

## TC Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Strengthening of Country Systems for Environmental and Social Management
▪ TC Number:	RG-T4684
▪ Team Leader/Members:	Maier, David (VPS/ESG) Team Leader; Marcelino Reboucas, Lidia (VPS/ESG) Alternate Team Leader; Noguera Merlo, Julio Cesar (VPS/ESG); Becker Seco Rosario Paz (LEG/SGO); Molina, Silvana (VPS/ESG); Milano Medina, Fiorella (VPS/ESG)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	10 Apr 2025.
▪ Beneficiary:	26 IDB Borrowing Member Countries
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 1 - Country Systems Strengthening(W1B)
▪ IDB Funding Requested:	US\$1,000,000.00
Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	1 Oct. 2026
▪ Types of consultants:	Consulting firms and individual consultants
▪ Prepared by Unit:	VPS/ESG-Environmental and Social Solutions Division
▪ Unit of Disbursement Responsibility:	VPS/ESG-Environmental and Social Solutions Division
▪ TC included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	N/A
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Social protection and human capital development; Sustainable, resilient, and inclusive infrastructure; Institutional capacity, rule of law, and citizen security; Public sector policy and management

### II. Objectives and Justification of the TC

- 2.1 Like the preceding Technical Cooperation (TC), “Strengthening of Country Systems for Environmental and Social Management” (RG-T4342), the overall objective of this TC is to strengthen the technical capacity of Borrower institutions, executing agencies and financial intermediaries to plan, design and implement environmental and social (E&S) requirements in projects financed by the IDB in accordance with the Environmental and Social Policy Framework (ESPF).
- 2.2 The Environmental and Social Solutions Division (VPS/ESG) of the Inter-American Development Bank (IDB) is tasked with ensuring that projects and activities financed by the Bank are environmentally and socially sustainable, in compliance with the Bank’s E&S policies. VPS/ESG specialists provide technical assistance to borrowers, helping them manage comprehensive E&S impacts and risks. They support

compliance with E&S requirements and engage with project teams throughout the entire project cycle, including preparation, due diligence, supervision, and closure. Building on the progress made under the previous TC RG-T4342, the main objective of this new cooperation is to continue strengthening the technical capacity of borrowers' institutions, executing agencies, contractors and financial intermediaries. This will enable them to plan, design, and implement environmental and social requirements in IDB-financed projects in line with the new Environmental and Social Policy Framework (ESPF) and also improve their overall management of environmental and social impacts and risks.

- 2.3 In 2024, under the TC RG-T4342, VPS/ESG has made significant progress in strengthening capacities for the implementation of the Environmental and Social Policy Framework (ESPF) in Latin America and the Caribbean. Workshops have been delivered and scheduled in countries such as Colombia, Paraguay, Guatemala, Honduras, Bolivia, Chile, Suriname, Ecuador, El Salvador, Belize, Panama, Costa Rica, Mexico, Trinidad and Tobago, the Dominican Republic, and Peru. The training sessions focused on the most relevant Environmental and Social Performance Standards (ESPS):
  - a. ESPS 1: Environmental and Social Risk and Impact Assessment and Management
  - b. ESPS 2: Labor and Working Conditions
  - c. ESPS 5: Land Acquisition and Involuntary Resettlement
  - d. ESPS 9: Financial Intermediaries
  - e. ESPS 10: Stakeholder Engagement and Information Disclosure
- 2.4 These activities reflect IDB's commitment to strengthening executing agencies and other key stakeholders (contractors, consultants, academics) in a practical and context-specific manner. Sessions were also offered on the overall Environmental and Social Policy Framework (ESPF), along with collaborative spaces involving the Independent Consultation and Investigation Mechanism (MICI). In 2024 alone, 16 in-person workshops were held, with the participation of 825 individuals from 220 executing agencies. In Colombia and Bolivia, for example, there was notable participation from 19 and 22 agencies, respectively.
- 2.5 Online courses continue to be a key tool for expanding the program's reach. In 2024, more than 33 editions were offered, certifying 1,050 participants from 30 countries. These courses, available in Spanish, English, and Portuguese, primarily focus on NDAS 2, 3, 4, 5, 6, 7, and 9, and are aimed at both internal and external audiences, including national and local governments. Additionally, two new self-paced courses were developed: one 2.5-hour course on Standard 1 (in Spanish), and another 23-hour course on Environmental and Social Compliance Inspections (SECI), available in English.
- 2.6 Despite these achievements, structural challenges remain in the implementation of the ESPF and in clients' capacity to manage environmental and social risks and impacts. Experience with high and substantial risk operations and the Regional Policy Dialogues has shown that effective application of the framework varies by country, sector, resources, and the capacity of executing agencies. These differences directly affect the environmental and social outcomes of IDB-financed operations.

- 2.7 Therefore, a new Technical Cooperation is needed to continue strategic support, close institutional and operational capacity gaps, and assist in the design and implementation of environmentally and socially sustainable projects. This TC will facilitate capacity-building processes tailored to each country's needs, consolidating a structured and systemic approach in the region. It will also allow for the incorporation of lessons learned and best practices from the initial years of ESPF implementation, improving its application and generating more consistent and sustainable impacts.
- 2.8 **Strategic Alignment.** This TC is consistent with the "IDB Group Institutional Strategy: Transforming for Scale and Impact" (CA-631) and is aligned with the operational focus areas of: (i) **Social protection and human capital development** by equipping professionals and stakeholders with the knowledge and tools to manage environmental and social risks, ultimately contributing to safer, more inclusive development outcomes for communities; (ii) **Sustainable, resilient, and inclusive infrastructure** by supporting the application of the Environmental and Social Policy Framework (ESPF), enabling executing agencies to design and implement infrastructure projects that are environmentally sound, socially inclusive, and resilient to long-term risks; and (iii) **Institutional capacity and rule of law** by strengthening the systems, procedures, and technical competencies of public institutions to consistently apply environmental and social standards, fostering more effective governance and accountability in project implementation. This TC is also aligned with the priority area of inclusive economic growth from the Ordinary Capital Strategic Development Program (OC SDP) (GN-2819-14), since it will contribute to the inclusion of cross cutting themes that are critical for long term growth throughout the implementation of the ESPF. This TC is further aligned with Financing source W1B as it is intended to strengthen Executing Agencies, and ultimately member countries,' capacities to mitigate and respond to Environmental and Social eventualities and risks of IDB-funded interventions.

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

- 3.1 The TC is structured in five main components:
- 3.2 **Component I: Assessment of Gaps and Needs of Executing Agencies (US\$50,000.00).** This component will build on the results and lessons learned from Technical Cooperation RG-T4342 to develop a methodology for assessing the environmental and social management needs of Executing Agencies. Beyond identifying gaps, the focus will be on systematizing insights from previous interventions to understand what has worked, what challenges remain, and how capacity building efforts can be improved. These assessments will serve as the input for a comprehensive ESG Capacity Building Program (Component II), including a tailored training strategy that responds to the specific needs and contexts of Executing Agencies. The goal is to enable more effective, targeted, and sustainable interventions that strengthen institutional capacity and improve E&S outcomes across operations.
- 3.3 **Component II: Capacity Building Program (US\$520,000.00).** This component will deliver dynamic, action-oriented in-person, virtual, or hybrid sessions that address ESPF themes not covered by existing online courses or materials. Co-developed with leadership, E&S experts, and learning institutions, these engagements will respond to capacity gaps identified within Executing Agencies (Component I) and include activities such as peer exchange forums, case study analyses, and action-planning workshops. In addition to fostering collaboration and experiential learning, the component will support the co-development of training materials and explore

certification opportunities to enhance the credibility and long-term impact of the ESG Capacity Building Program. The goal is to strengthen institutional capacity to translate ESPF principles into effective, context-specific actions.

- 3.4 **Component III: Impact Measurement and Learning (US\$150,000.00).** This component will assess the relevance, effectiveness, and efficiency of the ESG Capacity Building approach, with a focus on understanding the actual impact of the interventions. It will document best practices, capture lessons learned, and engage ESG staff, Executing Agencies, and Leadership to ensure ongoing learning and adaptation. The insights generated will help refine the strategy, improve future interventions, and support the development of a more focused and impactful ESG Capacity Building Program.
- 3.5 **Component IV: Outreach Activities and Knowledge Products (US\$180,000.00).** It will support dissemination activities and the creation of knowledge products (guides, policy briefs, etc.) to strengthen regional networks, promote best practices, and improve the implementation of the MPAS.
- 3.6 **Project Management (US\$100,000.00).** This will ensure the effective execution of the other components through logistical and financial support (events, travel, lodging) and results monitoring to enhance the program’s impact.
- 3.7 **Indicative Budget:** The project is estimated to require a total budget of US\$1,000,000 which will be financed through the OC Strategic Development Program, Country Systems Strengthening (W1B).

**TABLE 1. INDICATIVE BUDGET (US\$)**

Activity/Component	Description	IDB/OC-W1B Funding	Total Funding
Component I: Assessment of Gaps and Needs of Executing Agencies	To assess the environmental and social management needs of Executing Agencies.	US\$50,000.00	US\$50,000.00
Component II: Capacity Building Program	To deliver interactive in-person, virtual, or hybrid sessions focused on ESPF themes.	US\$520,000.00	US\$520,000.00
Component III: Impact Measurement and Learning	To assess the relevance, effectiveness, and efficiency of the ESG Capacity Building approach.	US\$150,000.00	US\$150,000.00
Component IV: Outreach Activities and Knowledge Products	To support dissemination activities and the creation of knowledge products.	US\$180,000.00	US\$180,000.00
Project Management	To ensure the effective execution of the TC.	US\$100,000.00	US\$100,000.00
<b>Total</b>		<b>US\$1,000,000.00</b>	<b>US\$1,000,000.00</b>

- 3.8 Monitoring and reporting will be managed through the TC Monitoring and Reporting System (TCM) and will facilitate the articulation of expected results to corresponding indicators to measure progress towards successful completion. A final evaluation

report will be prepared upon completion of the project to capture lessons learned and contribute to developing the subsequent projects

#### **IV. Executing agency and execution structure**

- 4.1 The TC will be totally executed by the Inter-American Development Bank through the Environmental and Social Solutions Division (VPS/ESG).
- 4.2 Given the regional nature of this TC and the Bank's proven track record in developing operational and institutional capacity-building activities, the Bank will execute this TC and carry out all contract-related activities. The Bank is considered to have the adequate systems to guarantee the proper execution of the operation and ensure the sustainability of the implementation of the project in line with the "Operational Guidelines for Technical Cooperation Products" (GN-2629-1). In the same line, the proposed TC will support counterparts from all borrowing members countries and given the diversity of actors that this TC aims at supporting and its regional scope, it is appropriate for the IDB, to directly execute it to provide centralized coordination and ensure proper dissemination in the countries and the region.
- 4.3 **Procurement:** The activities to be carried out under this project are included in the Procurement Plan. This TC project will contract the services of individual consultants, consulting firms, and other services in accordance with current Bank procurement policies and procedures: (i) hiring of individual consultants, as established in the Regulation "Complementary Workforce" (AM-650); and (ii) consulting firms for services of an intellectual nature, contracting of logistics services, and other services different from consulting, according to the "Corporate Procurement Policy" (GN-2303-33) and the "Guidelines for Corporate Procurement". All products from this TC will be the intellectual property of the Bank. For the development of the proposed activities under this TC project, subject matter experts, instructional designers, translators, and virtual classroom technicians, among others, will be hired. The TC team has the necessary experience to ensure compliance with the relevant procurement policies and procedures.

#### **V. Major issues**

- 5.1 High turnover among both BID staff and executing units is identified as a significant risk to the training and technical capacity-building process. Additionally, the political context in some countries may pose a risk to the successful implementation of the required learning and capacity-strengthening activities. Therefore, it has been deemed necessary to include environmental and social authorities from borrowing countries, as well as academics and other relevant stakeholders who can act as multipliers of the ESPF within their countries, as part of the target audience for the training sessions. The goal is to establish a system of continuous education.

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

- 6.1 No exceptions to any Bank policy are foreseen under this TC.

#### **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**

[Results Matrix\\_25114.pdf](#)

[Terms of Reference\\_55802.pdf](#)

[Procurement Plan\\_22393.pdf](#)