

TC Document

I. Basic Information for TC

▪ Country/Region:	BRAZIL
▪ TC Name:	Strengthening the operational agenda with states, municipalities and local development banks.
▪ TC Number:	BR-T1662
▪ Team Leader/Members:	Gouvea Gomes, Livia (SCL/SPL) Team Leader; Gonzalez Herrera, Beatriz Maria (SCL/SPL); Rivera Herrera Sergio Andres (SCL/LMK); Angeles Aguilar Niwin Monserrat (SCL/SPL); Ramos De Alvarado, Paola Michelle (SCL/SPL); Rachter De Sousa Dias, Laisa (SCL/GDI); Hellman Carolina Franco (SCL/SPL); Goncalves Dos Santos, Carolina (LEG/SGO) Rachter De Sousa Dias, Laisa (SCL/GDI); Hellman Carolina Franco (SCL/SPL); Goncalves Dos Santos, Carolina (LEG/SGO) Rachter De Sousa Dias, Laisa (SCL/GDI); Hellman Carolina Franco (SCL/SPL); Goncalves Dos Santos, Carolina (LEG/SGO); Rachter, Laisa (SCL/GDI).
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	
▪ Date of TC Abstract authorization:	01 Apr 2025.
▪ Beneficiary:	Federative Republic of Brazil, including federal and local governments, through the Secretariat for Qualification, Employment, and Income of the Ministry of Labor and Employment.
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	August 1
▪ Types of consultants:	Firms & Individual Consultants
▪ 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 inclusion and equality; Afro-descendants; Persons with Disabilities; Gender equality; Diversity; Gender equality and inclusion of diverse population groups; Targets poor populations; Supports sustainable economic growth

II. Objectives and Justification of the TC

- 2.1 The objective of this cooperation is to support actions in the labor market, productive inclusion, social protection and in the pension system in Brazil, prioritizing three fronts: (i) support in structuring project scopes together with federal and local governments, aligned with the strategic priorities of these governments and those of the IDB; (ii)

design of action strategies with local development banks, considering the themes of labor market and social protection.

- 2.2 Brazil is a country of continental dimensions with a labor force of over 100 million people, marked by regional diversity and a significant informal sector. Despite notable progress in poverty reduction and social inclusion, structural challenges persist. Approximately 38% of the workforce remains in informal employment (PNAD, IBGE), which equates to tens of millions of workers outside formal labor protections and social security coverage. This segment represents enormous potential: if provided with the tools and support to transition into better quality, more secure jobs, they could significantly contribute to inclusive economic growth. Income transfer programs reach millions of households and play a key role in reducing poverty and vulnerability. However, despite their extensive coverage, these programs are often implemented in isolation from complementary services such as job training and labor intermediation, limiting their transformative impact. Policy fragmentation and capacity gaps across different levels of government also pose implementation challenges that require coordinated and adaptive responses.
- 2.3 In addition, another relevant area of action concerns the strengthening of care-related policies. This agenda encompasses both those who require care – including young children, older adults, and persons with disabilities – and those who provide it, many of whom are women engaged in unpaid caregiving within their families. This dynamic affects women's participation in the labor force, limiting their opportunities for education, income generation, and economic autonomy. In Brazil, according to the IBGE, black women spend more time on domestic and care tasks, participate less in the labor market, and are more affected by poverty compared to other demographic groups¹. The expansion of comprehensive and sustainable care systems can enhance social well-being, reduce gender disparities, and support productive inclusion by enabling caregivers to engage more fully in economic and social life.
- 2.4 **Strategic alignment.** This TC aligns with the IDB Group's Institutional Strategy 2024-2030 'Transformation for Scale and Impact' (CA-631), particularly its objective to reduce poverty and inequality through inclusive development, and with the aim of boosting sustainable growth, as many of the labor policies aim to increase productivity. It also aligns with the focus area: (i) the Gender Equality and Inclusion of Diverse Population Groups. It supports the Social Protection and Poverty Sector Framework Document (GN-2784-12), especially in the promotion of care services and integrated safety nets, and the Labor Markets Sector Framework Document (GN-2741-12), especially in action line 2: multisectoral approaches to increase productivity growth and ensure that gains are shared equitably. The TC also aligns with the IDB Group Strategy with Brazil 2024–2027 (GN-3243-3), under Strategic Pillar 3: "Advancing a new social agenda for a prosperous and inclusive country," contributing to the strategic objective of supporting protection and care policies for women and diverse populations, including the professionalization of the care workforce. Finally, the TC is aligned with the BID Cuida strategy, focused on expanding care services and infrastructure to improve the lives of children, the elderly and people with disabilities, while creating jobs and accelerating economic growth in Latin America and the

¹ IBGE, 2023: <https://agenciadenoticias.ibge.gov.br/agencia-noticias/2012-agencia-de-noticias/noticias/39358>.

Caribbean. This TC is aligned with the Strategic Program for the Development Financed with Ordinary Capital (OC-SDP) (GN-2819-14), specifically with Window 2 (W2E) - Priority Area 5 on Inclusive Social Development by contributing to addressing social exclusion and low productivity by supporting: (i) access to quality employment and social protection services; (ii) investment in human capital and care systems; and (iii) gender and racial equity in labor market participation.

III. Description of activities/components and budget

- 3.1 Component 1: Diagnosis and Structuring of Projects with Governments and Development Banks (US\$90,000)** - This component will finance consultants to develop studies and action plans to enhance the capacity of public managers in designing high-quality projects aligned with the strategic priorities of the IDB and local authorities. It will support improved project planning and robust proposal development through technical assistance. The technical studies will address key topics such as social protection, labor markets, and care policies, with a focus on identifying policy gaps and opportunities. In addition, the component will support targeted diagnostic studies to identify specific labor market and care challenges faced by women, black populations, and/or and persons with disabilities; and proposals to incorporate inclusive measures in public programs and policies. Activities will be coordinated closely with governments to ensure relevance and applicability. The project team will work with multiple governments, selected based on criteria such as institutional capacity, strategic alignment, and demonstrated commitment to social protection and labor market agendas. Expected results: Technical notes, technical presentations, and a report on barriers to productive inclusion for women, black populations, and/or persons with disabilities, reaching at least 3 subnational governments with tailored diagnostic inputs.
- 3.2 Component 2: Capacity Building and Institutional Strengthening (US\$60,000)** This component will finance the hiring of consultants to conduct capacity-building activities and experience exchanges aimed at strengthening the technical and institutional capacity of Brazilian policymakers. Activities include targeted technical assistance, in-person and virtual training, and international exchanges. Engagements with stakeholders and specialists will foster collaborative solutions. Stakeholders and specialists will be identified based on the themes addressed (e.g., labor intermediation, care policies, social protection) and may include local government officials, representatives from local development banks, civil society organizations, and academic or technical experts. Expected results: Policy briefs, policy dialogue events involving various levels of government and partner institutions, and technical presentations summarizing the key findings and recommendations from the trainings and activities conducted with participation of public officials across levels of government.
- 3.3 Component III: Strategic Knowledge Dissemination (US\$50,000).** This component will support consultants to develop studies, policy briefs, and deliver presentations and workshops. Its purpose is to consolidate and disseminate the knowledge generated in the previous components, aiming to inform policy and enhance institutional capacities. Activities will produce comprehensive reports with analysis and recommendations, helping the identification of opportunities for potential large-scale projects that can generate meaningful and positive impacts. Expected Results: Workshops and

presentations aimed at disseminating the knowledge generated to a broader audience of policymakers.

- 3.4 This Technical Cooperation (TC) will provide US\$200,000 in non-reimbursable funding from Window 2, Priority Area 5: Inclusive Social Development (W2E) of the Strategic Development Program financed with Ordinary Capital (OC-SDP), to be executed over 36 months. This TC has been structured into three components, described below:

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Total Funding
Component I	Diagnosis and Structuring of Projects with Governments and Development Banks	US\$90,000.00	US\$90,000.00
Component II	Capacity Building and Institutional Strengthening	US\$60,000.00	US\$60,000.00
Component III	Strategic Knowledge Dissemination	US\$50,000.00	US\$50,000.00
Total		US\$200,000.00	US\$200,000.00

IV. Executing agency and execution structure

- 4.1 The Inter-American Development Bank (IDB), through the Social Protection and Labor Markets Division (SCL/SPL), will serve as the executing agency for this TC, following the request by the Government of Brazil through the Ministry of Labor and Employment (MTE). This arrangement is justified by the added value of centralized execution through the Bank, which brings technical expertise, cross-sectoral coordination, and efficiency in the implementation of multi-stakeholder activities. This arrangement ensures technical consistency, efficient execution, and alignment with the Bank's strategic priorities and operational policies. Implementation will follow the IDB's Technical Cooperation procedures (OP-619-4). The IDB will supervise progress through the TC team leader in coordination with the Disbursement Responsibility Unit based in Brasília. The IDB will maintain close dialogue with government counterparts throughout all execution stages. Execution will be carried out in close coordination with the IDB's Gender and Diversity Division (SCL/GDI), leveraging opportunities for cross-sectoral collaboration, with particular attention to gender and diversity considerations.

- 4.2 **Procurement.** 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.
- 4.3 **Intellectual Property.** The knowledge products generated under this TC will remain the property of the Bank and may be made publicly available under a Creative Commons license. However, at the request of the beneficiary, the intellectual property rights for these products may be transferred or licensed to the beneficiary.

V. Major issues

- 5.1 This Technical Cooperation may face several key risks related to institutional coordination, implementation capacity, and political continuity. The integration of social protection and labor market policies demands coordination among multiple levels of government, including federal, state, and municipal entities. In some instances, subnational governments may lack dedicated units or experienced personnel to implement complex policy initiatives, which could hamper timely and effective execution. Furthermore, institutional fragmentation between agencies responsible for social protection and those overseeing labor policies may create inefficiencies and delays in decision-making processes. Another risk pertains to political and administrative transitions that may occur at national and subnational levels during the life cycle of the TC. Such changes may alter strategic priorities or reduce commitment to ongoing programs, thereby limiting the continuity and long-term impact of interventions supported by the TC. To mitigate these risks, the TC will prioritize collaboration with subnational governments and institutions that demonstrate strong institutional frameworks and alignment with the TC's objectives. Rather than excluding contexts with weaker institutional capacity, the TC will identify such gaps through Component 1 and address them through targeted capacity-building efforts under Component 2. It will also promote the formation of inter-agency working groups to improve coordination and maintain engagement with long-standing technical staff to ensure institutional memory and the continuity of implementation efforts, even amid political shifts.

VI. Exceptions to Bank policy

- 6.1 No exceptions to Bank policies are anticipated.

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:

[Request from the Client_56473.pdf](#)

[Results Matrix_9965.pdf](#)

[Terms of Reference_21900.pdf](#)

[Procurement Plan_354.pdf](#)