**TC Abstract**

**I. Basic project data**

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| --- | --- |
| • Country/Region: | REGIONAL/IDB |
| • TC Name: | Support for public policies to increase coverage, sustainability and adequacy of pension systems in the region |
| • TC Number: | RG-T3047 |
| • Team Leader/Members: | BOSCH MOSSI, MARIANO - Team Leader ETHELM - Creator MUHLSTEIN, ETHEL ROSA - Operational Analyst GAONA, TANIA LUCIA - Project Assistant JAIME RAMIREZ, MARGIE-LYS - Attorney TAPIA TRONCOSO, WALDO ANDRES - Alternate Team Leader SILVA PORTO DIAZ, MARIA TERESA - Consultant KELLER, LUKAS KONSTANTIN - Consultant |
| • Indicate if: Operational Support, Client Support, or Research & Dissemination: | Client Support |
| • If Operational Support TC, give number and name of Operation Supported by the TC: |  |
| • Reference to Request:(ezShare #): |  |
| • Date of TC Abstract: | 02 Jun 2017 |
| • Beneficiary (countries or entities which are the recipient of the technical assistance): | Superintendencia de Pensiones y Ministerios de Trabajo y Hacienda, así como adultos mayores |
| • Executing Agency and contact name (Organization or entity responsible for executing the TC Program) | Inter-American Development Bank, Social Sector, Labor Markets Division - Mariano Bosch (mbosch@iadb.org) |
| • IDB Funding Requested: | $ 200,000.00 |
| • Local counterpart funding, if any: | $ 0.00 |
| • Disbursement period (which includes execution period): | 40 months |
| • Required start date: |  |
| • Types of consultants (firm or individual consultants): | Individuals and firms |
| • Prepared by Unit: | Labor Markets Division (SCL/LMK) |
| • Unit of Disbursement Responsibility: | Labor Markets Division (SCL/LMK) |
| • Included in Country Strategy (y/n): • TC included in CPD(y / n): | No No |
| • Strategic Alignment: | Social inclusion and equality |

**II. Objective and Justification**

The objective of this TC is to generate diagnoses and recommendations to develop and implement policies to increase pension coverage, sustainability and adequacy in Latin American and Caribbean Countries, as well as organize events to disseminate best practices in the region.

Any pension system should balance the following three main aspects: coverage (people are guaranteed a pension when they retire), adequacy (pensions ensure a sufficient income and are equitable), and sustainability (balance pensions cost and the income to finance them). Despite the many efforts and reforms made to the pension systems of the countries of the region, they have not been able to provide adequate protection to important sectors of the population. Furthermore, many countries suffer from sustainability and adequacy challenges. Therefore, policy recommendations to increase pension coverage should look at the complete system, integrally, aiming to get a balance between these three elements, which interact with each other.

**III. Description of activities and outputs**

Component 1- 115.000 US$: Country Diagnoses. This component will cover studies and or technical visits that provide relevant information to diagnose, recommend and implement policies that aim improving coverage, sustainability and adequacy policies. These studies will provide valuable information to the governments and decision makers to improve their pension systems. This TC will produce technical notes with a detailed diagnosis and policy proposals for two countries.   
  
Component 2-75.000 US$: Knowledge dissemination. This component will sponsor two events to disseminate best practices and lessons learned regarding improving coverage, sustainability and adequacy policies. These events will allow a knowledge exchange between experts and policy makers that will provide relevant information for their own pension systems. This component will cover travel of experts and attendees, and organization of such event and publications.  
  
Incidentals- 10.000 US$

**Outcomes**

Name:

**Components**

Name: Country Diagnoses

Description: This component will cover studies and or technical visits that provide relevant information to diagnose, recommend and implement policies that aim improving coverage, sustainability and adequacy policies. These studies will provide valuable information to the governments and decision makers to improve their pension systems. This TC will produce technical notes with a detailed diagnosis and policy proposals for two countries.

Name: Knowledge dissemination

Description: This component will sponsor two events to disseminate best practices and lessons learned regarding improving coverage, sustainability and adequacy policies. These events will allow a knowledge exchange between experts and policy makers that will provide relevant information for their own pension systems. This component will cover travel of experts and attendees, and organization of such event and publications

Name: Incidentals

Description: Incidentals

**IV. Budget**

**Indicative Budget**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity/Component** | **IDB/Fund Funding** | **Counterpart Funding** | **Total Funding** |
| Country Diagnoses | $ 115,000.00 | $ 0.00 | $ 115,000.00 |
| Knowledge dissemination | $ 75,000.00 | $ 0.00 | $ 75,000.00 |
| Incidentals | $ 10,000.00 | $ 0.00 | $ 10,000.00 |

**V. Executing agency and execution structure**

The Labor Markets division (SCL/LMK) will be responsible for the execution.

Given the experience of SCL/LMK regarding the topics included in this TC, this Division will be responsible for the procurement and supervision of the products included in this TC.

**VI. Project Risks and issues**

Given failed efforts in the past to promote pension reform, it is critical that there is broad support and understanding of the need for decisions regarding pension reform by the government, as well as in the private sector and civil society. This risk is mitigated by regular consultations with key public sector stakeholders and other stakeholders in the private sector, and a workshop to disseminate and socialize the consultants’ findings and recommendations.

**VII. Environmental and Social Classification**

The ESG classification for this operation is [C]