

## Draft TC ABSTRACT

### I. Basic project data

▪ Country/Region:	RG
▪ TC Name:	Building a Labor and Social Security Information System for Evidence-based Policy Design
▪ TC Number:	RG-T2477
▪ Team Leader/Members:	Veronica Alaimo, team leader (SCL/LMK); Mariano Bosch (SCL/LMK); Ethel Muhlstein (SCL/LMK); and Diego Valenzuela (LEG/SGO).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	R&D
▪ Reference to Request <sup>1</sup> : (IDB docs #)	Not applicable.
▪ Date of TC Abstract:	03/25/2014
▪ Beneficiary:	Ministries of Labor, Social Security Agencies in the region
▪ Executing Agency and contact name	Social Sector, Labor Markets and Social Security Unit (SCL/LMK), Inter-American Development Bank. Verónica Alaimo (valaimo@iadb.org).
▪ IDB Funding Requested:	\$400,000 (ORC/SOF).
▪ Local counterpart funding, if any:	--
▪ Disbursement period (which includes execution period):	24 months/30 months
▪ Required start date:	08/01/2014
▪ Types of consultants:	Individual consultants and firms
▪ Prepared by Unit:	SCL/LMK
▪ Unit of Disbursement Responsibility:	SCL/LMK
▪ Included in Country Strategy (y/n);	No
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Social Policy for Equity and Productivity – Labor Markets

### II. Objective and Justification

- 2.1 The overall goal of this technical cooperation (TC) will be to contribute to an ongoing LMK effort known as the “Labor markets and Social security Information System” (SIMS, for its acronym in Spanish). SIMS aims at positioning the Bank as a key reference for the sector in the region and strengthening country dialogue, origination, and monitoring and evaluation strategies. The specific objective is the creation of an information system in the form of databases that consolidate and centralize quantitative and qualitative information on the various aspects of public policies involving labor markets and social security in the countries of the region,

<sup>1</sup> A copy of the Letter of Request, Programming/Portfolio Review Mission Aide Memoire or Report requesting the TC should be submitted with the Abstract.

providing for each country and finished a complete view of the sector and actions that the State conducts to act on it, and at the same time facilitates comparisons between countries.

- 2.2 The lack of reliable and timely information to make informed policy decisions is a recurrent problem in most Latin American and Caribbean (LAC) countries; and this challenge is particularly important in our sector, as Ministries of Labor are among the weakest agencies of the Executive branches of Government. It becomes evident the need to generate and promote the use of comparable information to identify bottlenecks and quantify gaps (human resources, physical and financial, and management capacity of these resources in coverage).
- 2.3 Other institutions such as the International Labor Organization (ILO), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Organization for Economic Cooperation and Development (OECD) have different databases with labor indicators and / or social security policies aimed at these sectors. However, none of the surveyed information systems contains comprehensive and timely information to match the requirements of our clients as well as IDB needs.
- 2.4 The Ninth Capital Increase in the resources of the IDB (GCI-9) was put in place to meet the needs of its member countries, to strengthen its position and fulfill its mission to reduce poverty and inequality and bring sustainable development to Latin America and the Caribbean. This objective frames, among others, increasing the performance of the labor markets. LAC countries need initiatives that contribute to increase the performance of labor markets by increasing the capacity to create better paid and more productive jobs, and to increase social security coverage in a sustainable way.

### III. Description of activities and outputs

- 3.1 A complete information system is not only based on statistical information generated through the processing of surveys, but also from administrative data and a systematic analysis of programs, laws and regulations, along with the institutional arrangements on how policies and programs are designed and executed. Therefore, the proposed activities combine different methodological approaches depending on the type of information to be obtained.
  - a. **Technology Platform:** design and implementation of a platform that will present the information in a way that can be easily accessed by internal and external clients. This activity will be based on an existing review of other IDB platforms such as LAC Macro-watch, Sociometro, INTrade and Moving Data. It will also consider other platforms such as ILOSTAT, LABORSTA, among others.
  - b. **Consolidation of SIMS indicators:** systematization of information by modules: Labor Markets and SS indicators, updating existing indicator with new household surveys and generating innovative indicators that characterize the region from new perspectives (i.e. youth unemployment rate by income deciles). Regulations: institutional framework and norms, firing costs and labor taxes. Characterization of labor and social security programs, including pensions indicators from Pensions at a glance (PAG) forthcoming publication, Public Employment Services (PES) indicators, and other labor policies such as training programs for youth, training programs for the unemployed, wage subsidies, unemployment insurance, etc. Fiscal indicators. Understating how and how much

countries spend and finance the labor and social security policies and programs is crucial to a complete diagnostic of the sector and to make plausible policy recommendations.

- c. **Dissemination strategy:** the information produced will be presented in an innovative way, using new ways to group indicators (by education level, by income deciles, among others) and creating country rankings to appeal to a broader audience of policy makers, country technical analysts, and the general public.

**IV. Budget**

- 4.1 The estimated budget for 20014-2016 is \$400,000.

**Indicative Budget**

Activity/Component	Description	IDB/Fund Funding (ORC/SOF)	Counterpart Funding	Total Funding
Technology Platform	Firms or individual consultants	60,000	0	60,000
Consolidation of SIMS indicators	Firms or individual consultants	280,000	0	280,000
Dissemination strategy	Individual consultant, design services, printing services	60,000	0	60,000
Total		400,000	0	400,000

**V. Executing agency and execution structure**

- 5.1 LMK will execute this technical cooperation, given the regional nature of the cooperation and the expected output, a regional event.

**VI. Project Risks and issues**

- 6.1 Since the project involves presenting statistics of country and government performance, it will be particularly important to validate data and provide a clear methodology on how each indicator is constructed, to assure transparency and consistency. The information will be published, in accordance with Access to Information Policy GN-1831-28 and Implementation Guidelines GN-1831-33.

**VII. Environmental and Social Classification**

- 7.1 There are no expected negative social and environmental impacts and this project received classification C. See safeguard reports at [38704173](#).