**TC Abstract**

1. **Basic Project Data**

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| * Country/Region: | EL SALVADOR/CID |
| * TC Name: |  |
| * TC Number: | ES-T1316 |
| * Team Leader/Members: | Maria Victoria Fazio (SCL/LMK) Team Leader; Fernando Pavon (SCL/LMK) Co- Team Leader, Dulce Baptista (SCL/LMK) Co-Team Leader; Ethel Muhlstein (SCL/LMK); Andrea Garcia Valero (SCL-LMK) |
| * Indicate if: Operational Support, Client Support, or Research & Dissemination | Client Support (CS) |
| * If Operational Support TC, give number and name of Operation Supported by the TC: |  |
| * Date of TC Abstract: | June 1, 2020 |
| * Beneficiary (countries or entities which are the recipient of the technical assistance): | MINEC- El Salvador |
| * Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {If Bank: Contracting entity} {If the same as Beneficiary, please indicate} | Inter-American Development Bank (IDB), Social Sector, Labor Markets Division (SCL/LMK) – Maria Victoria Fazio, SCL/CBR |
| * IDB Funding Requested: | U$ 450,000.00 |
| * Local counterpart funding, if any: | U$ 0.00 |
| * Disbursement period (which includes Execution period): | 36 months |
| * Types of consultants (firm or individual consultants): | Individuals; firms |
| * Prepared by Unit: | SCL/LMK |
| * Unit of Disbursement Responsibility: | SCL/LMK |
| * TC Included in Country Strategy (y/n): | Yes |
| * TC included in CPD (y/n): | Yes |
| * Alignment to the Update to the Institutional Strategy 2010-2020: | Institutional capacity |

1. **Objectives and Justification of the TC**
   1. The objective of the technical cooperation is to develop digital freelance readiness for young Salvadorians in order to increase their employability in a growing sector of the economy (the digital platform economy). The project will support the development of a pilot and an evaluation of a project to support digital skills and freelancing skills training, together with an intermediation agency model to link graduates to work opportunities through online digital platforms. The main product will be the agency model, which will provide e-lancing training to students with certain digital skills level and will act as an intermediary for the first jobs of the freelancers, until they can work independently and manage their own project portfolio, thus providing them with the necessary support to access better jobs available via gig platforms.
   2. The TC will help verify how effective the freelance economy can be to provide better jobs for people, especially in countries where local sources of work are scarce and job-seekers future prospects are limited by the lack of economic opportunity, often pushing them into situations of vulnerability. The evidence generated will offer valuable information on how to link to the global platform economy from the region to access much higher wages than can be earned locally. This impact evaluation will feed a larger body of work in the Social sector about digital skills training and connection with jobs in the platform economy, specifically: 1) connecting women with digital platforms within the CIUDAD MUJER program, 2) fostering female entrepreneurship within the SheWorks pilot in Guatemala, (3) and providing digital skills training within the IDBLAB project in El Salvador.
   3. The pilot will focus on developing an intervention that allows for gender and diversity balance, as well as the inclusion of people with disabilities and of diverse socioeconomic backgrounds. This will be achieved by implementing pilot beneficiary eligibility criteria that lead to a cohort of potential freelancers from different socioeconomic backgrounds.
2. **Description of activities/components**
   1. **Component I** – **Agency model Pilot and Impact evaluation methodology design.** Component 1 will finance the design of the agency model and the impact evaluation strategy of the project. The design should contain proposed data collection methods and data sources to be used for addressing each evaluation question/dimension.
   2. **Component II – Pilot intervention and evaluation.** Component 2 will finance the development of the pilot intervention for the development of the training and intermediation agency model, and the evaluation strategy, including the data collection before and after the intervention, and the final report assessing the program’s impact.

**Result:** Operational manuals and guidelines as well as trainings conducted.

1. **Indicative Budget (US$)**

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| --- | --- | --- | --- |
| **Activity/Component** | **IDB/Fund Funding** | **Counterpart Funding** | **Total Funding** |
| Component 1 – Agency model Pilot and Impact evaluation methodology design | **50,000** | 0 | **50,000** |
| Component 2 - Pilot intervention and evaluation | **400,000** | 0 | **400,000** |
| **Total** | **450,000** | **0** | **450,000** |

1. **Executing agency and execution structure**
   1. Design, coordination and supervision of this TC and its disbursement will be tasked to the IDB’s Labor Market division within the Social Sector (SCL/LMK) in accordance with MINEC’s request for IDB’s technical assistance to supplement MINEC’s experience and technical capacity in designing credit lines of this nature.
   2. The IDB will maintain a close and constant dialogue with MINEC, especially with the Secretariat of Planning and Finance.
2. **Major issues** 
   1. The risks in executing the TC and achieving its objectives could be delays in collecting the data relevant to the impact evaluation. Measures to mitigate such risks will be taken into account by the project coordination.
3. **Environmental and Social Classification**
   1. Classification C – Due to the nature of this project, it is estimated that this TC will not have a considerable negative environmental or social impact.