

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Fair LAC - Responsible Artificial Intelligence for efficient and individualized provision of Social Services for all
▪ TC Number:	RG-T3450
▪ Team Leader/Members:	BUENADICHA SANCHEZ, CESAR M. (MIF/MSM) Team Leader; POMBO RIVERA, CRISTINA (SCL/SCL) Alternate Team Leader; URQUIDI ZIJDERVELD, MANUEL ENRIQUE (SCL/LMK); PEREZ ALFARO, MARCELO A. (SCL/EDU); ARIAS ORTIZ, ELENA (SCL/EDU); TEJERINA, LUIS R. (SCL/SPH); NELSON, JENNIFER A (SCL/SPH); ALDAZ GUALLART, MIGUEL (ORP/REM); CASCO, MARIO A. (ITE/IPS); PIRAS, CLAUDIA (SCL/GDI); SCANNONE CHAVEZ, RODOLFO ANDRES (SCL/EDU)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	27 Feb 2019
▪ Beneficiary:	Citizens and governments in the region
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 500,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	Social Sector
▪ Unit of Disbursement Responsibility:	Social Sector
▪ 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:	Social inclusion and equality ; Gender equality; Diversity

II. Objective and Justification

- 2.1 The TC aims to set the foundations for the IDB, starting with the Department of the Social Sector, to develop analytic and practical skills to support the ethical and widespread use of AI for the provision of social services.
- 2.2 Governments face rising citizen demand for not only the coverage of social services they offer, but also for the efficiency and quality of these social services. Digital transformation creates new opportunities for the provision of social services among the governments in Latin America and the Caribbean and holds promise especially for reducing existing inequity gaps by ensuring that innovative technology effectively reaches traditionally excluded populations. Central to digital transformation is a more effective use of citizen's data, which also requires the development of comprehensive frameworks in order to ensure that governments avoid abuse of data or biases in the data that negatively impact both decision-making and services' improvements.
- 2.3 In parallel to the potential availability of enormous data from multiple sources , increases in computational capacity are driving the development of the field of Artificial Intelligence (AI) , one of the most promising technologies for digital transformation that allows predictive models in areas such as education, health or labor markets. However, despite the accelerated pace of AI adoption by industry (still nascent in

governments), important questions remain that demand urgent responses: How do we ensure that the predictive algorithms do not amplify existing cultural biases? How do we guarantee that innovations adhere to personal data privacy guidelines? How do we make sure that proposed solutions are effective, just, and people centered? How do we ensure that AI is used to benefit all and not only a few, widening social inequalities? These questions are essential for the future development of AI particularly when using citizens data.

III. Description of Activities and Outputs

- 3.1 The TC will generate of three main outputs: (i) develop principles and standards, including capacity building efforts for LAC governments and a repository for studies and AI for social good trials; (ii) create and deploy an AI Rapid Assessment methodology that will analyze cases for standards, implementation, and effectiveness; and (iii) promote and foster a diverse network of practitioners and experts working together to develop ethically-informed best practices, raise awareness, and apply responsible AI.
- 3.2 **Component I: Capacity building, principles and standards for the advancement of responsible AI in LAC** . This component's objective is to support governments in using AI in a responsible and just manner, by generating knowledge, building capacity and developing best-practice principles and standards for AI develop.
- 3.3 **Component II: AI ethics rapid assessment** . This component's objective is to assist governments and IDB initiatives and projects assessing AI related proposals and ensuring that these projects are adhering to best practices.
- 3.4 **Component III: Foster a diverse network of practitioners and experts to develop ethically-informed best practices and raise awareness**. This component's objective is to raise awareness on the importance of AI ethics and to build a network of experts and practitioners that supports governments and IDB initiatives for a responsible use of AI.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Capacity building, principles and standards for the advancement of responsible AI in LAC	\$ 150,000.00	\$ 0.00	\$ 150,000.00
AI ethics rapid assessment	\$ 200,000.00	\$ 0.00	\$ 200,000.00
Foster a diverse network of practitioners and experts to develop ethically-informed best practices and raise awareness	\$ 150,000.00	\$ 0.00	\$ 150,000.00

V. Executing Agency and Execution Structure

- 5.1 The Inter-American Development Bank (IDB), through the IDB Social Sector, will be the Executing Agency, in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and the TC Operating Guidelines (GN-2629-1).
- 5.2 The execution by the Social Sector is due to the regional nature of the project and the experience and capacity of the Bank in executing this type of project, its ability to hire

high-level international consultancies as a value add, the Bank's additional options for using tools to transfer lessons learned from other countries, and the Bank's capacity to promote the transfer of best practices from within and outside the region. The Bank will supervise the TC, and the beneficiaries will be able to provide technical inputs to the TC's knowledge products.

VI. Project Risks and Issues

- 6.1 The team of this operation has not identified substantial risks at the level of accountability, public administration, macroeconomic, or fiduciary. Due to its nature, the execution of this TC is not expected to result in a significant negative impact on the environment or on a social level.

VII. Environmental and Social Classification

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