

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Capacity Building Program on Integration - Phase VI
▪ TC Number:	RG-T3166
▪ Team Leader/Members:	SHEARER, MATTHEW STONE (INT/INT) Team Leader; TRES VILADOMAT, JOAQUIN (INT/INT) Alternate Team Leader; GARCIA NORES, LUCIANA VICTORIA (INT/INT); VALDERRAMA-CELAYA, CLAUDIA (INT/INT); DETCHOU, YANNICK NANJIB (INT/INT); JAIME RAMIREZ, MARGIE-LYS (LEG/SGO); LUTZ, LIZA M. (LEG/SGO); MUNGUIA VEGA, MARIELA (INT/INT)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	19 Dec 2017
▪ Beneficiary:	All IDB borrowing member countries
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 1,300,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Integration and Trade
▪ Unit of Disbursement Responsibility:	INTEGRATION DEPARTMENT FOR RTC AND SDI
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration

II. Objective and Justification

- 2.1 The overall objective of the project, in alignment with the GCI-9, the UIS and the OC-SDP for Integration, is to continue creating and sustaining a long-term and multi-sector critical mass of national expertise on integration through technical-level training, short-term policy advisory services, and support to project execution and monitoring that will strengthen the capacity of public officials involved in integration and trade issues. The specific objectives are: (i) to increase the understanding of how to operate regional and global integration through highly specialized training of government officials and private sector stakeholders related to the global and regional integration agenda; and (ii) to promote the exchange of knowledge and experiences, and create communities of practice on integration through collaborative learning to increase the quality of integration project execution and support integration reforms.
- 2.2 In 2010, the Report on the Ninth General Capital Increase of Resources of the Inter-American Development Bank (IDB) (AB-2764) (GCI-9), established that supporting global and regional integration was one of the Bank's five institutional strategic priorities, and proposed to increase lending to support regional cooperation and integration to 15 percent of the Bank's lending by the end of 2015. To implement this GCI-9 mandate on integration, in 2011 the IDB approved the Sector Strategy to Support Global and Regional Integration (GN-2565-4), which proposed simultaneous investments in the hardware (infrastructure for regional connectivity) and the software (regional policies and regulatory frameworks) of integration, connecting them with a

comprehensive agenda for intra-regional South-South cooperation (SSC) and the generation of regional public goods.

- 2.3 In March 2015, through the Update to the Institutional Strategy 2010-2020 (AB-3008) (UIS), the IDB reaffirmed its commitment to work with the region to address three major inter-related development challenges: (i) social exclusion and inequality; (ii) low productivity and innovation, and (iii) limited productive integration. These development challenges are in turn impacted by three cross-cutting issues: (i) gender equality and diversity, (ii) climate change and environmental sustainability, and (iii) institutions and the rule of law. Specifically, to increase integration beyond market access and foster production-sharing schemes, the UIS suggests carrying out activities in support of: (i) improving regional infrastructure; (ii) inserting firms into value chains; (iii) converging integration policies and instruments; and (iv) leveraging South-South and Triangular Cooperation.
- 2.4 In June 2016, IDB rationalized its Ordinary Capital resources under a set of six new Ordinary Capital Strategic Development Programs (OC-SDPs) (GN-2819-1) that will support the core business of the Bank. Among these OC-SDPs, the OC-SDP for Integration is set to (i) support the harmonization of policies and procedures for greater productive integration; (ii) strengthen the Bank's borrowing member countries' capacities to engage in regional initiatives; (iii) promote physical integration and connectivity in Latin American and the Caribbean (LAC); (iv) promote collective action and South-South Cooperation in LAC to address collective development challenges and opportunities; and, (v) deepen knowledge in global and regional integration. The objectives of the OC-SDP for Integration are strategically aligned with the UIS. Specifically, the OC-SDP for Integration seeks to directly address the UIS identified LAC challenge of Limited Productive Integration by supporting activities, generating knowledge, and strengthening capacities to improve regional infrastructure and connectivity, harmonize integration policies and procedures, and leverage South-South and Triangular cooperation. Additionally, the OC-SDP for Integration may address the three cross-cutting issues of the UIS when applicable by: (i) assessing and monitoring the differential impact of potential projects on women and minorities; (ii) assessing and monitoring mechanisms to enhance project sustainability and resilience to climate change; and (iii) strengthening institutions to enhance planning and execution capabilities, the development of robust regulatory frameworks, and the of investment decisions.

III. Description of Activities and Outputs

- 3.1 Component 1: Developing Content on Global and Regional Integration and Trade (US\$390,000). This component consists of developing content for online tutored courses based on applied research on the costs and benefits of integration, regional policy dialogues, formal training needs assessments and evaluations of the courses carried out under RG-T2265, RG-T2465, RG-T2572, RG-T2762 and RG-T2823. The instructional content of the courses is based on participants' needs. Facilitators responsible for developing the content will be experts identified by INT/INT in coordination with other relevant Bank units. Participants will belong to the public and private sectors. Additionally, MOOCs offered by the edX platform will be targeted to other constituencies such as academia, Think Tanks and graduate students. The main objective of these MOOCs is to position the IDB as a reference institution on integration and trade knowledge.
- 3.2 Component 2: Delivering Online Tutored Courses on Integration (US\$455,000). This component consists of delivering online tutored courses to government officials and private sector stakeholders. This is deemed to be the most cost-effective way to target an extensive number of geographically dispersed candidates while providing opportunities to form networks with tutor facilitation and through collaborative activities,

since integration reforms and investments require building international social capital among implementers. The proposed course topics will also support the implementation of integration projects carried out by countries, often through Bank lending and grants, and focus mainly on: (i) Trade Facilitation, Security and Customs; (ii) Innovation in Trade Policy and Implementation of Trade Agreements; (iii) Export Promotion and Investment Attraction; (iv) Physical Integration; (v) financial integration, mainly FinTech, and vi) regional and South-South cooperation.

- 3.3 Component 3: Innovation in Capacity Building (US\$205,000). This component consists of capacity building innovation through the development of several initiatives, according to the most recent research and eLearning experiences worldwide. Based on Open University innovation programs (that involve pre-recorded lectures and materials that can be accessed by participants in their own time), MOOCs and Small Private Online Courses (SPOCs) will continue to be developed to be made available in platforms such as ConnectAmericas (IDB) and edX. Communities of practice will also ensure continuous learning and exchange of experiences and the creation of a dedicated space to build strong networks on relevant trade and integration topics. Learning Conversations is a new activity created to discuss with experts the latest trends and challenges in trade and integration in Latin America and the Caribbean. The format is a short video in which experts answers specific questions.
- 3.4 Component 4: Program Coordination and Monitoring (US\$250,000). This component will finance Program supervision and coordination, including the design and delivery of courses, managing relationships with providers and partners, creating effective dissemination of results strategies and processes and providing expertise in the development of innovative solutions to Capacity Building. Additionally, this component will finance the annual workshop for strategic consultation with the Heads of Capacity Building of LAC Customs and Trade entities of the Program.
- 3.5 **Component I: Developing content on global and regional integration and trade – RIN Fund.** This component consists of developing content for online tutored courses based on applied research on the costs and benefits of integration, regional policy dialogues, formal training needs assessments and evaluations of the courses carried out under previous phases of the Program.
- 3.6 **Component II: Delivering online tutored courses on integration and trade – MFR Fund.** This component consists of delivering online tutored courses to government officials and private sector stakeholders.
- 3.7 **Component III: Innovation in Capacity Building – MFR Fund.** This component consists of capacity building innovation through the development of several initiatives, according to the most recent research and eLearning experiences worldwide.
- 3.8 **Component IV: Program Coordination and Monitoring – RIN Fund.** This component will finance Program supervision and coordination, including the design and delivery of courses, managing relationships with providers and partners, creating effective dissemination of results strategies and processes and providing expertise in the development of innovative solutions to Capacity Building.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Developing content on global and regional integration and trade – RIN Fund	\$ 390,000.00	\$ 0.00	\$ 390,000.00
Delivering online tutored	\$ 455,000.00	\$ 0.00	\$ 455,000.00

courses on integration and trade – MFR Fund			
Innovation in Capacity Building – MFR Fund	\$ 205,000.00	\$ 0.00	\$ 205,000.00
Program Coordination and Monitoring – RIN Fund	\$ 250,000.00	\$ 0.00	\$ 250,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank, through the Integration and Trade Sector (INT/INT), will be the executing agency for this project. INT/INT will be responsible for the overall execution and supervision of the project in close coordination with KNL/INDES. INT/INT and KNL/INDES with support from current individual consultants and contractors will operate as executing units according to their respective capacities and experience.
- 5.2 Two main reasons justify the execution of this project by the Bank: (i) this is a regional project that involves the coordination of public sector (and relevant private sector) participants from countries across the region, and the Bank is ideally situated to serve as a regional coordinator; and (ii) the project seeks consistency with the Bank's GCI-9 priorities and operational program, the Integration Strategy and the UIS and its CRF, and Bank specialists are in the best position to ensure this.

VI. Project Risks and Issues

- 6.1 The main risk foreseen for this project would be that the capacity building provided to participants would not be applied by individuals who have been trained, either by omission, or by the individuals leaving the organization for which they were originally trained. To mitigate this risk, this project will promote the design and implementation of online training courses in areas where the Bank is implementing integration projects to involve and strengthen capacities for better project execution and reforms and also provide participants with the competences to transfer and share their knowledge and experiences with other professionals in their institutions which could help generate workforce loyalty. The establishment of communities of practice will also contribute to continuous learning and application of the knowledge developed in the courses. Another way to mitigate this risk is the fact that courses are offered in several editions to create a critical mass of individuals trained. In this sense, if one of the individuals trained leaves the institution, there will be other opportunities for other individuals to receive training. Another potential risk would be that bureaucratic or political reasons would significantly slow down project performance. However, regarding national courses, these are directly requested by national institutions, therefore no major delays occur. For regional courses, even if overall coordination is more complex, by involving and directly engaging the Directors of each national participating institution in candidate identification, active participation is ensured. Additionally, Fundación CEDDET will carry out a thorough follow up of candidates, ensuring course timelines are followed.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".