

 Early Warning System

IADB-RG-T4980

Subsidies, Labor Costs, and Fiscal Sustainability: Evidence for Better
Social Protection and Labor Policies



Quick Facts

Financial Institutions	Inter-American Development Bank (IADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2026-08-13
Borrower	not disclosed
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 0.35 million
Project Cost (USD)	\$ 0.35 million



Project Description

According to the IADB, the general objective of this Technical Cooperation is to strengthen the analytical and operational capacity of the Social Protection and Labor Division (SPL) by developing different tools, including harmonized analytical frameworks, data, and operational guidance, that support evidence-based country dialogue, the preparation of Country Development Initiatives (CDIs), and the design of social protection and labor operations. The specific objectives are: To produce harmonized estimates of social subsidies, non-wage labor costs, and their fiscal sustainability, using data from the Labor Market Observatory and other administrative sources, to inform country dialogue, the design of operations, and the formulation of country strategies. To design, pilot, and institutionalize a strategic and selective methodology to improve the quality, prioritization, and cross-sectoral coordination of SPL inputs in CDI preparation. The principal expected outcome is the incorporation of a prioritized and evidence-based SPL reform agenda into at least one CDI, and the use of the analytical framework or methodology in at least two SPL analytical or operational products, using the tools developed under the project.



Investment Description

- Inter-American Development Bank (IADB)



Contact Information

No contacts available at the time of disclosure

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).



Bank Documents

- [Procurement Plan_86122](#)
- [Project Document - Disclosure_39073](#)
- [Regional TC - RG-T4980](#)
- [Results Matrix_11406](#)
- [Terms of Reference_17784](#)