

TC DOCUMENT

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Promoting Knowledge and Capacity Building through the Regional Policy Dialogue
▪ TC Number:	RG-T4235
▪ Team Leader/Members:	Ibanez Londono, Ana Maria (VPS/VPS) Team Leader; Molina, Silvana (VPS/VPS) Alternate Team Leader; Karina Sanchez Benitez (VPS/VPS); Sara Vila Saintetienne (LEG/SGO) Saintetienne (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	25 Jan 2023.
▪ Beneficiary:	IDB's Borrowing member countries
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 1 - Regional Policy Dialogue(W1C)
▪ IDB Funding Requested:	US\$2,000,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	18 Months
▪ Required start date:	June 1st, 2023
▪ Types of consultants:	Consulting firms & individual consultants
▪ Prepared by Unit:	VPS-VP - Sectors & Knowledge
▪ Unit of Disbursement Responsibility:	VPS/VPS-VP - Sectors & Knowledge; CSD/CCS-Climate Change; IFD/ICS-Innovation in Citizen Services Division; KIC/ICD-Innovation and Creativity; CSD/RND-Env, Rural Dev & Disaster Risk; SCL/EDU-Education; INE/ENE-Energy; VPS/ESG-Environmental and Social Safeguards; IFD/CMF-Connectivity Markets and Finance Division; IFD/FMM-Fiscal Management Division; SCL/GDI-Gender and Diversity; CSD/HUD-Housing & Urban Development; IFD/CTI-Competitiveness, Technology and Innovation Division; SCL/LMK-Labor Markets; RES/RES-Research & Chief Economist; SCL/MIG-Migration Unit; SCL/SPH-Social Protection & Health; INT/INT-Integration and Trade Sector; INE/TSP-Transport; INE/WSA-Water & Sanitation
▪ 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 2010-2020:	Diversity; Economic integration; Environmental sustainability; Gender equality; Institutional capacity and rule of law; Productivity and innovation; Social inclusion and equality

II. Objectives and Justification of the TC

- 2.1 The Board of Executive Directors of the Inter-American Development Bank approved in 2000 the creation of the Regional Policy Dialogue-RPD (GN-2096-2). The Regional Policy Dialogue is a mechanism created to enable the Bank to offer its borrowing member countries a window to help their governments: (i) Seek solutions to the challenges all of them face in the course of development; (ii) Capitalize on expertise and experiences from outside the region; and (iii) On the basis of the dialogue, create new opportunities for regional cooperation.

- 2.2 Specifically, with the active participation of governments in the region, this mechanism establishes dialogue networks consisting of senior officials responsible for public policy formulation in areas according to the highest priority for development in the countries. The Bank will help to set up the networks and start operating them by providing logistics support and preparing the necessary studies and documentation for the meetings.
- 2.3 Since its inception, twenty-one policy dialogue networks aligned with the Bank's institutional priorities have been created¹ in the areas of (1) citizen security; (2) climate change; (3) cultural and creative industries; (4) digital government; (5) disaster risk management; (6) education; (7) energy; (8) environmental and social safeguards; (9) financial institutions; (10) fiscal policy and management; (11) gender equality and diversity; (12) housing and urban development; (13) innovation, science and technology; (14) labor markets and social security; (15) macroeconomic policy and finance; (16) migration; (17) open government; (18) social protection and health; (19) trade and integration; (20) transport; and (21) water and sanitation.
- 2.4 Through the knowledge sharing that takes place during RPD activities, policymakers in LAC gain exposure to innovative interventions and programs that promote the strengthening of institutional capacities. For the last two decades, RPD networks have consistently worked towards reinforcing institutional capacity in LAC, promoting south-south cooperation, and creating vital alliances between key stakeholders in significant sectors in the region.
- 2.5 The enduring enthusiasm and interest for new RPD networks suggest that this initiative is highly esteemed by both LAC high-level policymakers and VPS Divisions. For example, this year, the Cultural and Creative Industries network was created to identify new opportunities for intersectoral work focused on the productive chain of cultural and creative industries and its intersection with other sectors to generate more significant impact and innovation. The program's consistent involvement of high-country participation, steady high satisfaction ratings, and continuous favorable feedback from external participants and country officials demonstrate the RPD's effectiveness as a regional tool. Furthermore, the program's increased visibility within and beyond the Bank in recent years is due to more robust dissemination efforts.
- 2.6 The Vice-Presidency for Sectors and Knowledge (VPS) 's Divisions coordinate the RPD networks through an RPD Coordinator appointed by the corresponding Division Chief. The RPD networks consist of influential policymakers from borrowing member countries, and these networks arrange gatherings that feature government officials and significant stakeholders from the sector engaged in policymaking. Their presence allows for the sharing of sectoral knowledge and expertise.
- 2.7 **Objective.** The general objective of this TC is to support the Regional Policy Dialogue (RPD) to promote high-level policy dialogue between Latin American and Caribbean (LAC) countries and Bank officials to identify innovative practices, strengthen institutional capacity, share experiences from the LAC region and other regions in the world, improve the quality of reform strategies, and promote evidence-based discussions in the region. At the same time, the RPD allows the Bank to receive direct feedback on countries' public policy priorities, subsequently informing Bank's future operational program.

¹ The Creative Industries network has been created in 2022.

- 2.8 This TC builds on the outcomes and outputs achieved under previous TCs financed by the Institutional Capacity Strengthening Thematic Fund (ICSF). Previous operations, RG-T1832, RG-T2017, RG-T2252, RG-T2436, RG-T2557, RG-T2732, RG-T2950, and RG-T3164 have been completely executed and fully disbursed. Operation RG-T3556, funded by the Ordinary Capital Strategic Development Programs (OC-SDP) is still disbursing expenses made and it is expected its operational closure in the course of the next few months.
- 2.9 The TC's added value is linked to three primary aspects: (i) Encouraging high-level policy dialogue and sharing of knowledge among senior policymakers from borrowing member countries; (ii) Facilitating discussions between policymakers and experts on key development topics by presenting policy-oriented knowledge, analytical work, and tools that aid in designing, reformulating, and adopting sound policies; and (iii) Creating a platform for the dissemination and discussion with countries about the Bank's operational and knowledge programs.
- 2.10 Through years of operation, the RPD has been continuously learning from organizing and conducting dialogues, and integrating the insights gained from these experiences² and good practices in their work plans. Among the main lessons learned over the past years are the following: (i) In addition to high-level officials, inviting representatives from the private sector, civil society, academia, or other international organizations can enhance the dialogue and foster strategic alliances among the participants;³ (ii) Country officials highly appreciate applicability and local context, thus network activities are increasingly focusing on specific case studies and first-hand experiences, including good practices from countries outside the region, as well as the implementation of practical tools, all of which have improved the quality of the dialogue; (iii) Promoting informal activities, such as field trips and group dynamics within RPD meetings, when relevant, have proven to be successful in promoting the exchange of ideas and experiences among participants and can increase the quality of discussion; and (iv) Collaboration between networks that share common areas of work can be advantageous in promoting a multi-sectoral approach and leveraging synergies among them.⁴
- 2.11 **Strategic Alignment.** The TC is consistent with the "Update to the Institutional Strategy Development: Solutions that Reignite Growth and Improve Lives" (UIS) (AB-3190-2) and is aligned to the development challenges of *Social Inclusion and Equality*, *Productivity and Innovation*, and *Economic Integration* since the RPD will address public policy dimensions to help countries designing effective policies to tackle these challenges. Also, the TC is aligned with the cross-cutting themes of *Gender Equality and Diversity*, *Climate Change and Environmental Sustainability*, and *Institutional Capacity and the Rule of Law* since the RPD will focus on strengthening

² Lessons learned are built from the RPD participants' feedback (through satisfaction surveys) and Network Coordinators.

³ For instance, because of the RPD, the Urban Development and Housing Network established a partnership to support the organization of the XXXI General Assembly of Ministers and High-Level Authorities of Housing and Urban Planning of Latin America and the Caribbean-MINURVI. During this event, the HUD Network led a panel on "Cities, Sustainability and Climate Change" to increase climate ambition and strengthen the importance between urban development and climate change.

⁴ For example, the Gender and Diversity Network organized its event in close collaboration with the Labor Division. Its dialogue event allows to share and discuss with gender and labor authorities of the region good practices supported by the IDB that seek to break the barriers to access and permanence of women in highly productive and predominantly male sectors such as the green and technological ones. The reflections and lessons learned from this dialogue feed the technical support that SCL/GDI and SCL/LMK provide to the countries to promote more equitable and productive labor markets in the region.

the capacity of states by promoting dialogue and cooperation among LAC policymakers and international experts to promote gender equality and diversity, mitigate climate change and foster environmental sustainability. Further, the operation is also aligned with the UIS' area of emphasis related to transparency and integrity since the TC contributes to strengthen the transparency and integrity of institutions.

- 2.12 This TC is also aligned with "The Ordinary Capital Strategic Development Program (OC-SPD)" (GN-2819-14), specifically with the Core Commitment related to Regional Policy Dialogue since it is being conceptualized to promote knowledge sharing on strategic topics among high-level LAC government officials and experts in key development areas within the region. Further, the TC is consistent with the "IDB Group Corporate Results Framework 2020-2023" (GN-2727-12) and is aligned with the *Indicator 15–Government effectiveness* by directing its efforts towards reinforcing state capacity, enhancing the effectiveness and efficiency of public policies and institutions, and elevating the quality of public services. The initiative aims to bolster the government's commitment to its policies and improve its credibility.

III. Description of Components and Budget

- 3.1 This TC will finance activities associated with arranging, coordinating, and conducting regional and sub-regional meetings involving senior government officials from LAC countries. The activities will encompass developing knowledge products that will be presented and discussed during the meetings.
- 3.2 **Component I: Policy Dialogues conducted with LAC policymakers.** This component will finance the arrangement, coordination, and execution of regional and sub-regional meetings to discuss issues that have been identified as the primary development challenges for LAC countries. As the post Covid-19 pandemic presents significant challenges, most Regional Policy Dialogues will address pressing issues in which countries require support to manage the aftermath of the pandemic. The meetings' primary participants will be key stakeholders, including high-level officials directly involved in policymaking's design and implementation, representatives from civil society and the private sector, academia, and former policymakers. The networks may produce supplementary background studies, which will be developed by external consultants who are experts in their respective fields, to be utilized as input for the agenda or discussed during the dialogues. Most of the meetings will be held in Washington, D.C., or the region, convened by the RPD Coordinators, which will work closely with VPC Departments and Country Offices when planning the meetings. The TC will finance the participation of high-level policymakers and invited experts, prioritizing C&D countries. IDB Staff expenses are not eligible for financing under this TC, nor are they allowed to supplement the network's administrative expenses. When relevant, invitations will be extended to experts and officials from other regions, international organizations, think tanks and universities to contribute knowledge, innovative practices, and relevant experiences, enriching the dialogue.
- 3.3 Technical expertise for the design and execution of network activities will be the responsibility of the RPD Coordinators from VPS' Divisions. Previous lessons learned from network meetings have been considered in the planned activities and expected outcomes. Please see the following [link](#) for a detailed list of objectives, deliverables and expected results by network.

- 3.4 As part of its dissemination efforts, the RPD Secretariat⁵ will continue creating periodic calendars that are internally disseminated to inform the Board of Executive Directors and High-Level Management of upcoming RPD meetings. In addition, some of the networks are very active in creating their own virtual and interactive space to exchange information and ideas, mainly through Communities of Practices (CoPs) and blogs, videos, and electronic newsletters. KIC will keep working very closely with the RPD Coordinators to add the maximum value to the RPD events in terms of designing the structure of the agenda, incorporating innovative methodologies to promote interaction among participants –before, during, and if appropriate, after the event– dissemination, presentations, and new ideas to put into practice at events. The RPD Secretariat also plans to continue its broader dissemination efforts during 2023 and 2024.
- 3.5 The total cost of this TC will be US\$2,000,000, financed by the Ordinary Capital Strategic Development Program (OC-SPD), Window 1-Core Commitment 3–Regional Policy Dialogue. The specific networks that the OC-SDP will finance are detailed in Table I, and the indicative budget for the operation is shown in Table II. The execution period will be 18 months.

Table 1. Fund assignment by networks (US\$)

Component	Network	Division	Amount
Component I: Policy Dialogues conducted with LAC policymakers	Citizen Security	IFD/ICS	100,000
	Climate Change	CSD/CCS	100,000
	Cultural and Creative Industries	KIC/ICD	100,000
	Disaster Risk management	CSD/RND	100,000
	Education	SCL/EDU	75,000
	Energy	INE/ENE	100,000
	Environmental and Social Safeguards	VPS/ESG	100,000
	Financial Institutions	IFD/CMF	100,000
	Fiscal and Municipal Management	IFD/FMM	100,000
	Gender Equality and Diversity	SCL/GDI	100,000
	Housing and Urban Development	CSD/HUD	100,000
	Innovation, Science and Technology	IFD/CTI	100,000
	Labor Market and Social Security	SCL/LMK	100,000
	Macroeconomic Policy and Finance	RES/RES	100,000
	Migration	VPS/MIG	100,000
	Open Government	IFD/ICS	100,000
	Social Protection and Health	SCL/SPH	100,000
	Trade and Integration	INT/INT	100,000
	Transport	INE/TSP	100,000
	Water and Sanitation	INE/WSA	100,000
	Vice Presidency for Sector and Knowledge	VPS/VPS	25,000
TOTAL			2,000,000

⁵ The RPD Secretariat is integrated by the TC's Team Leader and the RPD Facilitator. Among others, the main RPD Secretariat functions are: review and approved network's work plans, provide guidance and support to comply with the RPD initiative requirements (events announcements, producing minutes, satisfaction surveys, annual report, etc.), review and approve financial expenses, etc.

Indicative Budget (US\$)	
Component	IDB Financing OC-SDP Window 1
Component 1. Policy Dialogues	
Hiring consultants to organize logistics for meetings	200,000
Travel and per diem for participants (approx. 20 to 50 external participants per meeting)	1,200,000
Consultants for complementary background studies	100,000
Other expenses (editing, interpretation services, catering, events logistics)	500,000
GRAND TOTAL	2,000,000

IV. Executing agency and execution structure

- 4.1 Through the Vice-Presidency for Sectors and Knowledge (VPS/VPS), the Bank will execute this TC. VPS' Divisions (CSD/CCS, CSD/HUD, CSD/RND, IFD/ICS, IFD/CMF, IFD/CTI, IFD/FMM, INE/ENE, INE/TSP, INE/WSA, INT/INT, KIC/ICD, RES/RES, SCL/EDU, SCL/GDI, SCL/LMK, SCL/SPH, SCL/MIG and VPS/ESG) will implement all the activities of this TC led by the RPD Coordinator. The Bank will act as the executing agency as this TC is an initiative promoted by the Bank. The activities planned will generate knowledge and enhance the technical capacity of the Bank's member countries. Thus, the executive structure will facilitate the coordination of the RPD, which involves the participation of 20 distinct VPS sectors or units and 26 LAC countries. The Team Leader of the operation will lead the execution and supervision of the TC with collaboration from each RPD Coordinator.
- 4.2 **Procurement.** The activities to be executed by this TC are included in the Procurement Plan (Annex III). They will be contracted in accordance with Bank policies as follows: (i) "Administrative Regulation on Complementary Workforce" (AM-650) to contract individual consultants; (ii) "Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work" (GN-2765-4) and its Operational Guidelines (OP-1155-4) to contract consulting firms for services of an intellectual nature; and (iii) "IDB Corporate Procurement Policy" (GN-2303-28) to procure logistics and other related services. The Responsible Unit of Disbursement (UDR) will be VPS/VPS.
- 4.3 The RPD's value-added among IDB client countries is the ability of each network to bring the most innovative practices, cutting-edge knowledge, and top experts in each field from the region and the rest of the world to each of their meetings. Given the RPD's objectives and value-added, there may be a need, on a case-by-case basis, for services to be provided by consulting firms (academic institutions/think tanks/and Non-Governmental Organizations (ONG)) from countries that are not members of the Bank. Having access to experiences, best practices, and knowledge from all over the world would allow the Bank to continue strengthening the institutional capacity in LAC. It would reinforce the knowledge dissemination role of the RPD. When needed and duly justified, an exception or exceptions to the country eligibility provision contemplated in paragraph 3.5 of document GN-2765-4 will be processed and submitted for the approval of the Board of Executive Directors in accordance with the Bank's applicable procedures.

- 4.4 **Intellectual Property.** All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property.
- 4.5 **Non-objection Letter.** In the event an RPD is carried out in a beneficiary country, the Team Leader will obtain a non-objection letter from the Banks liaison entity in such country prior to the commencement of the activity.
- 4.6 **Monitoring.** The monitoring and supervision of the activities planned under this proposal will be reported according to the Technical Cooperation Monitoring and Reporting System (TCM) (OP-1385-4). The Team Leader will be responsible for submitting the annual report according to the TCM, with the support and input of the RPD coordinators (each RPD Coordinator will submit to the RPD Secretariat a completion report with all generated deliverables and achieved outcomes).
- 4.7 **Evaluation.** To ensure the quality and relevance of the dialogue, the RPD has implemented survey questionnaires in recent years. For this new wave, the survey questionnaire was updated to reflect the new challenges of the region and the priorities of the IDB. After each meeting, external participants, particularly country officials, are asked to complete a survey. These surveys help to analyze the impact of RPD activities in the short-term and to measure the application of the knowledge gained.

V. Major issues

- 5.1 It has been identified a low risk of cancellation of on-site events caused by unforeseen circumstances, including security concerns in the country where they are scheduled or health-related issues like the pandemic outbreak. To mitigate these risks, the transition from on-site to virtual events can be accomplished using digital tools, which have already been successfully utilized during the Dialogues held amidst the COVID-19 pandemic.

VI. Exceptions to Bank policy

- 6.1 Exceptions to Bank policy are not foreseen.

VII. Environmental and Social Strategy

- 7.1 This TC 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 - RG-T4235](#)

[Terms of Reference - RG-T4235](#)

[Procurement Plan - RG-T4235](#)