TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Capacity Building to Promote Broadband Access, Adoption and Usage in LAC
▪ TC Number:	RG-T2470
▪ Team Leader/Members:	Joaquim Tres (INT/INT, Team Leader), Felix Gonzalez (IFD/ICS, alternate Team Leader), Matthew Shearer, Alvaro Garcia, Peggy Tsukakoshi, Silvia Leal (all from INT), Enrique Iglesias (IfD/ICS)
▪ Indicate if: OS, CS, or R&D.	Research & Development (R&D)
▪ Date of TC Abstract:	March 10, 2014
▪ Beneficiary:	All IDB borrowing member countries
▪ Executing Agency and contact name	Inter-American Development Bank
▪ IDB Funding Requested:	US$250,000 (Broadband Special Program)
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	24 months (18 months execution period)
▪ Required start date:	April 1, 2014
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	INT/INT
▪ Unit of Disbursement Responsibility:	INT/INT
▪ Included in Country Strategy (y/n); ▪ TC included in CPD (y/n):	N/A N/A
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration; Institutions for Growth and Social Welfare

II. Objective and Justification

2.1 The Inter-American Development Bank (IDB) Report on the Ninth General Capital Increase of Resources (AB-2764) (GCI-9) establishes that supporting global and regional integration is one of the Bank's five institutional strategic priorities, and proposes to increase lending to support regional cooperation and integration to 15 percent of the Bank's lending by the end of 2015. Capacity-building is one of the non-financial instruments recommended in the new instrument compact of the Bank's Sector Strategy to Support Global and Regional Integration (GN-2565-4) (the Integration Strategy), and its corresponding Action Plan (GN-2653).

2.2 There is evidence that the acceleration of broadband penetration, adoption and effective use brings clear social inclusion and economic benefits. In particular, it is estimated that increases of 10% in broadband penetration in Latin American and Caribbean (LAC) countries, on average, have associated increases of 3.19% in GDP, 2.61% in productivity and a net generation of more than 67,000 jobs[1]. Additionally, according to a study by Arthur D. Little and Ericsson, 1% increase in broadband penetration can bring 4.3% increase in exports. Unfortunately, the LAC region is lagging behind other regions with regards to broadband penetration and usage. Whereas broadband penetration for OECD countries averages more than 75%, for IDB countries it is barely 18%.

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[1] García-Zaballos, A. / López-Rivas, R.: Governmental control on socio-economic impact of broadband in LAC countries. IDB, 2012.

2.3 The Integration Strategy states that broadband access has profound implications for the achievement of the MDGs and for enhancing business productivity and global integration. In addition, the Bank's Institutions for Growth and Social Welfare Strategy (GN-2587-2) identifies improving innovation and productivity as a major area where the Bank can help the region overcome the challenges that hinder growth and social welfare. The IDB works towards strengthening institutions and has specifically recognized the need to improve policies and governmental action in the information technology and communications (ICT) sector (§5.21). Consistent with the Strategy, the Bank has been working in the design and implementation of a Broadband Platform to accelerate the penetration rate and usage of broadband services in LAC. Under the Broadband Initiative led by the Competitiveness and Innovation Division (IFD/CTI), the Bank offers operational instruments and knowledge products to support its clients with the purpose of accelerating broadband access and promoting broadband use through: (i) public policies that promote the implementation of broadband development plans and digitalization strategies; (ii) strategic regulations; (iii) infrastructure and (iv) human capital in the public and private sectors.

2.4 In 2011, the IDB launched its Bank-wide Capacity Building Program on Integration, a comprehensive effort with the objective of creating and sustaining long-term and multi-sector critical mass of national expertise on regional and global integration that includes high-level executive training, short-term policy advisory services, and support to project identification, design, monitoring and evaluation. To date, the Capacity Building Program has delivered face-to-face and mainly online tutored courses on topics ranging from Trade Facilitation, Security and Customs, Trade Policy and Implementation of Trade Agreements, Export Promotion and Investment Attraction and Physical Integration, including broadband, to 1,200 public officials and private sector stakeholders in LAC that have been certified by KNL/INDES.

2.5 The objective of the project is to strengthen LAC countries institutional capacity regarding ICTs. The specific objective of the project is to design and deliver online tutored courses on broadband access, adoption and usage in the framework of the Physical Integration pillar of the abovementioned Capacity Building Program on Integration and the fourth pillar of the Broadband Initiative related to human capital.

III. **Description of activities and outputs**

3.1 Project activities will include the development of content and the delivery of capacity building to promote broadband access, adoption and use in LAC to both private and public sector stakeholders, including those involved in regional infrastructure platforms such as the Initiative for the Integration of Regional Infrastructure (IIRSA), Proyecto Mesoamerica (PM), and in the Caribbean. The actual target audience will consist of technical and executive level professionals from key national and regional organizations for the implementation of broadband policy and investments. This project consists of two components:

3.2 **Component 1: Developing content on broadband**. This component consists of developing or updating content for online tutored courses following KNL/INDES proven pedagogical approaches used by the Capacity Building Program on Integration to promote broadband access and use in LAC based on applied research on the costs and benefits of the development of the telecommunications sector and the adoption of ICTs, and from evaluations from the courses carried out under the Capacity Building Program on Integration.

The courses will also pay special attention to the development of applications that can be leveraged once the broadband capabilities are deployed and that will foster the economic development and social inclusion through improved education, health services, financial services, e-commerce or government. Similarly, courses designed to train tutors on broadband access and use will be developed as needed and will be a further contribution to strengthen the region's capacity. These courses will be a complement to the ones developed in the regional technical cooperations RG-T2271 and RG-T2363 "Establishment of the ICT Technical Center", since the content of the new courses created will have a an exclusive focus on applications.

3.3 This project will support the content development following the lessons learned and evaluation carried out after the pilot course on broadband, part of the Capacity Building Program on Integration.

3.4 **Component 2: Delivering online tutored courses on broadband.** This component consists of delivering online tutored courses to government officials and private sector stakeholders to promote broadband access and use in LAC. The courses will be delivered in the modality of either regional or national courses. The regional online training courses are organized in modules, each equivalent to one tuition week that involves a commitment of 12-15 hours per participant. National courses will be scheduled upon specific institutional demands. Each tutored, collaborative and interactive course will be imparted between six and nine weeks. Participants' knowledge will be evaluated through a training platform and assessed by trainers/facilitators at the beginning and at the end of the course to measure knowledge acquisition.

3.5 The Online tutored courses offered will consist of 6 to 8 modules (number of pages ranging from 20 to 40 per module), each lasting one tuition week requiring between 12-15 hours of study by participants in learning groups of a maximum of 40 participants. To pass the course, participants need to read the course material, complete the exercises, actively participate in the online training forums and satisfactorily complete a final test. Since all participants will be professionals from public sector and relevant private sector entities, after module 3 and the last module there will be two catch up weeks respectively.

IV. Budget

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1	**Developing or updating content on broadband**	**$83,500,**		**$83,500**
	1 new course developed	$61,500		$61,500
	1 Translation	$22,000		$22,000
Component 2	**Delivering online tutored courses on broadband**	**$160,000**		**$160,000**
	4 courses delivered	$160,000		$160,000
Contingencies		**$6,500**		**$6,500**
Total		**$250,000**	**N/A**	**$250,000**

V. Executing agency and execution structure

5.1 The Bank will be the executing agency for this project through the Integration and Trade Sector (INT/INT) – the host of the Bank's Capacity Building Program on Integration– in coordination with the Competitiveness and Innovation Division (IFD/CTI) for the provision

of technical expertise on broadband. INT/INT with KNL/INDES with support from external contractors that are already executing the Program will operate as executing units according to their respective capacities and experience. Two main reasons justify the execution of this project by the Bank: (i) this is a regional project that involves the coordination of public sector (and relevant private sector) participants from countries across the region, and the Bank is ideally situated to serve as a regional coordinator, and (ii) the project seeks consistency with the Bank's GCI-9 priorities and operational program, and Bank specialists are in the best position.

VI. Project Risks and issues

6.1 The main risk foreseen for this project would be that the capacity building provided to participants would not be applied by individuals who have been trained, either by omission, or by the individuals leaving the organization for which they were originally trained. To mitigate this risk, this project will promote the design and implementation of online training courses in areas where the Bank is implementing or will be implementing broadband projects to strengthen participants' capacities for better project execution and reforms and also provide them with the competences to transfer and share their knowledge and experiences with other professionals in their institutions.

VII. Environmental and Social Classification

7.1 This operation entails no environmental and social risks, as it is dealing with the organization and delivery of capacity-building activities. This TC is expected to be classified as category "C" in the Safeguard Policy Filter Report and Safeguard Screening Forms.