

Promoting Knowledge and Capacity Building through the Regional Policy Dialogue

TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Promoting Knowledge and Capacity Building through the Regional Policy Dialogue
▪ TC Number:	RG-T2557
▪ Team Leader/Members:	Marina Bassi, Team Leader (VPS/VPS), Anna Nill (VPS/VPS), all Networks' technical coordinators (IFD, INE, INT, RES, SCL), Betina Hennig (LEG/SGO), Ileana Pinto (VPC/FMP), Maria Teresa Soto-Aguilar (VPC/FMP)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Research & Dissemination
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	NA
▪ Reference to Request: (IDB docs #)	NA
▪ Date of TC Abstract:	December 1, 2014
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	All LAC countries
▪ Executing Agency and contact name	The Bank through VPS/VPS and VPS Divisions
▪ IDB Funding Requested:	\$1,550,000
▪ Disbursement period (which includes execution period):	18 months
▪ Required start date:	February 1, 2015
▪ Types of consultants:	Individual consultants or firms
▪ Prepared by Unit:	VPS/VPS
▪ Unit of Disbursement Responsibility:	VPS/VPS
▪ Included in Country Strategy (y/n);	N
▪ TC included in CPD (y/n):	N
▪ GCI-9 Sector Priority:	All five GCI-9 sector priorities (see paragraph 2.5)

II. Objective and Justification

- 2.1 The Bank's Board of Executive Directors approved in 2000 the creation of the Regional Policy Dialogue (RPD) (GN-2096-2), a program aimed at establishing networks of dialogue among LAC senior government officials working in the same sector to meet regularly with the purpose of exchanging experiences, sharing lessons learned, identifying common solutions to their most pressing development issues, and increasing their intellectual and institutional capital.
- 2.2 Since its inception, sixteen policy dialogue networks aligned with the Bank's institutional priorities have been created in the areas of: 1) citizen security; 2) climate change; 3) disaster risk management; 4) education; 5) energy; 6) financial institutions; 7) fiscal policy and urban development; 8) gender equality and diversity; 9) innovation; 10) labor markets and social security; 11) macroeconomic policy and finance; 12) open government; 13) social protection and health; 14) trade and integration; 15) transportation; and 16) water and sanitation. The RPD networks are coordinated by Bank staff and formed by high level policymakers from borrowing member countries.

- 2.3 The **value added** of this TC is related to: i) promoting high level policy dialogue and knowledge sharing among senior policymakers from the borrowing member countries; ii) fostering discussions between policymakers and experts on key development issues who present policy-oriented knowledge, analytical work and tools for the design, reformulation, and adoption of sound policies; and (iii) providing a space for the dissemination and dialogue with the countries about the Bank's operational and knowledge program. Indeed, over the past 15 years, RPD networks have been consolidating their commitment to strengthen institutional capacity in LAC, to generate south-south cooperation, and to build strategic alliances between key stakeholders in important sectors in the region. The interest and continuing demand for new RPD networks indicates that the initiative is perceived as valuable both by LAC high-level policymakers and by VPS Divisions.¹ In addition, existing networks are expanding their line of activities by introducing a multi-sectorial approach, aligned with their respective Divisions' strategic work.
- 2.4 This TC will build on the outcomes and outputs achieved under previous TCs financed by the Institutional Capacity Strengthening Thematic Fund (ICSF).² Among the main lessons learned from previous TCs are: (i) the dialogue is enriched and strategic alliances are encouraged when other key stakeholders other than high level officials are invited, including representatives from the private sector, civil society, academia, and other international organizations; (ii) the use of empirical evidence and practical tools improve the quality of the dialogue; and (iii) informal activities, such as field trips and small discussion groups within RPD meetings, when relevant, have proven to be successful in promoting the exchange of ideas and experiences among participants and can increase the quality of discussion.³
- 2.5 Overall, this TC is directly aligned with the GCI-9 pillar on institutions for growth and social welfare as the RPD contributes to build capacity among policy-makers in key development areas and it allows the identification of successful policy and institutional reforms across different sectors. In addition, the main topics of the networks are directly aligned with the **five GCI-9 sector priorities**, namely: (i) social policy for equity and productivity (Social Protection and Health, Labor Markets and Social Security, Education, and Gender Equality and Diversity Networks); (ii) infrastructure for competitiveness and social welfare (Water and Sanitation, Transportation, and Innovation Networks); (iii) institutions for growth and social welfare (Fiscal Management and Urban Development, Citizen Security, Open Government, and Financial Institutions Networks); (iv) competitive regional and global international integration (Trade and Integration Network); and (v) protection of the environment, response to climate change, promotion of renewable energy and ensuring food security (Climate Change, Disaster Risk Management, and Energy Networks).

III. Description of activities and outputs

- 3.1 **Component I.** The major component of the TC will include planning, organizing and holding **regional and sub-regional meetings** with high level government officials of LAC countries, to discuss issues identified as priorities to the borrowing member countries. The meetings will be held in Washington, D.C. or in the Region, and convened by the dialogue's network coordinators in coordination with VPS. The meeting agenda and supporting documents will be posted in the RDP

¹ In 2014, three networks were created: Gender Equality, Fiscal Management, and Open Government.

² RG-T1832, RG-T2017, RG-T2252 have been completely executed and fully disbursed. RG-T2436, which execution period ends in September 2015, is financing several meetings that took place during 4Q of 2014 and a few planned for the first semester of 2015, as well as knowledge products to be published in the upcoming months. The pending products and activities are expected to be completed before the end of the execution date.

³ For a description of the results achieved and the lessons learned under the previous TCs financed by the ICSF, see the following documents IDBDOCS 37533025 (RG-T1832), IDBDOCS 37533010 (RG-T2017), and IDBDOCS 38658024 (RG-T2252).

web page and invitations will be extended to experts from international organizations, think tanks, professional organizations, universities and non-borrowing member countries to enrich the dialogue by contributing knowledge, innovative practices, and relevant experiences.

- 3.2 **Component II.** The second component will include the preparation of background studies to be presented and discussed during the dialogue meetings. The publications will be published in accordance to the Bank's Publication Protocol guidelines and will be disseminated through the RPD webpage.
- 3.3 **Component III.** The third component includes the coordination and dissemination of activities and results of this TC. For a detailed description of each network's activities, expected outputs and expected results, see Annex I.

IV. Budget

Component	IDB / ICSF Funding
Component 1. 24 Meetings (15 regional, 9 sub-regional)	1,100,000
• Hiring consultants to organize logistics for meetings	200,000
• Travel and per diem for participants	700,000
• Other expenses (materials, interpretation services, catering)	200,000
Component 2. 22 Publications (Studies, Books) and Presentations	340,000
• Hiring experts to prepare materials and publications	310,000
• Editing and printing	30,000
Component 3. Coordination and Dissemination	110,000
• Coordination of RPD and dissemination of results	110,000
GRAND TOTAL	1,550,000

V. Executing agency and execution structure

- 5.1 The Bank through VPS/VPS will be the executing agency. The document GN-2096-2 approved by the Board of Executive Directors for the implementation of the Regional Policy Dialogue authorized the Bank as the executing agency to ensure the active participation of the borrowing member countries to dialogue with the Bank through the set-up of networks (see paragraphs 1.3 and 1.4 of same document).

VI. Project risks and issues

- 6.1 One of the main risks of the project is the possible low participation rate of high-level officials in the RDP meetings. Following OVE's recommendations (RE-316-1), this risk has been mitigated since 2010 by paying travel and per-diem expenses, as well as through effective communication encouragement from the network coordinators. Another risk is that certain sub-regions are underrepresented in the networks' meetings. To reduce this risk, Management has required all network coordinators to submit a pluri-annual work plan in which they explain how their network's activities will cover all of LAC's sub-regions during the following three years.

VII. Environmental and Social Classification

- 7.1 There are no environmental and social risks and impacts associated with this TC. This TC has been classified in Category C.

ANNEX I

Objectives, Deliverables and Expected Results by Network

Network (Division)	Objectives	Expected Outputs	Expected Results
Citizen Security (IFD/ICS)	i) Promote the exchange of experiences, knowledge and lessons learned on crime statistics and crime prevention ii) Identify solutions to common challenges inside and outside the region iii) Help shape the operational, applied research and knowledge agendas of the Bank for citizen security according to the demands of the Region's policymakers	i) One sub-regional meeting in DC during the third quarter of 2015, focused on crime statistics and crime prevention ii) One discussion paper on crime prevention iii) Annual Qualitative Summary	i) Greater exchange of information and experiences among countries of the region on crime prevention ii) Identification of common solutions on crime prevention and creation of strategic alliances between countries of the region iii) Consolidation of the network in the region iv) Institutional capacity strengthening of LAC policymakers in the design, implementation, and evaluation in crime prevention projects
Climate Change (INE/CCS)	i) Awareness raising among country authorities in priority sectors and Bank Staff on key challenges in promoting climate change mitigation and adaptation and addressing the impacts of climate change and their integration into development policy ii) Assist countries to improve their climate change policy agendas in an integrated manner by involving stakeholders from other key sectors that influence on urban planning (i.e. transportation, housing, fiscal management) iii) Achieve greater synergy of the Bank's multi-divisions' initiatives and efforts for effective technical services in LAC	i) One regional meeting in Panama in 1Q 2015, focused on mainstreaming climate change into sustainable urban planning ii) One background paper defining the most relevant concepts related to urban planning and its role on climate change mitigation and adaptation iii) One internal workshop to present the background document and the results of the dialogue to Bank's Staff and explore opportunities for collaboration among different divisions iv) Annual Qualitative Summary	i) More informed decision-making by countries as to how to adopt climate change mitigation and adaptation policies in urban planning ii) Institutional capacity strengthening of LAC policymakers in the design and implementation of climate change adaptation and mitigation policies in urban planning iii) Contribute to articulate priorities of different sectors regarding major concerns of policy makers and society: economic development and climate change iv) A better informed Bank to effectively support countries in climate change mitigation and adaptation v) Use of Bank's instruments to effectively promote the preparation and execution of cross-cutting projects in climate change
Disaster Risk Management (INE/RND)	i) Awareness raising among country authorities, particularly among nontraditional stakeholders (Finance Ministries and Planning Ministries), to ensure ownership and the inclusion of disaster risk management (DRM) in country strategies and programs ii) Assist countries to improve their DRM policy agendas and to incorporate DRM in their national public investment systems	i) One sub-regional meeting in the Caribbean ii) Two technical notes (one LA and one Caribbean) on the progress achieved in the incorporation of DRM in public investment in the region iii) Annual Qualitative Summary	i) Institutional capacity strengthening of LAC policymakers as to how to incorporate DRM into their national public investment systems ii) Use of Bank's financial instruments to effectively promote the incorporation of DRM into borrowing member countries public investment systems
Education (SCL/EDU)	i) Provide a high-level forum for dialogue for member countries and the Bank on common challenges and solutions in the design and implementation of education policy in LAC ii) Share best practices in the creation and expansion of pre-K programs that promote the required learning environment needed to succeed in higher levels of education	i) One regional meeting, including field trips to schools with pre-K programs and training centers for pre-K teachers, in a country that has implemented successful pre-K programs ii) One regional study iii) Annual Qualitative Summary	i) Increased technical capacity by policymakers in charge of the design and implementation of pre-K programs in the region ii) Promotion of Bank's technical and financial assistance to apply appropriate models of reform processes
Energy (INE/ENE)	i) Promote a high level discussion on ways to enhance the use of natural resources within the region and make more efficient the production of electricity	i) One regional meeting in Miami in June 2014 ii) One study iii) Annual Qualitative Summary	i) Awareness raising within governmental authorities of a needed improvement in the use of natural resources, providing consumers within the region with a more efficient production of electricity ii) LAC governmental authorities with greater institutional capacity to design and implement energy policy that may lead to market structures capable of regional energy integration

Financial Institutions (IFD/CMF)	<p>i) Analyze, harmonize and integrate ideas and strategies driven by regulatory bodies and by financial institutions from LAC, to promote the development and strengthening of the financial sector and financial inclusion</p>	<p>i) One regional meetings in Mexico City</p> <p>ii) One sub-regional meeting in Jamaica</p> <p>iii) Three studies on: (a) peer-to-peer /market place lending, (b) crowdfunding, and (c) online providers of instant personal loans.</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Elaboration of three knowledge products</p> <p>ii) Develop a regulatory framework for emerging “disintermediated” lending services, also known as peer-to-peer (P2P) lending, crowdfunding, and direct online lending services</p>
Fiscal Policy and Urban Development (IFD/FMM)	<p>i) Promote dialogue and the exchange of experiences and lessons learned between LAC countries, on tax reform, tax incentives, regional tax integration, effectiveness and efficiency of public expenditure, budgeting for results</p> <p>ii) Develop new research and stimulate dialogue in the housing and urban development sector</p> <p>iii) Enhance capacity in urban policy making via peer-to-peer learning involving high-level government officials and experts</p>	<p>i) One regional meetings in Washington DC in April 2015, on fiscal policy and growth, with Budget Directors from LAC</p> <p>ii) Four sub-regional meetings: (a) one during 1Q with the COSEDIN Working Group on Tax Policy; (b) one to disseminate the tax code model of the CIAT; (c) one with the Network of Subnational Governments to take place during the second semester of 2015; one on urban infrastructure and services to take place during the second semester of 2015</p> <p>iii) One internal workshop in 1Q in DC, to present a technical study on taxing wages</p> <p>iv) One study focused on methodologies to collect and analyze micro-data to support the elaboration of impact evaluations on tax and customs policy reforms</p> <p>v) One study on the impact of fiscal policy on equity, adjusted by efficiency and quality of public expenditure</p> <p>vi) Annual Qualitative Summary</p>	<p>i) Institutional capacity strengthening of LAC policymakers in the design, implementation, and evaluation of fiscal policy</p> <p>ii) Reform proposals in member countries</p> <p>iii) Identification of financial and non-financial operations in the fiscal area</p> <p>iv) Broader consensus on the necessary elements for inclusive housing and urban development policy</p> <p>v) Creation of a forum for national and municipal governments to assess, design and implement better policies to accelerate urban development</p> <p>vi) Identification of urban policy solutions on the basis of evidence-based analysis and sharing of knowledge among LAC countries and municipalities</p>
Gender Equality and Diversity (SCL/GDI)	<p>i) Create a policy-focused discussion forum that will: (a) produce and systematize evidence on what works in the area of biodiversity to promote development with identity; (b) foster the exchange of information and knowledge among policy makers and leaders of the region on successful initiatives; (c) support countries in the implementation of directed and effective policies, laws, and investments that secure and enhance development with identity through biodiversity conservation and the provision/maintenance of ecosystem services; and (d) promote cooperation as well as partnerships with other stakeholders</p> <p>ii) Promote dialogue and the exchange of experiences and lessons learned between LAC countries, on violence against women (VAW) and women’s economic empowerment</p>	<p>i) One regional meeting on development with identity and biodiversity, to take place in Ecuador in 4Q of 2015</p> <p>ii) One technical note on identity and biodiversity</p> <p>iii) One outcome document that outlines key issues and recommended actions for governments and development partners interested in biodiversity as a tool for promoting development with identity</p> <p>iv) One follow-up activity on the meeting held in December 2014 on violence against women</p> <p>v) Annual Qualitative Summary</p>	<p>i) Awareness raising on biodiversity as a tool for promoting development with identity</p> <p>ii) Awareness raising on the challenging issues of VAW and women’s economic empowerment</p> <p>iii) Identification of collaborations to exchange information and knowledge on projects (e.g. study trips) and to replicate successful initiatives</p>

Innovation (IFD/CTI)	<p>i) Provide a forum for dialogue between borrowing member countries and the Bank on the design and implementation of industrial policies and sectorial innovation</p> <p>ii) Identify potential programs and projects that foster competitiveness and innovation at regional, national, and sub-national levels</p>	<p>i) One regional meeting to take place in Brazil in the summer of 2015, focused on industrial policy and sectorial innovation</p> <p>ii) One sub-regional meeting covering Caribbean countries to take place in the first half of the year</p> <p>iii) One technical note on entrepreneurship and innovation</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Provide a framework for evidence-based discussion on industrial policy and sectorial innovation</p> <p>ii) Identify new members in the areas of industrial policy and sectorial innovation to promote strategic partnerships in the region</p>
Labor Market and Social Security (SCL/LMK)	<p>i) Promote dialogue and the exchange of experiences and lessons learned between LAC countries, on innovative practices for effective labor market policy</p>	<p>i) One regional meeting focused on innovative practices for effective labor market policy, to take place Mexico or Peru, September 2014</p> <p>ii) Annual Qualitative Summary</p>	<p>i) Awareness raising among policymakers in LAC on innovative practices for effective labor market policy</p> <p>iii) Promotion of Bank's technical and financial assistance to apply appropriate models of reform processes for each country discussed during the meeting</p>
Macroeconomic Policy and Finance (RES)	<p>i) Promote a high-level policy discussion on macroeconomic and financial issues</p> <p>ii) Foster collegial bonds among high-level policymakers from Central Banks and Finance Ministries of LAC</p>	<p>i) Two regional meetings: one in Washington, DC (April) and the other in Lima (October)</p> <p>ii) Three studies covering financial stability, monetary policy and fiscal policy issues, as key inputs for the meetings</p> <p>iii) Three invited presentations</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Influence policy decision making in countries through enriching policymakers information and analysis</p> <p>ii) Promote exchange of information and coordination among countries on G-20 issues</p>
Open Government (IFD/ICS)	<p>i) Promote a high-level policy discussion on open government agenda issues (open data policies, citizen participation in the creation of public policies and services, digital government, access to information policies)</p> <p>ii) Share experiences and knowledge on the value added, impact and sustainability of initiatives that promote the improvement of public services through the use of technology and access to information</p>	<p>i) One regional meeting focused on open government agenda, to take place in Paraguay, DC in May/June</p> <p>ii) One study</p> <p>iii) Virtual space to exchange of information and collaboration among LAC policymakers and IDB Staff, with three key functions: publication and search of information, creation and operationalization of work groups, and periodic communication with all members</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Awareness raising on Open Government Agenda and exchange of lessons learned and good practices among key policymakers in LAC</p> <p>ii) Definition of Work Plan for 2016</p>
Social Protection and Health (SCL/SPH)	<p>i) In health, the aim is to contribute to strengthen LAC institutional capacity in the health sector through planning processes and budgeting for results management</p> <p>ii) In social protection, the network will address the experiences, challenges and lessons learned on the implementation of promising investments for youth at risk</p>	<p>i) One regional meeting on health (results-based financing)</p> <p>ii) One sub-regional meeting on youth at risk</p> <p>iii) Two technical notes reviewing presented experiences during each meeting</p> <p>iv) Annual Qualitative Summary</p>	<p>i) Promotion of increased use of evidence-based decision-making and use of budgeting for results management in the health sector</p> <p>ii) Promotion of increased use of evidence-based decision-making for the use of promising investments for youth at risk</p>
Trade and Integration Network (INT/INT)	<p>i) Promote a strategic dialogue among LAC policymakers and the Bank related to their insertion into the global economy</p> <p>ii) Create a platform for raising awareness and discussing the political and economic rationale for integration-related interventions, as well as identify potential programs and projects that promote regional and global integration, supported by the provision of technical and financial support to client countries</p>	<p>i) One regional meeting on trade promotion and foreign investment attraction to take place during 2Q of 2015 (including a field trip)</p> <p>ii) Annual Qualitative Summary</p>	<p>i) Contribute to the implementation of the Integration Strategy of the Bank</p> <p>ii) Create an enabling environment, both in terms of political and economic awareness, that promotes the benefits of regional and global integration, as well as regional cooperation</p> <p>iii) Increase LAC countries' institutional capacities in the design, implementation and evaluation of integration projects</p> <p>iv) Use of Bank financial instruments to effectively promote the preparation and</p>

execution of integration projects			
Transport (INE/TSP)	i) Promote dialogue among LAC countries and the Bank in order to adopt a Freight Logistics Approach in the planning and investment of the transportation sector	i) One regional meeting on Freight Logistics, with policymakers, experts, and the private sector, in Miami, October ii) One Action Plan identifying main bottlenecks in terms of infrastructure and regulatory frameworks iii) An iPad application on best practices in Freights Logistics iv) Annual Qualitative Summary	i) Awareness raising among LAC policymakers on the challenges the region faces on Freight Logistics and share best practices ii) Identification of future IDB financial and non-financial operations to help member countries address the identified challenges
Water and Sanitation (INE/WSA)	i) Provide a reference forum for dialogue between key policymakers from LAC, in the areas of water resource management with a particular focus on interactions with the food production and energy generation sectors ii) Laying the ground for developing specific climate services for the water-energy-food nexus in a collaborative approach with users, contributing to mainstream (climate) adaptation into planning and decision-making	i) One regional meeting ii) One sub-regional meeting iii) One study iv) Annual Qualitative Summary	i) Create an enabling environment, both in terms of political and economic awareness, and support with regard to the benefits of regional and global integration ii) Create capacities for the design, implementation and evaluation of larger (number and size) water resources projects iii) Identification of future IDB financial and non-financial instruments to effectively promote the preparation and execution of such projects