includes execution period): 24 months
- Required start date: November 21, 2014
- Types of consultants: Firms and individual consultants
- Prepared by Unit: IFD/CTI
- Unit of Disbursement Responsibility: IFD
- GCI-9 Sector Priority: Integration through institutional strengthening Small and vulnerable countries.

### II. OBJECTIVE AND JUSTIFICATION

- 2.1 The LAC region is starting to design programs to support Social Innovation. Countries such as Argentina, Colombia, Uruguay, Chile and Peru have already started working on Social Innovation and have shown a strong interest in receiving support from Bank's, given its experience in this area.
- 2.2 The Competitiveness and Innovation Division (CTI), through the Innovation Lab (I-Lab) has implemented social innovation programs, particularly through a series of calls for problems and solutions, using "crowdsourcing"<sup>1</sup> to identify the needs of the beneficiaries and implementing the knowledge of the universities and private sector to promote new high-impact social innovations.<sup>2</sup> Through these initiatives, CTI has gained experience in launching calls and has learned the

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<sup>1</sup> Crowdsourcing is the process by which a large group of people, through a call, participates in performing a task. This methodology has proven to be an effective working tool to identify problems and solutions.

<sup>2</sup> For examples of CTI's work in social innovation and in the use of crowdsourcing please refer to <http://www.bidinnovacion.org/en>

- importance of involving beneficiaries throughout the innovation process, while recognizing that social innovation is a key driver of development.
- 2.3 Through these initiatives, CTI has recognized the knowledge gaps that must be filled, such as how social innovations can be scaled up and the importance of developing of metrics to measure social innovation efforts and impact. CTI is currently working on closing some of these knowledge gaps through this year's ESW "Social Innovation: A private sector Approach to Foster Productivity in LAC" which aims at generating a better understanding of international experiences in the field of social innovation.
  - 2.4 Through the Technical Cooperation RG-T2348 "Social Innovation: a knowledge-based, private sector lead approach" the CTI division is supporting the region, especially Peru, Chile and Colombia, in the implementation of social innovation programs, using the experience and methodology developed through the I-LAB's work.
  - 2.5 Notwithstanding the achievements being accomplished by these two existing initiatives there are still important gaps to be filled and additional support being requested by the Region in social innovation which cannot be addressed by current operations. Given the rapidly growing interest in social innovation in the region and the Bank's increased involvement in them, it is important to generate a better understanding of how country-specific issues can affect the implementation of social innovation programs (for example: level of development, market and government failures, cultural identity, etc.) and how these specific characteristics can be included in the design of the initiatives, to thus support future initiatives with a holistic approach, seeking sustainability and scalability of interventions.
  - 2.6 Due to the above, the objective of this TC is to identify country-specific issues on social innovation to generate policy recommendations specifically designed for the reality of each particular economy. To achieve this goal, the first component of this TC will support countries given their specificities, though the implementation of a pilot program and a country study. The second component will draw lessons learned based on these experiences to develop a toolkit for the implementation of social innovation programs. The final component will promote the diffusion of the knowledge and the generation of positive externalities. This effort will enable the Bank to acquire experiences, to position itself as a leader on a growing interest topic, and to promote the exchange of know-hows.

### III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

- 3.1 **Component 1. Pilot Project and Country Case Study.** This component will finance activities to analyze current experiences and implement pilot programs (from which lessons learned can be drawn) in one country of the region on social innovation. This effort will allow the IDB to identify different elements that determine the success of a specific social innovation program and to generate the knowledge needed for the development of the second component.

- 3.2 **Component 2. Toolkit for the Implementation of Social Innovation Programs.** This component will be based on the lessons learned in the country studies of the first component. The objective of the toolkit is to guide the policymaker at the time of designing and implementing a social innovation program. It will describe the different forces in action and how they can be addressed in order to implement a successful initiative. It will include the questions policymakers should ask themselves when designing these programs and the issues they should analyze to answer them.
- 3.3 **Component 3. Diffusion and Publication of the Results and Lessons Learned.** This component will include workshops with the participation of different countries of the region and of international best practices.

#### IV. BUDGET

- 4.1 The total amount of funding needed for this TC is US\$120,000. The allocations for each component are shown in the table below:

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1	Pilot project and country case study	45,000		45,000
Component 2	Toolkit for the implementation of social innovation programs	30,000		30,000
Component 3	Diffusion and publication of the results and lessons learned	45,000		45,000

#### V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The executing agency of this technical cooperation will be the IDB. This is based on the regional nature of the initiative, as well as the Bank's ability to execute technical cooperation, contributing with time of the project team and their knowledge to identify highly qualified international consultants based on their work experience in operations in different countries of the region and the implementation of similar activities.

#### VI. PROJECT RISKS AND ISSUES

- 6.1 No significant risks are perceived given the Bank's experience in this area.

#### VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 7.1 It is not expected that this project will generate environmental and social impacts. During the process of selecting consultants environmental and gender issues will be considered. According to the above classification and safeguards the operation has been classified as a category "C".