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MULTILATERAL INVESTMENT FUND

REGIONAL

EMPLEA-TECH: INTEGRATING YOUNG PEOPLE INTO THE DIGITAL ECONOMY

(RG-T2940)

DONORS MEMORANDUM

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PROJECT SUMMARY
EMPLEA-TECH: INTEGRATING YOUNG PEOPLE INTO THE DIGITAL ECONOMY
(RG-T2940)

In the region, vocational training programs have not been able to meet the demand of the private sector in real time, which has created significant gaps between the supply of and demand for skilled workers. Thirty-six percent of companies in the region have problems finding adequately trained workers. Due to rapidly changing technology, companies are seeking workers with a broad range of skills, from specific technical skills to social-emotional ones, like teamwork, collaboration, critical and creative thinking, perseverance, communication, discipline, and self-control. This is consistent with the information reported by large companies in countries such as the Dominican Republic, Guatemala, and Panama, where 56.2%, 58.8%, and 11.7%, respectively, report that the labor force's lack of technical training is one of the main obstacles to the growth of their businesses.¹

The proposed solution is based on a comprehensive training approach that responds to Manpower's forecasts for technology jobs and has three prongs: social-emotional skills, technical skills in the digital sector, and job placement. It will also seek to develop and improve the technical skills involved in information technology (IT) careers through training on: Systems, Applications, and Products in Data Processing (SAP) Business One (B1), a business-administration software for small and medium-sized enterprises that is used widely throughout the region, as well as on other alternative programming tools identified based on market demand.

The training model is innovative, as it represents a solution to the demand for talent to develop and manage software, helping to transform the region's economy into one based on digital services. Its focus involves accelerated training that includes critical thinking, business skills, and digital expertise to develop applications. This will give young people the technical skills that are in high demand. It will serve low-income youth, giving them opportunities they otherwise would not have, as they are not typically considered by medium-sized and large firms due to their lack of credentials and networks of contacts. In that regard, the project seeks to take advantage of Junior Achievement Worldwide's access to partners like Dell, Cisco, General Electric, Oracle, Hewlett Packard, Boeing, Linx, Microsoft, Google, IBM, and AT&T, and in particular to SAP's myriad partners.

The program is part of the MIF's Knowledge Economy pillar and is strategic, because it seeks to implement pilots with leading technology companies for training and job placement. It is aligned with the IDB Group's institutional strategy and each of the individual country strategies. One of the development challenges identified in the IDB Group's institutional strategy is the region's low levels of productivity and innovation. To address this, the IDB Group set the goal of developing quality human capital by promoting "job training and development of life skills, together with labor intermediation services." The program is also aligned with the third priority business area of the Inter-American Investment Corporation, namely, support for innovation and technological development, to the extent that it promotes the adoption of existing technologies and the creation of new ones to boost productivity in the countries of the region.

¹ Enterprise Survey, World Bank (<https://www.enterprisesurveys.org/>).

ANNEXES

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Annex II	Summary budget

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Proposed resolution

INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE MIF PROJECT INFORMATION SYSTEM

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Annex V	Project status reports, compliance with milestones, and fiduciary agreements
Annex VI	Procurement plan
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ABBREVIATIONS

B1	Business One
IDC	International Data Corporation
IT	Information technology
JA	Junior Achievement
JADOM	Junior Achievement Dominicana
PSR	Project status report
SAP	Systems, Applications and Products in Data Processing
SMEs	Small and medium-sized enterprises

EXECUTIVE SUMMARY

EMPLEA-TECH: INTEGRATING YOUNG PEOPLE INTO THE DIGITAL ECONOMY (RG-T2940)

Country and geographic location:	Dominican Republic, Guatemala, and Panama (capital cities)		
Executing agency:	Junior Achievement Dominicana (JADOM)		
Area of focus:	Knowledge economy		
Coordination with other Bank operations/donors:	The program will coordinate with Manpower and SAP, participating organizations, and the New Employment Opportunities for Youth (NEO) projects being executed in the Dominican Republic and Panama.		
Project beneficiaries:	In all, 2,400 low-income young people ages 17 to 25 who are attending or have graduated from public schools, preferably with a focus on information technology (IT), and 120 companies that will benefit from young people who are better prepared for employment.		
Financing:	Technical cooperation:	US\$1,480,000	49.5%
	Investment:	US\$ 000,000	
	Loan:	US\$ 000,000	
	Other (explain):	US\$ 000,000	
	Total MIF contribution:	US\$1,480,000	
	Counterpart:	US\$1,508,540	50.5%
	Cofinancing (if any; include a separate line for IDB cofinancing if applicable):		
	Total project budget:	US\$2,988,540	100%
Execution and disbursement period:	36 months for execution and 42 months for disbursement.		
Special contractual conditions:	The following will be conditions precedent to the first disbursement: (i) the entry into force of the Operating Regulations; and (ii) the agreements among JA Dominicana, JA Guatemala, and JA Panama.		
Environmental and social impact review:	This operation was screened and classified in accordance with the IDB's Environment and Safeguards Compliance Policy (OP-703) on 5 December 2016. Since the impacts and risks are limited, it is proposed that this be classified as a category "C" operation.		
Unit responsible for disbursement:	MIF staff at the Country Office in the Dominican Republic (MIF/CDR).		

I. THE PROBLEM

A. Description of the problem

- 1.1 Just a decade ago, jobs like application developer, Uber driver, cloud computing specialist, big data analyst, and drone operator did not exist. By some estimates, 65% of children who enter primary school today will end up at jobs that do not yet exist² in the fields of digital, physical, and biological technologies.³ For the countries of Latin America and the Caribbean to benefit from the productivity gains of the digital age, their young people must have the skills to not only be successful in today's jobs, but also to adapt to new requirements as jobs evolve. In the region, vocational training programs have not been able to meet the demands of the private sector in real time, which has created significant gaps between the supply of and demand for skilled workers. Thirty-six percent of companies in the region operating in the formal sector have difficulty finding adequately trained workers, which is the largest regional gap.⁴ The problem is even more marked in highly complex, sophisticated, knowledge-intensive sectors.
- 1.2 According to the International Data Corporation (IDC), by 2020, 40% of the top 3,000 Latin American companies will depend on the capacity of these businesses to create digitally enhanced products, services, and experiences.⁵ For this, they will work on cloud-enabled platforms, mobility, artificial intelligence, the internet of things, augmented reality, virtual reality, and the digital transformations fueled by these technologies.⁶ The pace of technological progress is transforming industries and business models. This means that the skill set required by employers is also changing quickly, and that the useful life of those skills is getting shorter.
- 1.3 In light of this rapid technological change, companies in the region are searching for workers with a broad range of skills, from specific technical skills to social-emotional or life skills, such as teamwork, collaboration, critical and creative thinking, perseverance, communication, discipline, and self-control. These latter skills can enable young people to make the most of opportunities in the digital world and the gig economy. But with few candidates who possess this blend of skills, employers in the targeted countries—the Dominican Republic, Guatemala, and Panama—are having trouble hiring qualified young people. In Panama and Guatemala, for example, 36% and 39% of employers, respectively, report having trouble filling job vacancies.⁷ This represents an opportunity to explore pilot initiatives that foster the development of skills that will be enhanced by technology, rather than replaced by it.

² The Future of Jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution. World Economic Forum. 2016.

³ The 4th Industrial Revolution, Kalus Schwab, 2015.

⁴ Latin American Economic Outlook 2015: Education, Skills and Innovation for Development.

⁵ IDC is the leading global provider of market intelligence, consulting services, and events for the information-technology, telecommunications, and consumer-technology markets.

⁶ IDC FutureScape: Worldwide IT Industry 2017 Predictions: Latin America Impact. 2016.

⁷ Manpower Group. 2016. "Talent Shortage Survey 2016/2017."

II. THE PROPOSED INNOVATION

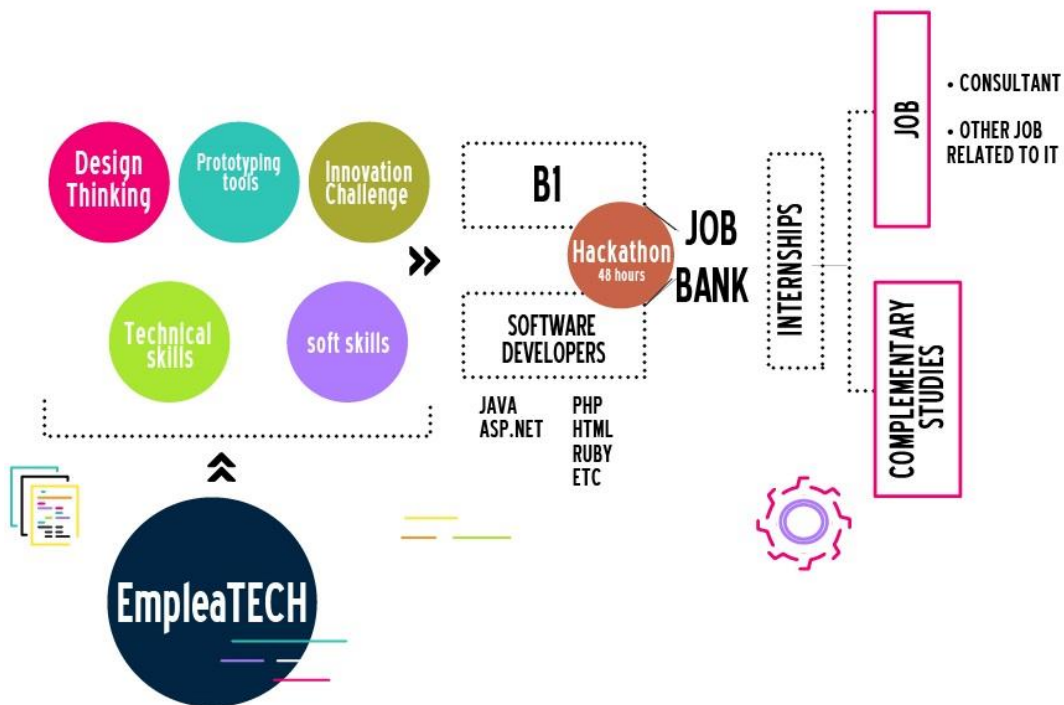
A. Project description

- 2.1 **Project objective.** The ultimate objective is to help fill current job vacancies in the technology sector through the employment of low-income young people. This project will provide technical training of human capital for quality jobs in knowledge-intensive industries (as programmers, software developers and implementers, consultants for implementing information systems, etc.). Jobs in the knowledge economy make it possible for SMEs to further disseminate technology and to enrich the ecosystem in several branches of the technology sector.
- 2.2 The target population will include 2,400 low-income young people (600 in Guatemala, 600 in Panama, and 1,200 in the Dominican Republic) ages 17 to 25 who are in or have graduated from public schools, preferably with a focus on IT, together with training centers, teachers, trainers, and facilitators responsible for coaching the young people during and after the training.
- 2.3 **Proposed solution/model.** The proposed solution is based on a comprehensive, three-pronged approach that will address:
- 2.4 **Social-emotional skills.** Participants will review concepts associated with the values, interests, and skills they all possess that are useful for their personal and professional development. These include: leadership, teamwork, communication, and the interplay between interests and skills. The program will also arm young people with the skills involved in 21st century jobs,⁸ like cognitive flexibility, critical thinking, negotiation, creativity, complex problem-solving, and collaboration, through various learning tools. These skills will be developed through fun, interactive practical activities that use design thinking,⁹ including the business model canvas, to teach young people to develop an organization's value proposition, based on a real business idea and user needs.
- 2.5 In the sessions, multidisciplinary work teams will be formed to brainstorm and develop prototypes and iterations incorporating user feedback; there will also be hackathons and innovation challenges in which the participants will develop technology-based solutions for real-life cases.
- 2.6 **Technical skills.** Participants will develop and improve IT career skills through training on: (1) Systems, Applications, and Products in Data Processing (SAP) Business One (B1), a business-administration software for small and medium-sized enterprises that is used widely throughout the region; and (2) other alternative programming tools (PYTHON, RUBY, PHP, JAVA, ASP, NET, etc.), chosen according to existing demand in each country. The courses will last approximately 100 hours. For B1, the young people will obtain an SAP certification validated by specialized auditors. For the alternative programming classes, they will obtain certificates after completing each program's required study hours.

⁸ Twenty-first century jobs can be defined as those that arise from a significant increase in automation of the labor force and digitization of products, services, and experiences.

⁹ Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success, in the process of developing products and services. (<http://www.ideo.com/pages/design-thinking>)

- 2.7 A catch-up course in English will also be provided for those young people who need it. In each country, the program will seek partners to provide these services in such a way that the young people can take the courses and meet the requirements for the available internships and jobs.
- 2.8 **Job placement.** Training will be provided in the technical and soft skills necessary for employment. The training process will also include exercises to provide support for résumé writing, simulations of job interviews and self-management in the workplace, analysis of classified advertisements to match them with participants' profiles, talks with the human resource managers of various companies, and visits to companies. The program will seek to partner with the network of businesspeople who serve on the local and regional JA boards of governors to find internships for the young people, as well as with the SAP and Manpower client networks. Job fairs will also be held, bringing together various companies and technology firms to make presentations to the young people and hold group interviews. Other tools to be used include a virtual job bank that will connect job seekers with open positions and serve as a way to monitor outcomes and the participants' trajectory.



- 2.9 **Innovation.** This program specifically responds to the private sector's need to hire employees who possess the skills required by the digital economy. It will prepare youth to become skilled workers by imparting not only the necessary technical skills through knowledge of software development and implementation, but also the life and business skills needed to anticipate the constant changes of the new economy, and to effectively adapt to them.
- 2.10 By serving low-income youth, the program will afford opportunities to a group of skilled workers who are typically ignored by large technology firms due to their lack

of credentials and networks of contacts within companies. The participation of young women will be encouraged; through jobs in the technology sector, they will gain better income opportunities. In addition, the model's comprehensive approach is innovative, in that it includes software-development training using design thinking. Participants will have the opportunity to enter contests that require using this approach, business skills, and digital knowledge to develop prototypes (applications) that address real issues. In learning by doing, they will improve their understanding of work in technology companies, through simulations of workplace conditions (for example, tight deadlines, professional supervision, and the need to be resourceful). Consequently, upon completing the program, they will be better informed as they decide on the next steps to take in their professional lives.

2.11 Component I: Strategic partnerships for job training and placement (MIF: US\$121,195; Local counterpart: US\$204,620)

The objective of this component is to forge partnerships to identify the demand for jobs in the technology sector, prepare content for the technical training according to market demand (software and technical English), and help participants develop the technical profiles that technology firms need. This will be done by partnering with the private sector, for example, with software companies, the cyber park (in the case of Santo Domingo), and public schools, like the polytechnic schools in the Dominican Republic. In Guatemala, the program will partner with technical schools, public and private business science institutes and schools, the Ministry of Education, the Bilateral Chambers, the Chamber of Industry, and the Guatemalan American Institute; and in the area of technology, IBM, C&W Business, TIGO–Millicom, IT Now magazine, Grupo Cerca, Claro, and Telefónica.¹⁰ In Panama, the program will seek to partner with science schools, the Technological University, the Ministry of Education, the Ministry of Labor, and organizations like Fundader, the Peace Corps, and María la Antigua Catholic University.¹¹

2.12 JA will coordinate with SAP and Manpower to obtain IT-employment demand forecasts, and determine the gaps in participants' profiles to gain access to those openings. In addition to training, the cyber parks could offer the possibility of youth scholarships, as well as access to jobs in the companies in the parks. Exposure to the innovations generated at the parks will give participants the opportunity to be inspired, grow technically, and get up-to-date on technology matters.

2.13 Component II: Job training and placement (MIF: US\$900,518; Local counterpart: US\$826,352)

The objective of this component is to prepare low-income young people ages 17 to 25 to fit the profile sought by technology firms, so they will be able to find jobs in knowledge-intensive sectors that offer them the opportunity for a professional career. The participants will be prepared in two aspects: (i) life skills; and (ii) technical training. Labor intermediation services will also be provided.

¹⁰ The companies that support JA Guatemala include: Canella, IT Learning, Microsoft, Pixxels, Comudisa, Kalea, Gentrac – Caterpillar, Grupo Segá, and Grupo Buena.

¹¹ The companies that support JA Panama include: DELL, Cable & Wireless, KPMG, Cable Onda, and Scotiabank.

- 2.14 Selection. The criteria for selecting the youth participants will include whether: (i) they come from a disadvantaged area; (ii) their household earns a basic salary; (iii) they are unemployed. Moreover, an aptitude test will be established for participant selection, to ensure that those most suited to the training in this component and that have the appropriate profile for the jobs required by the technology sector are chosen.
- 2.15 For the social-emotional skills, the program will use JA's methodology, reinforced with support from Manpower, given its human resources knowledge (the number of hours will be increased to prevent dropouts and improve employment potential).
- 2.16 For the technical skills, which include software development and implementation, the specific demand for programming languages will be determined with support from Manpower, and an SAP certificate validated by specialized auditors will be awarded for B1. For the catch-up courses in English, the program will look for the most suitable mechanisms in each country through various educational institutions. Based on prior projects, some young people are expected to opt to pursue further studies in the digital sector.
- 2.17 For job placement, the program will partner with the network of businesspeople who serve on local and regional JA boards of governors to obtain internships for participants, and with the networks of SAP clients (around 12,000 in the region) and Manpower customers.
- 2.18 Facilitators will support the participants, following up monthly during the training period and for up to six months after they have found jobs. The facilitators will address any complaints that arise. The job bank will be managed through the Success Factors virtual platform, which is currently being adapted as part of a Junior Achievement (JA) and Citi Foundation project. Participants will have direct access to the platform to search for job openings.
- 2.19 **Component III: Knowledge and strategic communication (MIF: US\$92,000; Local counterpart: US\$243,915)**
- The objective of this component is to learn from implementation in the various countries, compiling best practices and systematizing the model for scale-up to other countries. The program outcomes will be made public, and the training instruments and methodology will be shared with interested organizations. A communications strategy, promotional videos, and program case studies will be developed. This content will be prepared with partners who are on the cutting edge of the program's subject matter, and JA Worldwide will distribute them both within and outside of its network.

B. Project outcomes, measurement, monitoring, and evaluation

- 2.20 At least 50% of the program beneficiaries should find jobs. Among the expected outcomes, 1,100 young people should be employed six months after the training has ended. It is anticipated that 100 young people will become self-employed, working as consultants. Locally and regionally, 120 public-private partnerships will be created for obtaining internships and jobs. Training will be provided to 3,000 young people, with 2,400 expected to complete all of the training modules. The program will promote participation by women (40% of total beneficiaries), to reduce the barriers they face in securing jobs in the technology sector. The program will use an

intervention model that has been validated in three countries with diverse contexts and that could be replicated in other countries in the Junior Achievement Worldwide network.

- 2.21 The facilitators supporting the participants will perform the periodic monitoring and outcome analyses, on the same platform that will be used for labor intermediation. This modular platform provides information on participants' profiles, fulfillment of requirements, and the targets and objectives reached. The data and indicators to be monitored semiannually will be compiled in PSRs for the midterm and final evaluations. The program will also report on the final outcomes in the Project Completion Report.

III. PROJECT ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS

A. Alignment with the MIF and the IDB Group

- 3.1 The program is part of the MIF's Knowledge Economy pillar and is strategic, because it promotes labor force development through technology, helping to reduce the existing talent gap. It is aligned with the IDB Group's institutional strategy and each of the individual country strategies. One of the development challenges identified in the IDB Group's institutional strategy is the region's low levels of productivity and innovation. To address this, the IDB Group set the goal of developing quality human capital by promoting "job training and development of life skills, together with labor intermediation services."
- 3.2 The IDB's country strategy with the Dominican Republic (2013-2016) sets the goal of stimulating growth compatible with the creation of quality jobs. To that end, it prioritizes investment in human capital through improvements in the quality of primary and secondary education. For Panama (2015-2019), the objective is to contribute to the country's inclusive development by making it a priority to strengthen the population's educational profile. It also seeks to develop an innovation, science, and technology system to make the economy more competitive. In Guatemala, the General Government Policy (2016-2020) identified the following strategic areas: incorporating new educational modalities and facilitating the use of information technologies in the classroom to reduce the digital divide in the education system, and enhancing extracurricular education, particularly education for work.
- 3.3 The program is also aligned with the third priority business area of the Inter-American Investment Corporation, namely, support for innovation and technological development, to the extent that it promotes the adoption of existing technologies and the creation of new ones to boost productivity in the countries of the region.

B. Scalability

- 3.4 JA can directly scale up the program to 28 countries in Latin America (JA operates in 31 Latin American countries), and to another 118 countries around the world. SAP, as a program partner and global operator in the business software market, also offers the opportunity to scale up the program. The participation of strong private partners like SAP and Manpower right from the design stage will facilitate the program's success. SAP and Manpower understand the needs of the software development and implementation market and have an extensive network of clients who can offer access to employment opportunities.

- 3.5 Another success factor that facilitates the program's scalability is the executing agency's close relationship with private companies that sit on its board, and with the public sector and schools that could be interested in supporting youth in making the transition from school to work.
- 3.6 In the Dominican Republic, the government is currently designing the Digital Republic program, which affords the opportunity to scale up parts of the program nationwide, in particular the teaching methodology, through community technology centers.
- 3.7 There is also the possibility of scaling up in the Dominican Republic through coordination with the program executed by EDUCA through a public-private partnership,¹² which seeks to combine the efforts of public and private institutions in the youth, labor market, and education sectors, to increase and improve the integration of young people into productive adult lives, and with the program executed with the Santo Domingo Cyber Park,¹³ which seeks to improve the quality of the Dominican workforce with regard to interactive digital technologies so as to increase the country's participation in the global high-technology market, which could accommodate young people coming out of this project.

C. Project and institutional risks

- 3.8 One risk is that young people could drop out of the program if the training sessions do not take place at the schools. This risk can be mitigated by holding the training sessions in the schools, whether during or outside of the regular school day, and by having facilitators constantly support participants. The technical schools are one of the stakeholders with which JA has been working for several years. Accordingly, JA now has inroads and credibility with their directors, department coordinators, and psychologists. As an incentive, the program will include awards for the best teachers.
- 3.9 Another risk is that the private sector might not have much interest in offering internships and/or jobs to program participants. This risk will be mitigated by awareness-raising from the outset. JA has very close ties to the private sector, since businesspeople participate on its regional boards and on the local boards in each country. JA's approach is one of alignment with the business sector and of presenting the value proposition of having quality human capital to cover operational needs.

IV. BUDGET INSTRUMENT AND PROPOSAL

- 4.1 The total project cost is US\$2,988,540, of which US\$1,480,000 (49.5%) will be contributed by the MIF as technical-cooperation financing and US\$1,508,540 (50.5%) will be contributed by the counterpart, which will come from JADOM as well as other project partners, such as SAP and Manpower and local sources in each country.

¹² ["Quisqueya believes in you..." NEO in the Dominican Republic.](#) ATN/ME-14172-DR.

¹³ ["Building the Capacities of Young People to Develop Interactive Digital Technologies"](#) ATN/ME-15906-DR.

	MIF	Counterpart	Total
Project components			
Component 1: Strategic partnerships for job training and placement	121,195	204,620	325,815
Component 2: Job training and placement	900,518	826,352	1,726,870
Component 3: Knowledge and strategic communication	92,000	243,915	335,915
Project administration (executing unit costs)	257,250	233,653	490,903
Midterm and final evaluations	30,000		30,000
Audited expense statements and fiduciary strengthening	50,000		50,000
Contingencies	29,037		29,037
Grand total	1,480,000	1,508,540	2,988,540
% of financing:	49.5%	50.5%	100%

V. EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

A. Description of the executing agency

- 5.1 The executing agency that will sign the agreement with the Bank is Junior Achievement Dominicana (JADOM), which is part of Junior Achievement Worldwide, an organization that reaches 10 million young people globally, thanks to thousands of visionary businesspeople and educators and a community of leaders that recognizes the value of building up youth talent in local economies. In Latin America and the Caribbean, JA Worldwide focuses on fostering youth entrepreneurship, workforce readiness, and financial education in both urban and rural areas. It has a presence in 31 countries and a network of more than 1,000 members on its board of governors, 3,500 partners, 600 employees, and 44,000 volunteers to benefit one million young people annually.
- 5.2 JADOM was founded 22 years ago, and is the largest JA Worldwide office in the region. JA responds to market needs by working with local companies to understand the skills profile they require, adapting its programs to the companies' objectives, affording a sense of ownership and guaranteeing sustainability. JA thus maximizes youth employability and the real return on investment. Its work philosophy fits within Junior Achievement's mission with regard to channeling business skill-building to marginalized youth in Latin America, to help them design, create, manage, and sustain their own unique income-generating enterprises. JADOM has implemented projects with Grupo Ramos, the United States Agency for International Development, Citi Foundation, Scotia Bank, Banco Popular, Banco Ademi, Banco Adopem, and more than 97 educational centers.
- 5.3 The proposed project stems from a strong partnership between JA and SAP, the third largest global software producer and leader in the business software application market. More than 12,000 companies depend on SAP's cloud technology for their daily operations. SAP has 13 offices and thousands of employees in Latin America and the Caribbean. Accordingly, it has demonstrated the need for qualified human capital to be able to provide customer support on its

various applications. Business One (B1) was developed specifically for SMEs and is the fastest growing software in Latin America and the Caribbean, constituting 80% of SAP customers.

B. Structure and implementation mechanism

- 5.4 Junior Achievement Americas will establish a project executing unit with technical, administrative, and financial responsibility for the project. This unit will likewise be in charge of the relationship with the Bank, including channeling requests for “no objection” to the procurement of goods and services foreseen in the project. To that end, the unit will comprise: (i) one general project manager; (ii) one regional project coordinator; (iii) three project sub-executing agencies;¹⁴ and (iv) one administrative unit, based in the Dominican Republic at the JADOM offices. Junior Achievement Americas will be responsible for submitting project implementation status reports, through the regional coordinator. At the country level, the project implementers will use monitoring and follow-up tools to periodically report progress to the regional coordinator.
- 5.5 Administrative unit. An administrative unit will be formed to handle the project’s administrative and financial aspects. It will be established in the Dominican Republic and incorporated into the offices of the operation’s local implementer, JADOM. It will be responsible for the regional financial and accounting control of the operation. To that end, it will be made up of one full-time financial manager and one part-time accounting-administrative assistant. The unit staff will report functionally to the program’s regional coordinator and in a dotted line to the JA representative in the Dominican Republic.
- 5.6 Sub-executing agencies. Execution of project activities will fall to the sub-executing agencies under the regional coordinator. To that end, JA Dominicana, JA Guatemala, and JA Panama will sign a cooperation agreement with JA Americas, in which they agree to co-execute the program and to appoint and/or identify a sub-coordinator in each of the countries. The project’s Operating Regulations will establish the breakdown of responsibilities by executing agency.
- 5.7 Monitoring committee. A monitoring committee will be established and will meet once a year to follow up on the operation’s progress, ensuring that it stays on track towards achieving the development objectives. Recommendations to redirect funds, adjust indicators, and/or make any substantial changes must be agreed upon and approved by this committee. The committee will be composed of the regional coordinator, the implementers in the countries, and one representative from each of SAP, JA Americas, and Manpower, all of whom will have the right to speak and vote. The MIF representative will have the right to speak but not to vote. The meetings will be held once a year at a location agreed upon by a majority of members.
- 5.8 Details on the executing unit’s structure and the status report requirements are found in Annex V in the technical files for this operation.

¹⁴ Guatemala, Panama, and the Dominican Republic.

VI. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 **Disbursement by results and fiduciary arrangements.** The executing agency agrees to adhere to the standard MIF disbursement by results, Bank procurement policy,¹⁵ and financial management arrangements¹⁶ specified in Annexes V and VI. The following specific special arrangements are also included for this project: The program's administrative unit will request the allocation of resources from the Bank; the request will be signed by the president of Junior Achievement Americas and the regional coordinator. The administrative unit will receive the MIF contribution resources in an account in dollars, and its representative, with authorization from the regional coordinator and the president of Junior Achievement Americas, will transfer the necessary line items to the implementers in Panama, Guatemala, and the Dominican Republic, to execute program activities. Each project sub-executing agency will open a separate bank account specifically to manage the MIF contribution that it has been allocated.
- 6.2 JADOM will open the account in dollars and, to maintain the control environment, it may not transfer funds to the implementers in Panama, the Dominican Republic, or Guatemala without authorization from the regional project coordinator and/or the president of Junior Achievement Americas. Two individuals must electronically approve the transaction. Supporting documentation for the expenses incurred by the implementers in Guatemala and Panama must be reported to and stored with the administrative unit in the Dominican Republic. The supporting documents must be sealed and signed and sent electronically by the individuals responsible for accounting at each implementer in Guatemala and Panama.
- 6.3 The first disbursement of MIF contribution resources will be subject to fulfillment of the conditions precedent and to the submission of the financial plan for the first six months of project execution, which must be consolidated, clearly indicate what corresponds to JADOM and to each sub-executing agency, and have been approved by JA Americas. The second disbursement will be made when at least 80% of the previously disbursed resources have been justified and the financial plan for the next six months has been submitted.
- 6.4 If the pace of any sub-executing agency's implementation is slower than planned, it may, so as not to jeopardize the availability of MIF-contribution resources for project execution, request authorization from the Bank to allow another sub-executing agency to move forward with its activities, even though they were not submitted in the corresponding financial plan. Each sub-executing agency will maintain precise records in accordance with Bank-regulated procedures, to be verified by the Bank and by external auditors.
- 6.5 **Monitoring and evaluation.** The Bank's Country Office in the Dominican Republic will be responsible for oversight and control activities, for monitoring compliance with the contractual clauses, and for processing disbursement requests and the ex post reviews. If in the course of project execution, or on the occasion of the project evaluations, there is found to be a significant disparity in the use of funds and execution of activities, funds may be reallocated among the executing and sub-

¹⁵ Link to the [Policies for the Procurement of Works and Goods financed by the IDB](#).

¹⁶ Link to the [Financial Management Operational Guidelines](#).

executing agencies who remain in the project. Should this occur, the indicators set forth in the Logical Framework and the counterpart contributions must be redistributed proportionately to the funds received. Otherwise, the corresponding funds and indicators will be canceled.

VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY

- 7.1 **Access to information.** Except for the publication of the entities' strategic and marketing plans, program information is not considered confidential under the IDB Access to Information Policy. This document is therefore public in accordance with said policy.
- 7.2 **Intellectual property.** The program is based on expanding the JA model, which is the intellectual property of JA. However, JA will grant the IDB/MIF a free, non-commercial, irrevocable, open-ended license for the use of the copyrights, patents, and any other intellectual property right held by JA, including, without restriction, all of the knowledge products generated during the use of this methodology. Further, all of the project-generated knowledge products are the property of the IDB/MIF, which will give JA a license for those products. It will also use the information necessary to systematize the experience and generate knowledge products to be used to facilitate replication of the model.