

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

REGIONAL

SIMS CONSOLIDATION AND EXPANSION – PHASE II

(RG-T2782)

TECHNICAL COOPERATION DOCUMENT

The project team consisting of prepared this document: Mariano Bosch, team leader (SCL/LMK); Veronica Alaimo, co-team leader (SCL/LMK); Ethel Muhlstein (SCL/LMK); Tania Gaona (SCL/LMK); and Kevin McTigue (LEG/SGO).

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TC Document

I. Basic project data

▪ Country/Region:	RG
▪ TC Name:	SIMS Consolidation and Expansion – Phase II
▪ TC Number:	RG-T2782
▪ Team Leader/Members:	Mariano Bosch, team leader (SCL/LMK); Veronica Alaimo, co-team leader (SCL/LMK); Ethel Muhlstein (SCL/LMK); Tania Gaona (SCL/LMK); and Kevin McTigue (LEG/SGO).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research and Dissemination (R&D)
▪ Date of TC Abstract authorization:	May 9, 2016
▪ Beneficiary:	Ministries in charge of labor and pension issues in the region; social security institutes; vocational and technical training institutes; vocational and technical education schools; national bureaus of statistics; think tanks and academia from all IDB member countries.
▪ Executing Agency and contact name	Inter-American Development Bank (IDB), Social Sector, Labor Markets and Social Security Division (SCL/LMK). Veronica Alaimo (valaimo@iadb.org).
▪ Donors providing funding:	Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals (ORC/SOF).
▪ IDB Funding Requested:	US\$295,000
▪ Local counterpart funding, if any:	--
▪ Execution and disbursement periods:	24 months - execution period 30 months - disbursement period
▪ Required start date:	08/01/2016
▪ Types of consultants:	Individual consultants and firms
▪ Prepared by Unit:	SCL/LMK
▪ Unit of Disbursement Responsibility:	SCL/SCL
▪ Included in Country Strategy (y/n);	N/A
▪ TC included in CPD (y/n):	N/A
▪ GCI-9 Sector Priority:	Social Policy for Equity and Productivity – Labor Markets

II. Objective and Justification

2.1 The IDB Labor Markets and Social Security Division (SCL/LMK) created the Information System on Labor Markets and Social Security (SIMS) in 2013 as an input product, with the medium-term goal of becoming a regional public good for internal and external users. It is a database gathering quantitative (statistical) and qualitative (institutional) information on labor markets and social security that contributes to evidence-base policy design and execution in Latin America and the Caribbean (LAC). The objective is aligned with the Social Fund objectives according to the GN-2426-3 document as the SIMS serves for up-stream sector work and project origination and development in order to strengthen the project cycle and it is focused on knowledge and sharing activities. Since 2014, its main indicators are available to IDB internal users and since December 2015, through an intranet platform <http://sims.iadb.org/>. This was made possible through a combination of resources of Corporate Input Product and Technical Cooperation (BK-C1115 and RG-T2477/ATN/OC-14515-RG). The goal for 2016 is to make this platform available to external Users.

2.2 SIMS accomplishments so far. The starting point of SIMS was the existing System of Socio Demographic Indicators ([Sociometro](#)) led by the Social Sector (SCL), which is of public access and at the time included a diverse dataset of social indicators derived from national household survey data, covering 18 countries from 1990 to 2010. Since then, SCL and LMK joined forces to review existing surveys and indicators, incorporate new years as they become available (currently latest year is 2014), add new countries (mostly Caribbean countries) and review and update the methodological document that describes the harmonization process of surveys, indicator definitions, etc. Over time, the Education Division (EDU) and the Gender and Diversity Division (GDI) joined the Departmental effort. Currently, representatives from SCL, EDU, GDI and LMK meet monthly to share progress reports and update pending tasks. While Sociometro provides an overall description of all social sectors, each Division works to develop detailed indicators of their own sector. During 2014-2015, LMK has incorporated new indicators to the SIMS (tenure among the employed, self-employed or salaried workers and absolute and relative poverty measures) as well as new categories (for instance new age ranges, disaggregation by age ranges and gender, disaggregation by zone and age ranges and disaggregation by education level and age ranges). In addition, it systematized and merged into the data sets indicators from other sources such as minimum wages, official poverty lines, GDP, etc., which allow generating useful indicators such as the proportion of workers earning less than a minimum wage, the proportion of workers who are poor, among others. On the qualitative side, the SIMS includes a “map” of the labor and social security agencies in each country (ministries of labor, superintendences of pensions, main private sector confederations or unions, etc.). These [maps](#) provide a first glance at the main actors to consider for country dialogue or research purposes.

2.3 SIMS contributions to IDB activities. *Knowledge products:* the SIMS has provided distinct publications with data and technical inputs, such as the flagships publications Better Pensions, Better Jobs (2013), Jobs for Growth (2015), and Pensions at a Glance in LAC (2015). Moreover, it has also been used to furnish with data joint-initiatives in which the LMK Division participates: 2016 and 2017 Development in the Americas (DIA) publications, Enhancing Productivity for Larger Per-capita Incomes, Research Department (RES), Taxing Wages (a joint project with the Fiscal and Municipal Management Division (FMM) and the Organization for Economic Cooperation and Development (OECD)) and various technical notes produced by the division. *Country dialogue:* the SIMS has been used to prepare presentations on labor markets for high level meetings (e.g. Regional Policy Dialogues 2014 and 2015; Korea-LAC Knowledge Sharing Forum, Bussan, 2015; Building Competency for Employment Services, Seoul, 2015; Federación Internacional de Administradoras de Fondos de Pensiones (FIAP) – Asociación Colombiana de Administradoras de Fondos de Pensiones y de Cesantía (ASOFONDOS) Congress, Cartagena, 2015), bilateral meetings with incoming government authorities (e.g. Jamaica, 2016; Colombia, 2014, Bolivia, 2014), and the preparation of sector notes for country strategies (Argentina, Bolivia, El Salvador, Paraguay and Uruguay, among others). *Operations:* the SIMS was recently used for project preparation in Bolivia (BO-L1121), Bahamas (BH-L1033/3499/OC-BH, BH-L1037), Barbados (BA-L1032/3542/CH-BA/3542/OC-BA), Peru (PE-L1152/3547/OC-PE), as well as project supervision in Bolivia (BO-L1051/2365/BL-BO), Mexico (ME-L1114/2736/OC-ME) and Paraguay (PR-L1066/2660/OC-PR).

2.4 Access to information. Most countries publish their household surveys online for anyone to download. SCL is generally responsible for collection and request of household surveys when they are not publicly available online. In the case of the Caribbean, the Country Department Caribbean Group (CCB) has made a great effort to gain access to existing country surveys, as well as to reach agreements to use it to generate aggregate indicators as needed, without any specific consent from Governments. In terms of “institutional maps” they were generated by looking at official government sectors and sent for validation to all countries.¹

2.5 Next steps and sustainability. *The next steps involve two main activities:* (i) consolidation of existing data base with updates as needed to incorporate new years as they become available, and review of the institutional maps in case changes occur (new ministries created, name changes, etc.); and (ii) expansion of the data base by incorporating new types of surveys (currently the SIMS relies on household surveys but there are also labor force surveys, some of which have a longitudinal nature, that could be added to expand the indicators used to characterize labor markets in our region). *Sustainability:* This type of project requires a significant initial investment to organize and harmonize surveys, and to decide which indicators and categories to construct. Once these are defined and indicators constructed the investment to maintain the database is minor, focused mainly on incorporating new years as they become available.² The online platform also required a significant initial investment, most of which has already been financed with TC RG-T2477/ATN/OC-14515-RG. If no new variables are added, the platform is designed in such a way that updates can be done automatically by LMK.³ In case that new variables required to be added due to unstable conditions in future labor markets, a process of harmonization has to take place for the period covered by the households surveys and the SIMS team is capable of performing this process. The addition of new indicators depends on the availability of the data in the households surveys of the majority of the countries. In the case that these new variables are present in such surveys, the harmonization process could be performed and a description of the new variables should be added in the methodological document. The new variables will be automatically updated in the platform once upload in Socrata. Nonetheless, there is a low maintenance cost associated with adding new years or variables, updating the institutional maps, and paying for the space used to host the platform in ITE servers.⁴ Overall, it is expected that once the consolidation is complete, the project remains sustainable with minimal investment.

2.6 The SIMS aims at becoming the main source of information on labor markets and social security in LAC. The general objective of this technical cooperation is to contribute to achieve this goal. The specific objectives are: (i) to continue to update, broaden and improve quality of the information available at the SIMS platform; (ii) to make the platform available to the general public by following the required IDB publication protocols; (iii) to implement a dissemination plan to position the SIMS among a wide audience, including policy-makers, sectorial experts, faculty members, and students.

¹ The maps were submitted via email to the Ministers of Labor of each country for their review, with a deadline after which if no comments were received, it was assumed there were no comments.

² More effort may be required if a country changes its questionnaire partially or totally, as this would require to go through a new harmonization process.

³ The data is uploaded by the LMK team into Numbers for Development (N4D) using Socrata and the platform takes the information from it.

⁴ There is no cost associated with updating publications, as this feeds directly from the IDB publications webpage.

III. Description of activities/components and budget

- 3.1 The proposed activities aim at expanding and consolidating the progress made through activities financed with the CIP BK-C1115 and the regional TC RG-T2477/ATN/OC-14515-RG.
- 3.2 **Component 1 - Content Development and Data Update.** The component will finance the following activities: (i) update the databases of the repository; (ii) harmonize indicators of new household surveys and incorporate new harmonized indicators from labor force surveys, review existing indicators as needed and explore new variables that could be incorporated in the process; (iii) update the methodological document as needed; (iv) collaborate with other units and sectors of the bank to improve indicators quality; and (v) construct and update an Employment Conditions Index (ECI), an innovative tool which will allow the user to rank LAC countries based on different criteria and will be the most visible product of the SIMS online platform. The ECI will rely on existing indicators from the SIMS and the selection of variables will take into consideration its coverage across countries.⁵ The ECI will allow the user to choose the weights given to each variable, with two purposes in mind: one, to make it an interactive tool that attracts users to the platform; and two, to reduce the risk of setting a criterion that may benefit one country and harm other in terms of relative positions in the ranking. The ECI will be validated by an expert in index design who will also help develop the methodological document.
- 3.3 **Component 2 – Project management, Dissemination and Visibility.** This component aims at making information stored in the SIMS useful, visible and accessible for internal and external users. The component will finance: (i) launch the platform to the general public and continue its maintenance and update; and (ii) the implementation of the communications strategy to disseminate the platform to the external audience in the region. Such initiative may include the organization of a launching event (e.g. Hackathon), the organization of online discussions (e.g. Hangouts) and the production of promotion materials. The communication campaign will initially include a launching blog in FactorTrabajo with a blog contest, an animated promotional video, a flyer to present in the 2016 LMK Regional Dialogue, a hangout with universities, a Facebook campaign and a promotional blog series using SIMS data, among other activities, to be carried out during August 2016-July 2018.

Indicative Results Matrix

Outcome Statement				
IDB positioned as the main source of information on labor markets and social security in LAC				
Outputs				
Component	Outputs	Unit of measure	Target	Means of verification
Content Development and Data Update	SIMS statistical data base section updated and expanded with new household surveys available	Database	1	New database updated in the platform
Content Development	Household survey harmonized	Surveys	23	One Stata do file per database

⁵ For example, an interesting indicator under consideration is job tenure, which gives an idea of job stability. However, this indicator is available only for 13 of the 21 countries. Therefore, this variable has been excluded in preliminary estimates of the ECI.

Outcome Statement				
IDB positioned as the main source of information on labor markets and social security in LAC				
Outputs				
Component	Outputs	Unit of measure	Target	Means of verification
and Data Update				harmonized
Content Development and Data Update	Methodological document updated.	Document	1	New version approved by the IDB.
Content Development and Data Update	At least two meetings a year with other bank sectors to update on the new developments	Number of meetings with other sectors	2	Mail notification to IDB team leader.
Content Development and Data Update	ECI designed by a consultant including a methodological document and approved by the IDB.	Document	1	Methodological document approved by the IDB.
Project management, Dissemination and Visibility	Online platform launched on the site sims.iadb.org	Platform	1	Online platform available on website and approved by the IDB.
Project management, Dissemination and Visibility	SIMS platform upgraded with the inclusion of the ECI as a special report and approved by the IDB.	Platform	1	Platform containing ECI special report approved by the IDB.
Project management, Dissemination and Visibility	Report with detailed tasks about the update of SIMS platform by the consultant.	Reports	2	Reports approved by the IDB.
Project management, Dissemination and Visibility	Blog launched with contest published in FactorTrabajo.	blog	1	Blog with the launched of the platform approved by the IDB.
Project management, Dissemination and Visibility	Flyer designed.	Flyer	1	Flyer designed and approved by the IDB.
Project management, Dissemination and Visibility	Hangout with universities held	Hangout	1	Hangout approved by the IDB.
Project management, Dissemination and Visibility	Facebook campaign launched.	Facebook campaign	1	Facebook campaign approved by the IDB.
Project management, Dissemination and Visibility	Promotional blogs published in FactorTrabajo.	blog	3	Blogs approved by the IDB.

3.4 The estimated budget is U\$S295,000, with financing from the Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals (ORC/SOF).

Indicative Budget (US\$)

Activity / component	Description	IDB financing (ORC/SOF)	Total
Component 1 - Content Development and Data Update		170,000	170,000
SIMS data base updated and expanded (Microdata Analysis TOR)	Two individual consultancies to (i) update databases; (ii) harmonize indicators; (iii) update methodological document as needed; and (iv) collaborate with other Bank sectors	140,000	140,000
ECI designed including a methodological document (Revision & Validation of ECI TOR)	Individual consultancy to design the ECI	30,000	30,000
Component 2 - Project management, Dissemination and Visibility		110,000	110,000
Platform fully functional and upgraded with the inclusion of the ECI (Platform Maintenance and Implementation of ECI TOR)	Firm consultancy to upgrade and maintain platform	45,000	45,000
SIMS data bases and platform functioning (IT Project Manager TOR)	Individual consultancy to serve as project manager and IT expert	45,000	45,000
Online platform launched and communications campaign implemented (Dissemination Strategy TOR)	Individual consultancy to implement communications strategy	20,000	20,000
Contingencies		15,000	15,000
TOTAL		295,000	295,000

IV. Executing agency and execution structure

- 4.1 This TC is a R&D Bank initiative and was created by SCL/LMK. SCL/LMK will continue to execute this technical cooperation, not only given the regional scope of planned activities, outputs and outcomes but also because of the expertise the SCL/LMK division has gained carrying out similar activities for more than three years. Moreover, the statistical tool created by SCL/LMK is currently used on a daily basis by IDB specialists.
- 4.2 **Procurement.** The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with Bank's current procurement policies and procedures.
- 4.3 The project team recommends the Single Source Selection (SSS) of ASSYST for the consulting services related to Component 2, Platform fully functional and upgraded with the inclusion of the Employment Conditions Index (ECI), in the amount of US\$45,000, since it is the firm that has been developing the platform. The first process to hire the firm was competitive and followed the procurement processes of the Bank. The SSS is justified in this case, according to Bank Policy GN-2350-9, par. 3.10 and 3.11, as it represents a natural continuation of previous work carried out by the firm, and it is also a very small amount.

V. Major Issues

- 5.1 Since the project involves presenting statistics of country and government performance, it will be particularly important to validate data and provide a clear

methodology on how each indicator is constructed, to assure transparency and consistency. The information (labor and social security indicators and institutional matrices) will be published, in accordance with Access to Information Policy GN-1831-28 and Implementation Guidelines GN-1831-36. All inputs (household surveys and institutional information) is publicly available in the majority of the countries in government webpages. All references and sources are cited properly in the platform.

VI. Exceptions to Bank policies

- 6.1 None.

VII. Environmental and Social Strategy

- 7.1 There are no expected negative social and environmental impacts and this project received classification C. See safeguard reports at [40342790 & 40342793](#).

Required Annexes

Request for financing - not applicable for R&D.

Terms of reference [40342996](#)

Procurement Plan [40335760](#)