

## TC Document

### I. TC Basic Information

▪ Country/Region:	REGIONAL
▪ TC Name:	Promoting an inclusive digital transformation of labor market institutions in the region
▪ TC Number:	RG-T4480
▪ Team Leader/Members:	Urquidi Zijderveld, Manuel Enrique (SCL/LMK) Team Leader; Cruz Aguayo, Yyannu (SCL/LMK) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Rivera Herrera Sergio Andres (SCL/LMK); Alaimo, Veronica (SCL/LMK); Bonilla Merino Arturo Francisco (LEG/SGO); Guzman Navarro Laura (SCL/LMK); Rocabado Apuri Tatiana Lizett (SCL/GDI); Ferrin Gaston (SCL/LMK); Libertad Siccha (SCL/LMK); Gonzalez Herrera, Beatriz Maria (SCL/LMK) Apuri Tatiana Lizett (SCL/GDI); Ferrin Gaston (SCL/LMK); Libertad Siccha (SCL/LMK); Gonzalez Herrera, Beatriz Maria (SCL/LMK) Apuri Tatiana Lizett (SCL/GDI)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A .
▪ Date of TC Abstract authorization:	.27 of March 2024
▪ Beneficiary:	Republic of Paraguay (National Service for Professional Promotion); Belize (Ministry Of Rural Transformation, Community Development, Labour And Local Government)
▪ 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 (which includes Execution period)
▪ Required start date:	October 2024
▪ Types of consultants:	Consulting firms
▪ Prepared by Unit:	SCL/LMK-Labor Markets
▪ Unit of Disbursement Responsibility:	SCL/LMK-Labor Markets
▪ 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:	Diversity; Environmental sustainability; Gender equality; Indigenous People; Institutional capacity and rule of law; Persons with Disabilities; Social inclusion and equality

### II. Objectives and Justification of the TC

2.1 The objective of the TC is to reduce the existing constraints in the access to digital services among Persons with Disabilities (PWD) and/or of Indigenous descent (Indigenous Persons – PI) due to the lack of accessibility and cultural adjustments in digital systems of labor market institutions. As this situation limits their job prospects, the TC proposes to reduce this gap through the provision of support and technical assistance to ministries of labor or training institutions to promote inclusive digitalization. At the same time, the project will design a pilot that will suggest ways to use digital systems to generate administrative data to enable the monitoring of results

with a diversity and gender perspective, by including disaggregation of labor insertion data.

- 2.2 The specific objectives are: (i) to develop a set of guidelines for an accessible and culturally inclusive digital transformation; (ii) determine good practices and lessons learned on how to implement an inclusive digital transformation; (iii) promote sustainability through the provision of accessible digital services that reduce the impact of people physically going to public offices to obtain services; (iv) promote a results-based culture through the use of administrative data to monitor labor insertion with a gender and diversity perspective.
- 2.3 Digital transformation has the potential to structurally change the way public institutions, civil society organizations, and other actors interact. The objective of this transformation is to improve the quality, efficiency, and effectiveness of services through the implementation of improvements in digital and non-digital processes and channels, in such a way as to allow mediated access to the benefits of the digitalization of services and information. This seeks to generate a true digital ecosystem that produces substantial improvements in the well-being of society, while stimulating innovation and increasing the availability of information.<sup>1</sup>
- 2.4 The digitalization process, accelerated by the COVID-19 pandemic, has become a fundamental point in the modernization of public employment services (PES) as it represents an opportunity to expand the scope of their services, and introduce automation and greater speed in the processes offered.<sup>2</sup> However, it is important to ensure that the benefits of digitalization reach the entire population, leaving no one behind. According to the World Connectivity Report, as of 2022, a third of the world's population did not have access to the internet,<sup>3</sup> which is an obstacle for them to benefit from digital services. Moreover, the 66% who did have access to the service were not guaranteed a quality connection, which was a deeper problem in marginalized populations.
- 2.5 For PwD and IP, this problem represents a greater challenge, due to additional accessibility barriers within the same platforms. In the case of PwDs, the lack of adaptation of websites for people with hearing or visual impairment or with motor difficulties can prevent them from accessing the platforms. On the other hand, a lack of cultural adaptation, such as a lack of native language options or an unfriendly platform design, can create an impediment for IP to make use of digital services.
- 2.6 Considering the current turning point for PES and the fact that in 2020 within the Latin American and Caribbean (LAC) region there were 85 million people (equivalent to 14.7% of the region's population) who have some type or degree of disability<sup>4</sup> with an upward trend, and that there are approximately 54 million IPs in LAC,<sup>5</sup> updating PES

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<sup>1</sup> Urquidi, M., González, & Ortega (2023). "I work without paper. Stories of digital transformation: Ministry of Labor, Employment and Social Security of Paraguay".

<sup>2</sup> International Labour Organization (2022). "Global report: Technology adoption in public employment services. Catching up with the future."

<sup>3</sup> International Telecommunication Union (2022). "Global Connectivity Report 2022"

<sup>4</sup> García Mora, M., Schwartz Orellana, S., & Freire G. (2021). "Inclusion of Persons with Disabilities in Latin America and the Caribbean: A Path to Sustainable Development". World Bank

<sup>5</sup> International Labour Organization (2019). "Implementation of ILO convention on Indigenous and Tribal Peoples No. 169 Toward as Inclusive, Sustainable and Just Future".

platforms with considerations that allow these populations to integrate and interact with them, becomes an opportunity to promote inclusion from the design. One of the best approaches when working on accessible platforms is to involve target users from the beginning to deeply understand their needs and empathize with them. This ensures that the design is tailored to the user through an iterative process of testing and continuous improvement.<sup>6</sup>

- 2.7 Promoting accessibility also brings several benefits for the companies that apply it. Technological upgrades and redesigns that include accessibility along with other best practices have been shown to reduce maintenance and service costs. In addition, as accessibility measures are included, overall customer satisfaction improves.<sup>7</sup> The previous statement shows that accessibility not only helps in the inclusion of marginalized groups, but benefits everyone.<sup>8</sup>
- 2.8 On the other hand, improving accessibility can help to overcome the lack of data on the impact of labor market policies by diverse populations and gender offered through labor market institutions. The increase in the use of systems and services provides the possibility of improving the monitoring of beneficiaries, in addition to generating administrative data that can be disaggregated to evaluate the effects of policies by gender and with a diversity approach. For this reason, this TC also proposes to design a monitoring pilot using administrative data to improve the follow-up of the beneficiaries of programs that are implemented in the field of training and labor insertion.
- 2.9 **Lessons learned.** The TC will be based on the lessons learned developed in: the framework of the TC "Support for the Implementation of Information Technologies in Institutions in Charge of Training and Labor Insertion" (ATN/OC-18325-RG) on difficulties and skills necessary to advance in digital transformation of the institutions that provide labor intermediation and ministries of labor in different countries of the region (including the beneficiaries of this TC), good accessibility practices for PwD in the employment platforms of the countries of the region, and the impact of the decrease in the use of paper thanks to the digitization of PES services; "Support for the Implementation of a Labor Training System in Bolivia" (ATN/TV-18214-BO) on the implementation of virtual platforms accessible from remote locations; "Employment Support Program II" (3822/BL-BO, 3822/BL-BO-1,3822/BL-BO-2) on adaptation and difficulties in the inclusion of PwD in the labor market, systematized in the document "Inclusive work: Learnings from the pilot for the insertion of people with disabilities of the Employment Support Program II"; and "Support for the Strengthening of the Job Training System in Paraguay" (ATN/TV-18213-PR) on strengthening job training systems through technological improvements.
- 2.10 **Strategic alignment.** This TC is consistent with the IDB Group's Institutional Strategy: Transformation for Greater Scale and Impact (CA-631) and is aligned with the objectives of: (i) reducing poverty and inequality by supporting populations in situations

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<sup>6</sup> Results of the report "Update of "Analysis Document: Good practices regarding accessibility to public platforms, with potential for applicability in the region" corresponding to the CT ATN/OC-18325-RG.

<sup>7</sup> Parks, S., and Sedov V. (2016). Assessing the Value of Accessible Technologies for Organizations. Forrester Research, Inc.

<sup>8</sup> Results of the report "Update of "Final report that includes the deliverables with requested adjustments to drafts of the previous documents" corresponding to the CT ATN/OC-18325-RG.

of inequality regarding their access to PES; and (ii) addressing climate change, by promoting sustainability through the provision of accessible digital services that reduce the impact of people physically going to public offices to obtain services and minimize the use of a significant amount of paper in bureaucratic processes. The TC also aligns with the following areas of operational focus: (i) gender equality and inclusion of diverse groups of the population, through the implementation of pilots with gender and diversity perspectives, with a special focus on diverse populations; (ii) institutional capacity, rule of law and citizen security, through the strengthening of the PES; and (iii) social protection and human capital development, through support for diverse populations to access training resources that allow them to improve their skills and job prospects. Additionally, it is aligned with the Gender and Diversity Framework (GN-2800-13), in the line of action 1: “Address gaps that arise from structural factors” through the specific action of promoting accessible and inclusive services, including digital accessibility that facilitates autonomy for PWD, and the provision of differentiated programs and services for diverse groups; and line of action 3: “Measuring unequal treatment” through the improvement of G&D disaggregated data availability and quality.

- 2.11 Regarding beneficiary countries, the TC is also consistent with the Bank-Country Strategy with Paraguay 2019-2023 (GN-2958) promoting institutional and productive transformation, adhering to the principles of sustainability, equity, and economic and social inclusion, through the area of public management and institutions and its strategic objective of strengthen public management capabilities; and Bank -Country Strategy of Belize 2022 – 2025 (GN-3086) supporting cross-cutting themes (gender and diversity, institutional capacity and rule of law, digital transformation and climate change and disaster risk management) in the priority areas of private sector productivity and sustainable growth, with a focus on MSMEs and Human Capital of the strategy with focus on the strategic objectives of promote digital transformation and innovation among firms, and support closing the skills gap.
- 2.12 In addition, it is aligned with priority area 5 of the OC SDP window 2 – Social Development (W2E) in accordance with the provisions of GN-2819-14, in particular with the objectives (ii) to strengthen the efforts of public institutions so that they become more effective and efficient in social programming, group targeting and execution of social sector projects; (iii) support the IDB and its clients in their efforts to reduce poverty and inequality and promote social inclusion, gender equity, and diversity through projects and programs.
- 2.13 Beneficiary countries. The prioritized beneficiary countries will be Paraguay and Belize. These countries will benefit through their intermediaries, National Service for Professional Promotion; Ministry of Labor, Employment, and Social Welfare; Ministry Of Rural Transformation, Community Development, Labour And Local Government, respectively. The choice of beneficiary countries is justified by previous work with beneficiary countries in the development of the TC (ATN/OC-18325-RG) to support the digital transformation of labor market institutions in countries in the region.

### **III. Description of activities/components and budget**

- 3.1 The total cost of the TC amounts to US\$200,000 which will be financed by OC SDP Window 2 – Social Development (W2E) on a non-reimbursable basis. The TC has no local counterpart. The disbursement and execution period will be 36 months. The TC will fund the hiring of individual consultants, consulting firms, and the implementation of meetings and workshops. The activities have been organized into 3 components:

- 3.2 **Component 1. Design of pilots of inclusive and culturally appropriate information systems with a gender and diversity perspective (US\$130,000).** This component will finance: (i) the design of two pilots of accessible information systems for PwDs and with cultural considerations that facilitate the use of IP for the beneficiary institutions. These pilots will allow these groups to access information on labor training, job opportunities, and other relevant data provided by the PES. Two technical notes are expected to be drafted as a result of the pilots' implementation.
- 3.3 **Component 2. Development of a monitoring system for labor insertion (US\$ 50,000).** This component will finance: (i) the design of a labor insertion monitoring system based on the use of administrative data, which will allow monitoring the effectiveness of these policies implemented by at least one of the beneficiary institutions. It is expected that, with the implementation of this system, it will be possible to obtain gender-specific disaggregated data for diverse groups.
- 3.4 **Component 3. Dissemination and communication (US\$20,000).** This component will finance (i) the holding of workshops with governments to promote inclusive digital transformation and (ii) the editing and printing of informative material developed within the framework of the TC. The expected result for this component is an effective dissemination of the results of the TC and the promotion of inclusive digital transformation within the beneficiary governments.
- 3.5 **Expected results.** As a result of this TC, it is expected to have two information pilots successfully implemented in the business-as-usual operations of the PES in at least two of the beneficiary countries, which allow access to PwD and IP to the PES platforms, together with a monitoring pilot in at least one of the beneficiary countries for the collection of data that will help to monitor the beneficiaries of labor intermediation with a diversity and gender perspective. The implementation of these pilots will allow institutions to provide strengthened services with better accessibility and cultural diversity. The active participation of the beneficiary labor institutions during the pilots' design will help ensure the continuity of the use of the resulting information systems. In addition, it is expected that the systematization of the lessons learned resulting from this TC can later be applied to other countries in the region, and the pilots replicated in different countries. The implementation of the systems will help support the generation of data with a gender and diversity perspective, which can be used in the preparation of future operations in the beneficiary countries.

**Indicative Budget (US\$)**

<b>Activity / Component</b>	<b>Description</b>	<b>IDB (W2E)</b>	<b>Financing Total</b>
<b>Component 1. Design of pilots of inclusive and culturally appropriate information systems with a gender and diversity perspective</b>	(i) Design of two pilots of inclusive and culturally appropriate information systems. (ii) Two technical notes on good practices for inclusion in digital transformation.	<b>130,000</b>	<b>130,000</b>
<b>Component 2. Development of a monitoring system for labor insertion</b>	(i) Design of a labor insertion monitoring system.	<b>50,000</b>	<b>50,000</b>

Activity / Component	Description	IDB (W2E)	Financing Total
<b>Component 3. Dissemination and communication</b>	(i) Workshops with governments on promoting digital transformation. (ii) Document editing and printing.	<b>20,000</b>	<b>20,000</b>
<b>TOTAL</b>		<b>200,000</b>	<b>200,000</b>

3.6 **Supervision.** The TC Team Leader SCL/LMK Lead Specialist will be the focal point for execution and oversight of each component. The team leader will oversee ensuring the proper development of the studies and analyses and of supervising the activities for the achievement of the expected results. The TC will be monitored and evaluated in accordance with the Bank's applicable policies and through the Results Matrix. The annual reports and the final report shall be prepared as required by the OP-1385-4 document approved by the OPC.

#### IV. Executing agency and execution structure

- 4.1 The Executing Agency will be the Inter-American Development Bank (IDB), as requested by the beneficiaries, in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and in the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP 619-4), through its Labor Markets Division (SCL/LMK).
- 4.2 This procedure is justified by the Bank's experience and capacity in executing this type of project and its ability to hire high-level international consultancies, with added value. In addition, the Bank has the mechanisms to transfer lessons learned from other countries, as well as to organize activities to promote the transfer of best practices from within and outside the region. In addition, this procedure is justified under the exceptional criteria provided for in Annex II of the Procedural Guidelines for the processing of technical cooperation operations (OP-619-4), considering the necessary time associated with administrative procedures for this TC to be executed if it were to be executed simultaneously by the Governments of the beneficiary countries which could jeopardize the fulfillment of the objectives of the TC. The Bank will supervise the consulting services and the beneficiary will be able to provide technical inputs to the consultants' reports. The ownership of the intellectual property rights resulting from the execution of the TC belongs to the Bank; however, a license to use the products will be granted to the governments benefiting from the TC.
- 4.3 **Procurement and financial management.** 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. All knowledge products derived from this TC will be the intellectual property of the Bank, granting the corresponding license for use to the beneficiary governments of the TC.

#### V. Major issues

- 5.1 There are implementation risks associated with changes in authorities and/or potential changes in the political and social climate within the four beneficiary countries, which will be mitigated through combined monitoring between the TC leader, team members,

and the staff of each relevant COF. An open and fluid dialogue will be maintained with counterparts in each country, promoting both face-to-face and virtual communication. The Bank's previous experience with the execution of operations in the beneficiary countries of the TC increases the likelihood of cooperation with each beneficiary.

- 5.2 5.2 Considering that there are three beneficiary countries, the risk of lack of coordination in implementation is medium-low. In any case, this risk will be mitigated by considering that initiatives can be implemented in parallel and in a non-synchronous way.
- 5.3 Otherwise, the team of this operation has not identified substantial risks at the level of accountability or macroeconomics. Due to its nature, the execution of this TC is not expected to result in a significant negative impact on the environment.

## **VI. Exceptions to Bank policy**

- 6.1 None.

## **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\\_28028.pdf](#)

[Results Matrix\\_49133.pdf](#)

[Terms of Reference\\_40343.pdf](#)

[Procurement Plan\\_9326.pdf](#)