

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	PARAGUAY/CSC - Southern Cone
▪ TC Name:	Labor Markets and Social Security Analysis
▪ TC Number:	PR-T1230
▪ Team Leader/Members:	Urquidi Zijderveld, Manuel Enrique, Team Leader (SCL/LMK); Tapia Troncoso, Waldo Andres (CPN/LMK); Muhlstein, Ethel (SCL/LMK); Chaverri-Suarez, Alonso J. (LEG/SGO); Corvalan, Marta M. De (CSC/CPR); Recalde Ovelar, Diego Fernando (CSC/CPR); Benitez Pereira, Sandra (CSC/CPR); Esteche, John (CSC/CPR); Alonso Arguello, Norma Maria (CSC/CPR); Verdun Lopez, Ruth Caterin (CSC/CPR); y Gaona, Tania Lucia (SCL/LMK).
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	27 Jul 2017
▪ Beneficiary:	Ministerio de Trabajo, Empleo y Seguridad Social (MTESS)
▪ Executing Agency:	Inter-American Development Bank (IDB), Social Sector Department, Labor Markets Division
▪ IDB funding requested:	\$ 180,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	32 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Labor Markets Division (SCL/LMK)
▪ Unit of Disbursement Responsibility:	Labor Markets Division (SCL/LMK)
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social policy for equity and productivity

II. Objective and Justification

- 2.1 This technical cooperation (TC) will contribute to the strengthening of labor policies in Paraguay. In particular, it will (i) generate evidence to strengthen the intermediation and training capacities of the Ministry of Labor; and (ii) analyze the role of the Ministry for the upcoming Social Security reform in the country.
- 2.2 This TC is aligned with the Bank's Updated Institutional Strategy (UIS) 2010-2020 (AB-3008) of social policy for equity and productivity. It is consistent with the Bank Strategy in the Country 2014-2018 and with the Labor Markets Sector Framework (GN-2741-7). It is considered under the dialogue area of the Country Strategy of labor market formalization and expanded social security coverage.
- 2.3 The TC will help: (i) strengthen the relevance of the training provided by Paraguayan public training institutions to the private sector's demand; (ii) strengthen the intermediation capacity of the Dirección General de Empleo, with focus on improvements to intermediation systems technology; (iii) analyze the role of the Dirección General de Seguridad Social in the upcoming Social security reform and propose options to strengthen its supervision, coordination and policy evaluation and execution capacities; and (iv) provide options for the transfer of good practices from other countries to Paraguay.

III. Description of Activities and Outputs

3.1 This operation will have two components:

3.2 **Component 1: Labor Markets studies.** This component will fund studies to determine options to strengthen the intermediation capacities of the Ministry, and the relevance of the content offered by SNPP and SINAFOCAL in their training courses to fulfill private sector demands. It will fund: (i) sector studies, (ii) design and support to the implementation of intermediation technology in the Dirección General de Empleo, (iii) determine options to strengthen the intermediation and training capacity through the transfer of good practices from other countries.

3.3 **Component 2: Social Security studies.** This component will fund studies to support the role of the Dirección General de Seguridad Social to analyze and promote adequate policies for the pension system. It will fund: (i) studies to determine the capacities of the Ministry to coordinate with institutions and its legal role with respect to the pension system, (ii) analyze the capacity of the Dirección General de Seguridad Social to implement and evaluate social security policies, and (iii) find good practices that could be transferred to the ministry from other countries.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Labor Markets Studies.	\$ 100,000.00	\$ 0.00	\$ 100,000.00
Component 2: Social Security studies.	\$ 80,000.00	\$ 0.00	\$ 80,000.00

V. Executing Agency and Execution Structure

5.1 Inter-American Development Bank (IDB), Social Sector, Labor Markets Division (SCL/LMK). Contact: Manuel Urquidi Zijderveld (manuelu@iadb.org).

5.2 SCL/LMK will be in charge of the administration and execution of this TC, given the experience with knowledge transfer between countries in the region and the sector expertise required for the studies.

VI. Project Risks and Issues

6.1 The team has not identified substantial risks of a fiduciary, macroeconomic, public management, or accountability type.

VII. Environmental and Social Classification

7.1 This operation, due to its nature, is not expected to have a significant negative environmental or social impact. The ESG classification for this operation is "C".