

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Design of Public Policies for the Transportation Sector with a Focus on the Intersection and Linkage of the Private Sector
▪ TC Number:	RG-T3849
▪ Team Leader/Members:	FIORAVANTI, REINALDO DANIEL (INE/TSP) Team Leader; BALADI RODRIGUEZ, AZIZ (INE/TSP); FIGUEIREDO DE CASTRO M, ANA BEATRIZ (INE/TSP); CRUZ MORENO, PAULA (INE/TSP); CONSOLO, MARCELO ALEJANDRO (INE/TSP); MIX VIDAL, RICHARD ALEXANDER (INE/TSP); PERSAUD, CHRISTOPHER (INE/TSP); CANETE ROMERO, SHIRLEY MARGARITA (INE/TSP); MAIA RIBEIRO, KARISA (INE/TSP); MENDOZA BENAVENTE, HORACIO (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	02 Mar 2021
▪ Beneficiary:	Regional (Jamaica, Colombia, Brazil, Panama, Trinidad y Tobago)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$380,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/TSP - Transport
▪ Unit of Disbursement Responsibility:	INE/INE - Infrastructure and Energy 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:	Productivity and innovation; Environmental sustainability; Gender equality

II. Objective and Justification

- 2.1 The objective of this Technical Cooperation is to deepen the knowledge of private business models that operate in the different dimensions of the transport sector, including public passenger transport and last mile logistics, with the aim of recommending public policies and Bank interventions in the sector.
- 2.2 The dimension of the public transport will focus on buses but including an assessment of the intersection with other modes like metro systems and ride hailing services.
- 2.3 "Last mile logistics" is the term used in supply chain management to describe the last leg of a trip that includes the movement of goods from a transportation center to a final destination. The term "Urban logistics" will be used to refer to the expanded concept of last-mile logistics, including the vision of public policy, with the aim of especially managing its link with urban mobility.
- 2.3 Transportation systems are undergoing an unprecedented transformation. Shared transportation, electromobility and digital technologies promise to continue to generate disruptions in the transportation sector and may cause profound changes in several dimensions of the movement of people and goods, presenting important opportunities and challenges for the economies and societies of the region.

- 2.4 Although it is essential to continue investing in transport infrastructure, seeking to reduce the existing gaps in the region, it is necessary to explore the dimension of services as a key component of improving the quality of transport systems, including the dimension of service providers. In addition, it is key to include new paradigms of climate change, inclusion of small businesses, employment, and gender equity.
- 2.5 In this context, it is important to recognize and understand the role of the private sector. Although governments play a fundamental role in the formulation and implementation of public policies for the sector, in the face of challenges such as globalization and deregulation, the private sector also has a great influence on the policy-making process, through its asset allocation decisions and its business models and tariffs. This is reflected in the new paradigms of public transportation and freight transportation policies, among other dimensions, and to a greater or lesser degree depending on the public policy choices of governments.
- 2.6 For example, transport service providers play a key role, as they are the link between assets and consumers and as such are determinants of the quality of infrastructure and services. In addition, adapting public policies to the digital transformation of the transport sector implies a deep understanding of the different ecosystems associated with the design, construction and operation of transport structures and services.

III. Description of Activities and Outputs

- 3.1 **Component I: The Business and Future of Public Transportation.** Characterization and analysis of the public transportation industry in LAC, from a strategic, competitive, financial and management perspective. Analysis of technological, sustainability, gender, and SME aspects, deriving policy recommendations. Planned products include one technical note, one peer reviewed article, one database of operators and one policy matrix in PBL format. Prioritization of cities according to the criteria described in the implementation mechanism.
- 3.2 **Component II: The new Frontier of Last-mile Logistics.** Characterization of last mile business models, with links to the supply chain and public policies (Urban Logistics). Highlight in SME participation. Planned products include: Urban Logistics profiles (three cities), one technology platform design, one policy matrix in PBLs format and one database of companies operating in the last mile. The prioritization of the cities will be based on the criteria described in the implementation mechanism.
- 3.3 **Component III: Dissemination and Training.** The objective of this component is to develop training products linked to the results of the outputs of components 1 and 2, seeking to train public officials and Bank specialists. It includes: (i) online course for public managers focused on last mile logistics mapping; (ii) online course on supply chain mapping for SMEs; and (iii) dissemination of the products developed in components 1 and 2.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
The Business and Future of Public Transportation	US\$150,000.00	US\$0.00	US\$150,000.00
The new Frontier of Last-mile Logistics	US\$190,000.00	US\$0.00	US\$190,000.00
Dissemination and Training	US\$40,000.00	US\$0.00	US\$40,000.00
Total	US\$380,000.00	US\$0.00	US\$380,000.00

V. Executing Agency and Execution Structure

- 5.1 For terms of this Technical Cooperation, the IDB will be the agency in charge of project execution, through the Transportation Division (INE/TSP), following the Operational Guidelines for Technical Cooperation Products (GN-2629-1). The execution and disbursement period will be 24 months and the UDR will be INE/TSP. The Bank will engage the services of individual consultants and consulting firms related to this TC in accordance with existing Bank policies and procedures, such as the Policies for the Selection and Engagement of IDB-Financed Consultants (GN-2349-15 or GN-2350-15), the Policy for the Selection and Engagement of Consulting Firms for Bank-Executed Operational Work (GN-2765-1) and the Supplemental Workforce Policy (AM-650).
- 5.2 The INE/TSP Division will be responsible for the preparation and issuance of requests for expressions of interest, the preparation of short lists, the preparation and distribution of requests for proposals, the evaluation and selection of consultants in accordance with the criteria set forth in the requests for proposals, and the negotiation of the respective contracts.
- 5.3 **Prioritization Criteria:** Studies will focus on different cities/countries, with a sample from each sub-region (Caribbean, Central America, Andean, Southern Cone). For the urban transport component, the focus will be on countries with Bank operations, including Colombia, Brazil, and Jamaica/Trinidad & Tobago. For the urban logistics component, cities with industrial and logistical importance and where there is discussion of urban logistics policies will be selected. Panama City, Medellin, and Campinas are proposed. During implementation, the countries and cities may be revised as required, maintaining the same criteria.
- 5.4 The Transport Division (INE/TSP) has been established as the executing agency for this Technical Cooperation, based on the components and scopes considered in its development. On the one hand, the Bank has the technical expertise and capacity to ensure the high quality of the products and activities considered in this project and their positive impact on IDB management in the region, particularly through the Transport Division, due to the sector to be studied in this Technical Cooperation. On the other hand, the Bank's execution is justified by its management, coordination, and leadership capacity for the development of the products related to the object of this project and its development in the different countries involved in this Technical Cooperation.

VI. Project Risks and Issues

- 6.1 A risk associated with this Technical Cooperation is related to the possible non-fulfillment of the expectations of the products developed by the individual consultants or firms contracted within the different components of the project. This risk is prevented and minimized through a competitive selection process in the solicitation of bids from proven consulting firms and individuals with experience in the subject matter. The risk related to COVID-19 is low because the studies and interviews can be conducted remotely; no field visits are foreseen.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".