DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

REGIONAL

STRENGTHENING ANALYTICAL CAPACITY FOR TRADE AND PRODUCTIVE INTEGRATION IN LATIN AMERICA AND THE CARIBBEAN: A REGIONAL KNOWLEDGE AND DATA INFRASTRUCTURE PLATFORM

(RG-T5058)

PROJECT DOCUMENT

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PROJECT SUMMARY		
Operation Type:	Technical Cooperation	
Sector:	TRADE	
Subsector:	TRADE FACILITATION, TRADE LOGISTICS AND CUSTOMS	
TC Taxonomy:	Research and Dissemination	
Project Number under the Operational Support Taxonomy:	N/A	
Technical Responsible Unit:	PTI/PTI-Productivity, Trade and Innovation Sector	
Unit with Disbursement Responsibility (UDR):	PTI/PTI-Productivity, Trade and Innovation Sector	
Executing Agency:	Inter-American Development Bank	
PROJECT OBJECTIVE		
The objective of this TC is to strengthen LAC's productive integration capacity by developing a regional analytical and institutional capability framework encompassing knowledge systems, data infrastructure, and evidence frameworks that reduce information, financing, regulatory, and institutional trade costs, thereby enabling more evidence-based integration policymaking, investment preparation, and South-South learning across the region. The specific Objectives are: 1) To develop regional analytical capabilities and intelligence systems for trade flows, services trade, foreign direct investment, value chains, and productive integration, enabling evidence-based identification of integration opportunities and constraints across LAC. 2) To strengthen regional data and analytical infrastructure for trade enablers, financial integration, logistics, and digital trade ecosystems, building the capacity required to diagnose financing and regulatory trade cost constraints and support investment facilitation. 3) To develop and institutionalize evaluation frameworks, operational learning frameworks, and institutional capacity mechanisms that improve the quality, accountability, and adaptive management of trade and productive integration interventions across LAC.		
FINANCIAL INFORMATION		
Financing Type	**Fund**	**Amount in US$**
TCN - Nonreimbursable	MFR - Multi-Donor Regional Integration Fund	430,000
	Total IDB Financing	**430,000**
	Counterpart Financing	**0**
	Total Project Budget	**430,000**
Donors:	N/A	
Disbursement Period:	18 months	
Execution Period:	18 months	
ADDITIONAL FINANCIAL INFORMATION		
N/A		

I. JUSTIFICATION AND OBJECTIVE

1.1 **Diagnostic.** Latin America and the Caribbean faces significant gaps in the analytical capacity, data infrastructure, and institutional learning systems needed to support productive integration and evidence-based trade policymaking. Although the region has advanced in trade integration, governments and regional institutions still struggle to identify opportunities, diagnose constraints, and design effective interventions. These challenges reflect fragmented statistical systems, limited data availability and interoperability, insufficient analytical tools to assess trade, services, investment, value chains, trade finance, logistics, and regulatory barriers, and weak evaluation and learning mechanisms. As a result, many trade and productive development interventions are implemented without robust evidence, reducing their effectiveness and limiting the replication and scaling of successful experiences.

1.2 The proposed Technical Cooperation addresses these constraints by developing a regional analytical ecosystem that combines knowledge systems, data infrastructure, and evaluation frameworks. By strengthening analytical capacity, improving access to data and diagnostic tools, and supporting the generation and dissemination of evidence, the operation will contribute to better policymaking, stronger investment preparation, and deeper regional cooperation for productive integration across Latin America and the Caribbean.

1.3 **Request.** This Technical Cooperation responds to the Bank's interest in strengthening the analytical foundations, data infrastructure, and institutional learning mechanisms that support trade and productive integration in Latin America and the Caribbean. PTI has identified this operation as an opportunity to address persistent regional gaps in analytical capacity, evidence generation, and access to regional public goods needed for more effective trade and integration policies. Given the cross-border nature of trade, investment, logistics, trade finance, and regulatory interoperability, the proposed activities require a coordinated regional approach aligned with the Bank's mandate to promote regional integration and knowledge generation.

1.4 The operation will support the development of analytical tools, shared analytical and data resources, evaluation frameworks, and knowledge products that will benefit all borrowing member countries. Through these regional public goods, the Technical Cooperation will strengthen the evidence base available to governments, regional institutions, and operational teams, while supporting the preparation of future Bank operations and policy dialogue on trade, productive development, and regional integration.

1.5 **Objective.** The objective of this TC is to strengthen LAC's productive integration capacity by developing a regional analytical and institutional capability framework encompassing knowledge systems, data infrastructure, and evidence frameworks that reduce information, financing, regulatory, and institutional trade costs, thereby enabling more evidence-based integration policymaking, investment preparation, and South-South learning across the region. The specific Objectives are: 1) To develop regional analytical capabilities and intelligence systems for trade flows, services trade, foreign direct investment, value chains, and productive integration, enabling evidence-based identification of integration opportunities and constraints across LAC. 2) To strengthen regional data and analytical infrastructure for trade enablers, financial integration, logistics, and digital trade ecosystems, building the capacity required to diagnose financing and regulatory trade cost constraints and support investment facilitation. 3) To develop and institutionalize evaluation frameworks, operational learning frameworks, and institutional capacity mechanisms that improve the quality, accountability, and adaptive management of trade and productive integration interventions across LAC.

1.6 **Complementarity.** This Technical Cooperation complements the Bank's analytical and operational agenda on trade, regional integration, productive development, trade facilitation, and institutional strengthening. It builds on IDB knowledge platforms, including the Trade and Integration Monitor and ongoing work on trade finance, value chains, and productive integration. The operation will provide analytical tools, data infrastructure, and evaluation frameworks that strengthen the evidence base for policy dialogue and the preparation of future Bank operations. It is aligned with IDB Group Institutional Strategy priorities on regional integration and productive development and will contribute regional public goods that strengthen institutional capacity across borrowing member countries.

1.7 **Strategic Alignment.** The proposed Technical Cooperation is aligned with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631), particularly the priorities of regional integration and productive development and innovation through the private sector. It addresses persistent regional gaps in analytical capacity, data infrastructure, institutional learning, and evidence generation that constrain countries' ability to identify integration opportunities, reduce trade costs, strengthen productive linkages, and design effective trade and development policies.

1.8 The operation is also consistent with the Bank's Integration and Trade Sector Framework Document (GN-2715-11), which emphasizes the reduction of information, regulatory, logistics, and financing costs as critical enablers of deeper regional and global integration. Through regional analytical and data resources, evaluation frameworks, and knowledge products, the operation will generate regional public goods that strengthen the evidence base for policy dialogue, investment preparation, and future operational activities.

1.9 The operation is closely aligned with the objectives of the Multi-Donor Regional Integration Fund (MFR), whose mandate is to deepen productive integration in Latin America and the Caribbean by strengthening trade policy, trade facilitation, regulatory coordination, institutional capacity, and South-South cooperation. It contributes directly to Priority Area I through analytical work on regulatory interoperability, trade facilitation, logistics, trade finance, and policy convergence; to Priority Area II by developing systematic and results-oriented analytical and institutional capacities for trade and integration policymaking; and to Priority Area III by generating the analytical foundations, diagnostic tools, and evidence needed to support future investment preparation and integration-related operations. The Technical Cooperation also advances the Fund's emphasis on South-South cooperation through the development of regional analytical products, knowledge exchange activities, and mechanisms for sharing good practices across countries. As a regional operation, it supports multiple borrowing member countries and contributes to the Fund's objective of strengthening regional integration through improved analytical capabilities, institutional capacity, and evidence-based policymaking.

II. COMPONENTS

2.1 **Components.** The Technical Cooperation will be implemented through three mutually reinforcing components. Together, the components will develop regional analytical capabilities, strengthen data and diagnostic capabilities, and enhance evaluation and institutional learning systems that contribute to more effective trade, integration, and productive development policies.

2.2 **Component I.** Trade, Services, Investment, and Productive Integration Intelligence (US$160,000). The objective of this component is to strengthen regional analytical capabilities and intelligence systems that support evidence-based policymaking in trade, services, foreign direct investment, value chains, and productive integration. Activities will include trade and value chain analysis, development of analytical tools and observatories, integration of regional datasets, access to specialized trade and economic databases, AI-enabled analytical processing, preparation of policy-oriented analytical products, and regional knowledge dissemination. Activities will be implemented by PTI through the contracting of specialized individual consultants and consulting firms, as applicable, throughout the execution period. Procurement activities will include the contracting of consulting services, access to specialized trade and economic datasets, analytical software solutions, and related technical services required to support trade and value chain diagnostics, analytical products, observatories, and regional data integration activities. Expected outputs include regional analytical studies, policy briefs, analytical tools and observatories, integrated datasets, and regional knowledge-sharing activities that support the identification of integration opportunities and constraints across the region.

2.3 **Component II**. Trade Enablers, Regulatory Interoperability, and Regional Data Infrastructure (US$130,000). The objective of this component is to strengthen the analytical and data resources required to better understand and address the regulatory, logistical, financial, and institutional factors that affect productive integration. Activities will include diagnostics of trade-enabling ecosystems, analysis of non-tariff barriers and regulatory frictions, analytical work on trade finance and productive integration constraints, AI-assisted classification and synthesis of regulatory information, and the development of pilot data integration and interoperability tools and methodologies[1]. Activities will be implemented by PTI through the contracting of specialized individual consultants, consulting firms, and other technical service providers, as applicable, throughout the execution period. Procurement activities will include consulting services, access to specialized datasets, analytical software solutions, and technical necessary to support diagnostics, regulatory analysis, interoperability assessments, and pilot data integration initiatives envisaged under this component. Expected outputs include regional diagnostics, analytical frameworks, interoperability methodologies, pilot data integration initiatives, and analytical resources that support trade facilitation, regulatory convergence, and regional integration efforts.

[1] Specific countries participating in pilot data integration and interoperability initiatives have not yet been identified. Their selection will be determined during implementation based on technical criteria, operational feasibility, and country interest, in coordination with relevant stakeholders.

2.4 **Component III**. Evaluation, Operational Learning, and Institutional Capacity (US$140,000). The objective of this component is to strengthen evaluation capacity, evidence generation, and institutional learning mechanisms that improve the effectiveness of trade and productive development interventions. Activities will include the development of evaluation methodologies, integrated evidence frameworks, AI-assisted evidence synthesis and meta-analysis, mixed-method analytical tools, methodological guidance, and regional capacity-building materials. The component will be implemented by PTI through the contracting of evaluation specialists, individual consultants, consulting firms, and other technical experts, as applicable. Procurement activities will include the recruitment of consulting services, evaluation services, analytical software solutions, and related technical services necessary to support evidence generation, AI-assisted evidence synthesis, operational learning activities, and the development of evaluation frameworks and methodological tools envisaged under this component. Expected outputs include evaluation frameworks, operational learning systems, methodological products, integrated evidence tools, and capacity-building resources designed to strengthen institutional learning and support the design and implementation of future trade and integration interventions across the region.

2.5 **Expected Results**. It is expected that the operation will result in the development of regional analytical tools and integrated datasets for trade and productive integration analysis; the production of regional diagnostics and methodological frameworks on trade enablers, regulatory interoperability, and investment facilitation; and the establishment of evaluation and operational learning resources that can be used by governments, regional institutions, and the IDB to support future trade, productive development, and regional integration operations.

2.6 **Beneficiaries.** The beneficiaries of this Technical Cooperation are all IDB borrowing member countries in Latin America and the Caribbean, including government agencies, regional integration institutions, and other public stakeholders that will utilize the analytical tools, data resources, knowledge products, and institutional learning mechanisms developed under the operation.

III. BUDGET

3.1 **Budget.** The total estimated cost of the Technical Cooperation is US$430,000 and will be financed entirely by the Multi-Donor Regional Integration Fund (MFR). There is no counterpart financing associated with this operation.

Components	**MFR (US$)**	**Total (US$)**
Component 1. Trade, Services, Investment, and Productive Integration Intelligence	160,000	160,000
Component 2. Trade Enablers, Regulatory Interoperability, and Regional Data Infrastructure	130,000	130,000

Component 3. Evaluation, Operational Learning, and Institutional Capacity	140,000	140,000
Total	**430,000**	**430,000**

IV. EXECUTION STRUCTURE

4.1 **The IDB as Executing Agency for RD TC**[2]. The TC will be executed by the Inter-American Development Bank (IDB), in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), through the Productivity, Trade, and Innovation Sector (PTI/PTI). The specialist in charge is Roberto Duran Fernandez, Sector Lead Specialist (PTI/PTI).

4.2 **Procurement.** All procurement to be executed under this Technical Cooperation 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. Procurement under the TC may also include subscription-based access to specialized trade and economic databases, analytical software solutions, geospatial data services, data processing tools, and cloud-based AI analytical processing services, as well as other technical inputs directly supporting the analytical outputs of the operation. Such acquisitions will be procured in accordance with the applicable Bank policies and procedures for Bank-executed Technical Cooperations and will not include hardware or general-purpose administrative software.

4.3 **Execution and Disbursement Period.** The execution and disbursement period estimated for the project is 18 months.

4.4 **Monitoring, Reporting, and Supervision.** The Productivity, Trade and Innovation Sector (PTI/PTI) will be responsible for the execution and supervision of the Technical Cooperation under the coordination of Roberto Duran Fernandez, Sector Lead Specialist (PTI/PTI).The Bank, as the executing agency, will submit annual progress reports in the corresponding system, as well as a final project report. These reports will include, among other aspects, a description of the progress achieved, the results obtained, the status of implementation of the planned activities, the difficulties encountered, and suggestions for adjustments for the remaining implementation period.

[2] It is the responsibility of the Project Team Leader to obtain non-objection letters from the corresponding official liaison entities if any country-specific interventions or on-the-ground activities are anticipated during the execution of the TC, prior to the commencement of any activities in the respective country.

V. POTENTIAL RISKS

5.1 The principal risks affecting the implementation of this Technical Cooperation relate to: (i) delays or restrictions in access to regional datasets and administrative information required for analytical work; (ii) coordination challenges among multiple countries, regional institutions, and technical counterparts; (iii) limited adoption of analytical products and methodologies by beneficiary institutions; (iv) differences in technical capacity across participating countries that may affect the use and uptake of project outputs; and (v) procurement or compliance constraints associated with specialized databases, software, and analytical services. These risks could affect the timeliness, scope, and quality of project outputs. To mitigate them, the operation will be executed directly by the Bank, enabling centralized coordination, fiduciary oversight, and adaptive implementation management. Activities will be implemented through a modular and phased approach, supported by early stakeholder engagement, the use of alternative data sources and analytical solutions when necessary, and a strong emphasis on capacity building, policy-oriented dissemination, and South-South knowledge exchange to promote institutional uptake and sustainability of results.

5.2 **Intellectual Property.** All knowledge products generated under this TC (including any platform, tool, or material developed) will be the intellectual property of the IDB and may be made publicly available under a Creative Commons license. The IDB will retain ownership of all products to ensure consistency and alignment with its financing objectives. However, at the request of a beneficiary, and in accordance with the provisions of AM-331, the intellectual property of such products may also be licensed to one or more beneficiaries through specific contractual agreements to be prepared with the advice of the Legal Department.

VI. EXCEPTIONS TO BANK POLICIES

6.1 No exceptions to the Bank’s policies were identified.

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:

- Annex II: Results Matrix
- Annex III: Terms of Reference
- Annex IV: Procurement Plan