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MULTILATERAL INVESTMENT FUND (IDB LAB)

PERU

**UPSKILLING AND RESKILLING ADULTS AGES 50 TO 65:
CONTINUING EDUCATION FOR DIGITAL TRANSFORMATION**

(PE-T1454)

DONORS MEMORANDUM

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CONTENTS

PROJECT SUMMARY EXECUTIVE SUMMARY

I.	THE PROBLEM	1
A.	Diagnostic assessment of the problem to be addressed by the project	1
II.	THE SOLUTION	3
A.	Project description	3
B.	Project beneficiaries	6
C.	Project results, impact, monitoring, and evaluation	8
III.	PROJECT ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS	10
A.	Alignment with the IDB Group	10
B.	Scalability	11
C.	Project risks	12
IV.	COST AND FINANCING	13
V.	PROJECT PARTNERS AND IMPLEMENTATION STRUCTURE	13
A.	Description of the project executing agency	13
B.	Implementation structure and mechanism	14
VI.	ACHIEVEMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS	15
VII.	ACCESS TO INTELLECTUAL PROPERTY INFORMATION	15

PROJECT SUMMARY

UPSKILLING AND RESKILLING ADULTS AGES 50 TO 65: CONTINUING EDUCATION FOR DIGITAL TRANSFORMATION (PE-T1454)

The main problem to be addressed by this project is the lack of “upskilling” and “reskilling” opportunities for Peruvians age 50 and older. People in this age group have a full third of their economically active lives ahead of them, yet they did not grow up in technology-rich environments and are now facing new changes driven by the COVID-19 pandemic against a backdrop of enormous uncertainty over the security of their jobs, the accelerating pace of digital transformation, and fewer resources for retirement. These changes are having a considerable impact on companies and workers alike, as they must adapt their ways of working, processes, and skillsets to operate remotely and in technology-rich environments. Peruvian companies are already at a disadvantage in this regard, since, according to the IDB, 47% of them were already having trouble filling jobs due to job seekers’ lack of the necessary skills—a percentage that exceeds the global average and that of other countries of the region. According to the Organisation for Economic Co-operation and Development (OECD), adult workers in Peru also have significant reading comprehension, numeracy, and problem solving gaps in digital environments. It is also important to acknowledge gender differences in aging, such as the fact that older adult women, in addition to participating less in the job market, earn less than men over their lifetimes even when they have the same level of education and work in similar jobs. The rapid aging of the population in Latin America and the Caribbean is further exacerbating the problem, since fewer young people can cause a labor shortage in a number of industries, adversely impacting productivity and economic growth.

The project’s objective is to develop a model of online training primarily for older adults between the ages of 50 and 65 that enables them to acquire the reskilling and upskilling (see glossary) competencies they need to successfully navigate the digital transformation, taking into account the specific interests, skills, and challenges facing workers in this age group and, thus, promote the development of a “valuation” ecosystem to support successful employment paths with special emphasis on workers in vulnerable employment situations. The project’s beneficiaries will be 5,000 older adults in jobs and occupations sensitive to the processes of automation, that require fewer skills, or that are held by women. The project’s online training will be provided through the Campus Virtual Romero [Romero Online Campus], the training platform of [Fundación Romero](#) [the Romero Foundation], the project’s executing agency and philanthropic arm of Grupo Romero [the Romero Group], one of Peru’s leading economic groups.

The upskilling and reskilling model will first be implemented as a pilot in companies of the Romero Group with a view to testing it, making any corrections needed, and consolidating its results and lessons learned. Subsequently, through the Romero Foundation’s partnerships and agreements with the Ministry of Labor and Job Promotion and the Ministry of Production, this new offering of training courses will be made available to officials of government administrations in a business-to-government model, and to older adults employed at 50 small and medium-sized enterprises (SMEs) and other companies outside the Romero Group in a business-to-business model. The Romero Foundation currently has an agreement with the Ministry of Labor and Job Promotion, which enables people who

have lost their jobs due to the pandemic to access training on the Romero Online Campus free of charge. The Foundation also has an agreement with the Ministry of Production that enables thousands of SMEs to access courses on the platform for free. The project aims to ensure the sustainability and scale-up of these new upskilling and reskilling course offerings for older adults by establishing a model in which companies pay for this service and another that provides people with free access to the platform through partnerships with the government.

This will be one of IDB Lab's first projects focusing on the silver economy, which encompasses a wide range of aging-related challenges and opportunities in the region, and it is working primarily with the IDB's Sector Social on these issues.

ANNEXES

Annex I	Results Matrix
Annex II	Summary Budget
Annex III	Project iDELTA

APPENDICES

Proposed resolution

**INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE IDB LAB
PROJECT INFORMATION SYSTEM**

Annex IV	Itemized Budget
Annex V	Diagnostic Assessment of Integrity and Institutional Capacity (DICI)
Annex VI	Procurement Plan
Annex VII	Table of Milestones

ABBREVIATIONS

iDELTA	Innovation Development Effectiveness Learning, Tracking, and Assessment [tool]
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
SMEs	Small and medium-sized representatives

GLOSSARY

Reskilling is the process of training whereby workers acquire new competencies that enable them to perform a new occupation or job.

Upskilling is the process of training (usually short term) whereby workers acquire advanced competencies that enable them to adapt to new work processes or tools.

PERU
UPSKILLING AND RESKILLING ADULTS AGES 50 TO 65:
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EXECUTIVE SUMMARY

Country and geographic location:	Peru		
Executing agency:	Fundación Romero		
Focus area:	Knowledge economy		
Coordination with other donors/Bank operations:	The project will supplement the training offerings and business linkages of loan operation PE-L1152 led by the Bank's Labor Markets Division (SCL/LMK), which focuses on young people. The project coordinates with and complements a regional operation (RG-3232) led by the Bank's Competitiveness, Technology, and Innovation Division (IFD/CTI), the objective of which is to improve the digital transformation capacity of companies, especially small business.		
Direct and indirect beneficiaries:	The direct beneficiaries will be 5,000 adult workers between the ages of 50 and 65 in vulnerable employment situations, i.e. initially, those in jobs and occupations at companies of Grupo Romero that are sensitive to the processes of automation, that require fewer skills, or that are held by women; SMEs; and sectors prioritized by the government (the Ministry of Production and Ministry of Labor and Job Promotion). Of this population, 3,000 are expected to successfully complete the courses and 2,000 are expected to have improved their employment and/or economic opportunities.		
Financing:	Technical cooperation:	US\$902,500	50%
	Counterpart:	US\$902,500	50%
	Total Budget	US\$1,805,000	100%
Execution and disbursement periods:	36 months for execution and 42 months for disbursement		
Special contractual conditions:	None		
Environmental and social impact review:	This operation has been screened and classified on 24 September 2020, in accordance with the requirements of the IDB's Environment and Safeguards Compliance Policy (Operational Policy OP-703). Given its limited impacts and risks, the proposed classification for the project is category "C."		

I. THE PROBLEM

A. Diagnostic assessment of the problem to be addressed by the project

- 1.1 **The main problem to be addressed by this project is the lack of addressed by this project is the lack of upskilling and reskilling opportunities for Peruvians over 50.** People over 50 have a full third of their economically active lives ahead of them, yet they did not grow up in technology-rich environments and are now facing new changes driven by the COVID-19 pandemic against a backdrop of enormous uncertainty over the security of their jobs, the accelerating pace of digital transformation, and fewer resources for retirement.
- 1.2 **COVID-19's impact on employment and companies.** The unemployment crisis sparked by the pandemic has underscored the fragility of millions of workers in Latin America and the Caribbean. According to some projections, between 5.4 million and 18 million jobs in the region could be lost due to the crisis caused by the coronavirus, which could increase the percentage of jobs in the informal sector to 62% of total jobs.¹ In Peru, which is among the countries of the region with the longest and most strict periods of social confinement and limits on business activity, gross domestic product (GDP) shrank 18.1% in the second quarter of 2020, whereas the unemployment rate has doubled compared with the second half of 2019 (8.8% versus 3.6%).² The pandemic is also forcing Peruvian companies to step up digital acceleration and the automation of processes.³ From the technological standpoint, companies in Peru and the region were not prepared to operate with employees working outside the workplace, and their employees had not received training in the use of online platforms or how to perform their duties remotely. If companies do not have employees who are able to adapt to this new environment, job losses will be exacerbated and inequalities heightened.
- 1.3 **The skills gap among adult workers, skills in demand, and the talent shortage in Peru.** The OECD's Programme for the International Assessment of Adult Competencies (PIAAC),⁴ an assessment that was conducted in four countries of the region—Chile, Ecuador, Mexico, and Peru—analyzed the literacy, numeracy, and reading comprehension of adults age 16 and older in digital environments. In Peru, the assessment found that, on average, adult performance was low compared with literacy, numeracy, and problem solving in digital environments among adults in OECD countries. It also found a high degree of variability in terms of results, which were much worse among older adults (55-65 age group compared with the 25-34 age group) with lower levels of schooling, those with parents who had a lower level of schooling, and among women.⁵ Moreover, analyses of labor market transitions have found that manual labor-based jobs that can be easily automated have been on the decline in Latin America and the Caribbean, while at the same

¹ [Labor Markets of Latin America and the Caribbean in the Face of the Impact of COVID-19](#). IDB, 2020.

² [Instituto Nacional de Estadística e Informática del Perú. Producción nacional disminuyó 18,06% en junio del presente año.](#)

³ [Conferencia Anual de Empresarios \(CADE\). CADE Digital 2020: la pandemia del COVID-19 ha acelerado la transformación digital cinco años.](#)

⁴ PIAAC measures the cognitive competencies associated with the world of work that individuals need to function successfully in society and for the economy to prosper.

⁵ [OECD Country Note. Skills Matter: Additional Results From the Survey of Adult Skills.](#)

time manual labor-based jobs in the services sector that can be easily automated have grown in several countries (Amaral et al., 2019). The tasks and job profiles of these occupations are also changing and professionals need to acquire the required skillsets (Banerjee and Duflo, 2019; Alvarado et al., 2019b), which include digital skills driven by the growing digital economy and socioemotional skills that facilitate greater adaptability to this new labor market. With specific regard to Peru, the ManpowerGroup's 2019 Talent Shortage Survey found that 54% of Peruvian employers had trouble filling jobs and that Peru was among the countries at the global level with the most difficulties in this regard.⁶

- 1.4 **Lack of ability among older adults to adapt to the digital transformation and changes in the labor market.** A 2018 World Bank report⁷ on the future of education and work confirms that the flexibility and adaptation of workers of the so-called Baby Boom generation (ages 50 to 65) to these challenges is perceived as more of a risk than an opportunity. People in this age group have a full third of their economically active lives ahead of them—a group that has not kept pace with technology and for whom self-learning will require adaptability and support. Factoring in the demographic trend of the population's rapid aging in Latin America and the Caribbean, the problem is even more critical, since fewer young people could result in workforce shortages in a variety of industries, which could in turn hinder economic productivity and growth.⁸
- 1.5 **Considering this problem, it is important to acknowledge the gender differences of aging,** which are not only biological (e.g. life expectancy), but also include numerous personal, social, economic, cultural, and professional factors that impact the lives of women and men in very different ways (Calasanti, 2004; Freixas, Luque, and Reina, 2012). While the overall gender wage gap has been narrowing in many countries over the last 40 years, it has still not been closed (O'Reilly et al., 2015). Women earn much less over their lifetimes than do men, despite having the same level of schooling and working in a similar jobs (Ginn and Arber, 1999).⁹ In the case of Peru, according to a study by the Institute of Peruvian Studies (IEP),¹⁰ the National Household Survey found that the average monthly earnings of women in 2018 was S/ 1,138 (approximately US\$323), while the corresponding figure for men was S/ 1,558 (approximately US\$445), meaning that women's earnings amounted to 71.5% of those of their male counterparts earned. Although the gender earnings gap has been narrowing at an average annual rate of one percentage point since 2010, parity in earnings will not be achieved in the short term. In fact, at the present rate, the gap will only disappear in 2060. These differences in earnings can be attributed to such factors as level of schooling, experience, and geographical region. However, the analysis finds that 30% of the earnings gap is unexplained. Consequently, for each sol earned by men in Peru, Peruvian women with same

⁶ [Manpower Group 2018 Talent Shortage Survey. Closing the Skills Gap: What Workers Want. Peru Results.](#)

⁷ World Bank, 2018. Learning to Realize Education's Promise.

⁸ IDB Group, 2020. [The Silver Economy in Latin America and the Caribbean: Aging as an Opportunity for Innovation, Entrepreneurship, and Inclusion.](#)

⁹ Paz, A., I. Doron, and A. Tur-Sinai (2018). Gender, Aging, and the Economics of "Active Aging": Setting a New Research Agenda. *Journal of Women & Aging*, 30:3, 184-203, DOI: 10.1080/08952841.2017.1295677.

¹⁰ [Instituto Peruano de Economía. Informe de El Comercio IPE.](#)

qualifications and level of employment earn just S/ 0.7. The PIAAC also found that Peruvian men had better reading comprehension scores than their women counterparts, a finding that was inconsistent with the rest of the OECD member countries and attributable to lower levels of schooling among Peruvian women as compared to men in the past, most of whom were in the 55 to 65-year-old age group.¹¹

- 1.6 **Lifelong learning for older adults to address this time of change.** In its most recent report on the future of employment,¹² the World Economic Forum has determined that all professionals should pursue online training opportunities throughout life, pursuant to discussions of what has come to be known in the education sector known as lifelong learning. It also found that workers will need at least 101 hours of training before 2022 so as not to hinder the transformation of their organizations. Taking into account trends in employment, new technologies, livelihoods, and ways of working, it has become necessary provide guidance and training to workers whose jobs are becoming obsolete with a view to transitioning them into jobs for which there is growing demand, and to provide these workers with the skills needed to make that transition. It is in this context that training in upskilling (or the acquisition of advanced skills needed to adapt to new processes and the tools of work) and reskilling (or the acquisition of new skills to perform a new role or job), become very important for the region, and especially for Peru.

II. THE SOLUTION

A. Project description

- 2.1 The project seeks to develop a model of online training designed primarily for adults between the ages of 50 and 65, enabling them to acquire the reskilling or upskilling competencies they need to successfully meet the challenges of the digital transformation and, thus, promotes the development of a valuation ecosystem and achieve successful employment paths within this age group, with a special focus on vulnerable population and on gender.
- 2.2 Fundación Romero [the Romero Foundation], the philanthropic arm of Grupo Romero [the Romero Group],¹³ will be the project's executing agency. The Romero Foundation will provide new upskilling and reskilling training offerings for older adults through its free online training platform—Campus Virtual Romero [the Romero Online Campus].¹⁴
- 2.3 Model/solution. The solution is comprised of five elements: (i) an adaptive program of online upskilling and reskilling training; (ii) an ad hoc tool used to evaluate the competencies of the project's beneficiaries; (iii) support and mentoring services for students throughout the learning process; (iv) a system of training quality assurance

¹¹ [OECD Country Note. Skills Matter: Additional Results from the Survey of Adult Skills.](#)

¹² World Economic Forum, 2020. Jobs of tomorrow. Mapping opportunity in the new economy.

¹³ As a transnational operating in more than 20 countries and recognized as one of Peru's strongest and most important economic groups, the Romero Group comprises companies operating in a variety of sectors, such as agriculture, mass consumption, energy, and manufacturing.

¹⁴ [Romero Foundation – Romero Online Campus.](#)

and institutional outreach; and (v) employment support services with the organizations where the beneficiaries are employed.

- 2.4 The project will draw on the design of a framework and pedagogical plan for online training, thereby enhancing online course offerings that teach the most in-demand reskilling and upskilling skills for workers of the project's beneficiary SMEs and government officials. These courses will be offered through the Romero Online Campus platform,¹⁵ with the aim of closing the skill gaps of employees age 50 and older and creating job pathways and skillsets both within and outside these companies through entrepreneurship. Accordingly, one of the main advantages of online training is that the training plan will be personalized and include recommendations for next steps and courses based on each worker's profile.
- 2.5 The ad hoc tool is used to assess training needs based on a beneficiary's position and function, as well as his or her current job, income level, and other important variables. Initially, the tool will be tested in companies of the Romero Group. Testing will be carried out in coordination with the Romero Group's human resources offices. Accordingly, all healthy employees between the ages of 50 and 65 will sit for an admissions test, which will in turn be used to establish a baseline. If available, the most recent performance evaluation score of each worker will be recorded, his or her salary grade, position in the organizational chart, core job duties, and qualifications for next promotion.
- 2.6 Progress and results will be measured in real time to ensure fulfillment and development of course contents, and gamification tools will be used with benefits and objectives. All beneficiaries will also receive online mentoring and ongoing support services designed to ensure that they complete the training process and increase the likelihood of making tangible changes in their jobs. In order for the project to be successful, the baseline data needed to measure the initiative's real impact must be collected.
- 2.7 The focus of the quality assurance system is to constantly improve the quality of the training program, mentoring and support services, and the platform, among other components. The system draws on information about the educational paths and experiences of the beneficiaries throughout the program, with the aim of ensuring continuous improvement, eliminating barriers, and facilitating the sustainability and scale-up of the program.
- 2.8 Lastly, institutional engagement and employment support employment support entail reaching out to the human resources offices of the various companies and organizations for the purpose of recruiting and enrolling beneficiaries, and monitoring the degree to which workers have improved as a result of the services provided through the project. This also involves advocacy efforts in these organizations aimed at formulating upscaling and reskilling policies and/or strategies for the 50-65 age group, thus enhancing their appreciation for these older workers. In addition, the project provides for employment support services to determine how

¹⁵ The Romero Group's Online Campus currently offers a variety of specialized business administration courses that target entrepreneurs and the general public. To date, some 4 million people have been trained on this platform. The course offerings to be developed through the project will draw on the results of the baseline compared with the skills required for the reskilling and upskilling of workers 50 and older. The courses designed through the project will expand the training offerings of the Romero Online Campus platform.

the beneficiaries perceive their skills and knowledge, help them analyze their professional development, and identify their upskilling and/or reskilling needs. Along these lines, the employment support services seek to identify and reevaluate any potential stereotypes the beneficiaries may have regarding their skillsets and digital transformation needs. The solution will be implemented as a pilot with Romero Group employees age 50 and older,^{16 17} making it possible to adjust, correct it, and consolidate the results and lessons learned. Working through Romero Foundation partnerships and agreements with the Ministry of Labor and Job Promotion, this information can then be used to scale course offerings for government officials through a business-to-government model, and those for older adults employed at SMEs and other companies outside the Romero Group through a business-to-business model. The Romero Foundation currently has an agreement with the Ministry of Production that enables a very significant number of people to take for training courses available on the Foundation's educational platform free of charge.

- 2.9 With a view to ensuring the sustainability of the model beyond the project's implementation horizon, its design considers the possibility of charging Peruvian businesses for reskilling and upskilling services. This will not only ensure that innovation continues to mature and deepen as this proposal assumes, but also expand the coverage of training services for the group of persons in the target age range. Accordingly, a hybrid arrangement is proposed, under which some beneficiaries would receive training free of charge, while others, mainly companies, would pay for it.
- 2.10 Innovation. This will be the first project in the IDB Lab portfolio that seeks to strengthen the skills of people ages 50 to 65, while simultaneously engaging businesses and government with a view to establishing a "valuation" ecosystem and labor force realignment of the target population. The supply of training, generally, and the portfolio of IDB Lab, specifically, are very focused on addressing the needs of young people. However, this project represents the first time a training-related project has been designed with the needs of older adults in mind. Moreover, because they are so new, there is little evidence regarding online and combined (i.e. both in-person and online) learning tools and, consequently, this project could generate valuable knowledge about their impact on older adults.
- 2.11 One of the project's first innovations would be to map and establish a profile of competencies for reskilling and upskilling workers in the target age group. The design of this framework of competencies will employ flexible and co-creation methods and draw on the review of comparative literature and information obtained in establishing the baseline. Due to the lack of experiences and initiatives designed for this age group, the framework of competencies and tools for reskilling and

¹⁶ The Romero Group is a transnational company that operates in more than 20 countries. It is recognized as one of Peru's strongest and most important economic groups, and comprises competitive and profitable companies operating in a variety of sectors such as agriculture, mass consumption, energy, and manufacturing.

¹⁷ Companies are extremely important actors in facilitating adult learning, both within their companies in formal and informal contexts, as well as collectively at the sector or industry level through business and professional associations. Sector-specific upskilling and reskilling may be most efficiently provided through sector-company coalitions in partnership with government and local educational institutions, combining theoretical and applied training (WEO, 2017). Accelerating Workforce Reskilling for the Fourth Industrial Revolution: An Agenda for Leaders to Shape the Future of Education, Gender and Work.

upskilling older adults will have significant value for the IDB Group and the Latin American and the Caribbean as a whole.

- 2.12 The project's second innovation concerns the use of online and remote media in training for the development of reskilling and upskilling competencies. One advantage of distance learning is that it can be used anywhere in the country by facilitating online training through a technology platform, providing the seed for expanding training to other countries of the region. Accordingly, the project leverages technological advances that facilitate remote interaction with students and organizations, thus overcoming the physical barriers and time constraints that have routinely limited support and mentoring activities. These tools facilitate consultations and the reporting of incidents that students could encounter when using the platform, as well as reporting workers' progress to their employers. Accordingly, they help us understand which teaching, learning, and support methods are most effective for older adults.
- 2.13 Taking into account a conservative labor market, like that of Peru and Latin America, a third innovation facilitated by the project is that it offers a fresh opportunity to reevaluate the experience of older adult workers by providing them with continuous on-the-job training, thereby enabling them to continue growing professionally and improve their future career paths, which may even include the possibility of starting a business, especially as workers near retirement age.
- 2.14 Lastly, and related to the previous point, an important part of this project involves the development of an application which, when used in conjunction with an evaluation, can identify gaps in competencies and thus personalize training offerings. Thus, by leveraging digital technology and using an online training platform, the model can track beneficiary work histories, monitor academic performance, and provide the necessary inputs to continuously improve training offerings, which ultimately makes it possible to improve the career path and/or income of the beneficiary population.
- 2.15 Partnerships. At present, the Romero Foundation has agreements with two ministries:
- 2.16 Ministry of Labor and Job Promotion. Under this agreement, more than 3 million individuals who have lost their jobs as a result of the pandemic will receive training. The Ministry's [jobs portal](#) offers free access to courses through the Romero Online Campus for those interested in taking them.
- 2.17 Ministry of Production. This agreement—in partnership with the Ministry's *Tu Empresa* [Your Business] program—has awarded more than 300,000 scholarships thus far in 2020 for the 50,000 SMEs registered with its platform.

B. Project beneficiaries

- 2.18 The project's main beneficiaries will be adult workers between the ages of 50 and 65, including those nearing retirement, with special preference for workers in vulnerable jobs, i.e. those in jobs and occupations sensitive to the processes of automation, that require fewer skills, or that are held by women.
- 2.19 The project will entail three pilot experiences: (i) with employees of Romero Group companies between the ages of 50 and 65, which will facilitate rapid measurement of the project's real impact, effectiveness, and potential replication and scalability with other large companies outside the Romero Group; (ii) with government

employees between the ages of 50 and 65, through the Romero Foundation's agreements with the Ministry of Production, the Ministry of Labor and Job Promotion, and the Ministry of Education; and (iii) with employees of other SMEs and companies outside of the Romero Group in the same age group.

Component 1: Development of reskilling and upskilling competencies (IDB Lab: US\$292,000, Counterpart: US\$360,000)

- 2.20 This is the project's central component. It provides for the identification of competencies for the reskilling and upskilling of workers, the design and implementation of online training offerings, and a monitoring system to ensure the training contents are relevant and respond in a sector-specific way to the evolving needs of demand.
- 2.21 Working together with the human resources areas of the companies, institutions, and SME business owners, the competencies and skills required by the target population will be identified, and a profile for each occupation/job will be prepared. In addition, a series of instruments will be designed to facilitate a diagnostic assessment of the beneficiaries, any gaps that need to be closed based on the job or occupation profile and training, and the progress of training. These instruments will be uploaded to the training platform. The adaptive training program will collect the information on the learning process and modify training offerings in the subsequent cohorts. One important factor in developing competencies entails the design of differentiated training pathways for three segment of the age group: (i) age 50 to 54; (ii) age 55 to 60; (iii) and age 61 to 65. This differentiation by age segment responds to the identification of training levels, interests, and concerns about their future work life, which are different for each of these segments.
- 2.22 The main activities of this component will be: (i) preparation of the training program and general framework of competencies; (ii) development of instruments to identify learning gaps; and (iii) design and implementation of reskilling and upskilling courses.
- 2.23 The main outcomes of the component will be: (i) an adaptive training model and program, and a general framework of differentiated competencies will have been developed for reskilling and upskilling workers between the ages of 50 and 65; (ii) a diagnostic assessment tool will have been designed to identify training needs; (iii) a total of 60 courses will have been designed and implemented; and (iv) a total of 5,000 workers will have completed training (i.e. 2,200 workers of the participating companies, 1,800 SME workers, and 1,000 government workers).

Component 2: Training quality assurance (IDB Lab: US\$285,000, Counterpart: US\$275,400)

- 2.24 The objective of this component is the continuous improvement of all training services. It incorporates the experience of the workers, 5,000 in all, i.e. 2,200 of the participating companies, 1,800 SME workers, and 1,000 government workers, whereas the number of women workers enrolled is estimated at least 1,250; the institutions and users in general, including the continuous optimization of the training courses. Three key aspects will be analyzed to ensure that the system of training quality assurance is operating properly: (i) the evaluation of workers, including the progress they make in the training program, level of satisfaction, and achievements in terms of improving their job skills (learning achievements); (ii) evaluation of the

courses and program with a view to improving the courses, obtaining feedback on their content and methodology, and on the various models comprising the program; and (iii) feedback on the training system from the mentors, who will support the workers in the learning process. The main activities of this component are: (i) design of the training quality assurance system; (ii) design of the platform used to track, support, and provide personalized monitoring to workers in the program; (iii) development of the evaluation and results monitoring system for continuous improvement of the reskilling and upskilling program; (iv) engagement of a consulting study on training quality assurance; and (v) provision of technology support services for the e-learning platform.

- 2.25 The main outcomes of this component will be: (i) a training quality assurance system will have been implemented; (ii) a tracking, support, and personalized monitoring platform for the project beneficiaries will have been implemented; (iii) an evaluation and results monitoring system for continuous improvement of the reskilling and upskilling program will have been implemented; and (iv) 100% of course will have been evaluated/improved based on information provided by the training quality assurance system.

Component 3: Business linkage, systematization, and dissemination of results (IDB Lab: US\$100,500, Counterpart: US\$172,000)

- 2.26 The objective of this component is to establish and ecosystem to promote the valuation of the competencies and skills of the target population. Institutional and employment/employer/employee engagement will be key to ensuring the expansion of program coverage. Moreover, the focus of the employment support strategy is to ensure that program beneficiaries who have either completed or soon will complete the program secure a better job and salary. Moreover, actions are planned to disseminate the results and knowledge generated by the project, as well as to assess the effectiveness and implementation of programs that promote the reskilling and upskilling of workers between the ages of 50 and 60.
- 2.27 The main activities under this component are: (i) design of a employment coordination strategy for workers who have completed the training program; (ii) implementation of an interagency engagement mechanism for workers who have completed the program; (iii) design and updating of social communication and engagement strategies to promote reskilling and upskilling; (iv) monitoring of the business linkage process; and (v) systematization.
- 2.28 The expected outcomes of this component are: (i) an employment support strategy for workers who have completed the reskilling and upskilling program will have been developed, (ii) a social communication and interagency engagement strategies will have been designed and implemented; (iii) 44 institutions will have been assisted by the project; and (iv) a document will have been prepared to systematize lessons learned from the project.

C. Project results, impact, monitoring, and evaluation

- 2.29 In terms of impact, the following is anticipated by the end of the project; (i) 2,000 beneficiary workers will have improved their job skills and/or economic conditions; (ii) 12 companies will have implemented reskilling and upskilling policies and practices for workers between the ages of 50 and 65; (iii) 50 SMEs will have implemented reskilling and upskilling practices for their workers between the ages

- of 50 and 65; (iv) three government programs will have incorporated and implemented upskilling and reskilling practices; and (v) 25% of women beneficiary workers will have improved their job skills and/or economic conditions.
- 2.30 In terms of results, the following is anticipated by the end of the project: (i) 3,000 workers will have completed the upskilling and/or reskilling program.
- 2.31 Gender. IDB Lab and the Romero Foundation will revise the gender strategy once the analysis of the beneficiary workers has been completed, enabling enable them to establish realistic objectives and targets for the project. The project's beneficiary workers, who range in age from 50 to 65, entered the labor market at a time when the gender parity gap was much wider than it is now. As a point of reference, the gender distribution at companies of the Romero Group is between 15% and 30%. With respect to that analysis, the proposed target is for 25% of women who satisfactorily complete the reskilling and upskilling program to improve their job skills and/or economic conditions. To ensure this target is met, actions are planned to mitigate the adverse conditions faced by women of the target group. Accordingly, the program prescribes two specific actions: (a) priority will be accorded to engaging women mentors/facilitators who are close in age to the women beneficiaries so that in during the mentoring process the women beneficiaries will feel confident, comfortable, and participate in this service, thus all of these measures will help ensure that the beneficiary women will not quit the program; (b) the formation of communities of practice for women will be encouraged. Communities of practice have proven to be very effective instruments for enhancing participation, comprehension, and support.¹⁸
- 2.32 The design of the project will be guided by and take into account a gender mainstreaming approach, which will be included in trainings and technical assistance modules. The project's impact indicators will be disaggregated by gender to reinforce that approach and emphasis. Lastly, the characterization of the organizations (i.e. companies, SMEs, and government programs), the workers of which will be project beneficiaries, will include diagnostic assessments of the most commonly held jobs by gender, income level, and statistical information on promotions over the last three years. Moreover, the beneficiary workers' family economic characteristics, head of household, family structure, and distribution of household labor will be mapped.
- 2.33 Evaluation. With respect to monitoring and tracking, the project will finance a system to monitor the students. The project will collaborate with the various human resources areas involved to evaluate any changes and improvements in the beneficiaries' job skills and economic conditions. The project will also include midterm and final evaluations to assess the execution of the project and identify any areas that could be improved with a view to its expansion. These evaluations will focus technical areas and others identified as high-complexity areas requiring corrective actions in the project's implementation and scaling, respectively. Each year, the results achieved by the project will be systematized and published on the Romero Foundation's website. Some of the questions that will guide the evaluation

¹⁸ Wenger (1999). *Communities of Practice: Learning, Meaning and Identity* (Learning in doing social, cognitive, and computational perspectives). Cambridge, University Press; and Étienne and Beverly Wenger-Trayner (2015). *Introduction to communities of practice*. Retrieved from: <https://wenger-trayner.com/introduction-to-communities-of-practice/>.

process will include: What tools does the program have to incorporate organizations and workers?; What are the most common barriers that prevent beneficiaries for successfully completing the program?; What are the most common types of barriers (e.g. regulatory, administrative, and user) preventing the program from being extended to more beneficiaries and reaching more organizations?; and What lessons have been learned with respect to promoting the development of upskilling and reskilling policies and strategies for people between the ages of 50 and 65 in the organizations?

III. PROJECT ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS

A. Alignment with the IDB Group

- 3.1 The project is aligned with IDB Lab's knowledge economy focus area, as its training offerings for workers between the ages of 50 and 65 in vulnerable jobs will enable them to incorporate digital tools and technologies into their skillsets that can help perform their roles and tasks in the framework of the digitalization and optimization of productive processes and services. In this way, workers in this age group can avoid losing their jobs as a consequence of massive displacements prompted by the automation of processes and the use of new technologies.
- 3.2 This will be the first IDB Lab project related to skills and the future of work that focuses on upskilling and reskilling the adult population between the ages of 50 and 65. Most projects in the knowledge economy focus area center on young people under 30, the school-age population, and those making the transition from school to their first job. In fact, very little experience or knowledge has been generated in the area of online learning models for older adults. In the context of COVID-19, moreover, when many businesses have either been forced to shutter, cut staff, or, in the best case, keep their staff on but forgo any new hiring, projects such as this one become very important for helping workers adjust to the rapid pace of digital transformation and prevent inequality from growing between those that have access and resources for training and to adapt and those that do not. It is also important to note that training and more active participation of older adults in the labor market are two areas identified in the IDB Group's efforts on behalf of the silver economy, which encompasses broad categories of activities of that generation. IDB Lab, primarily together with the IDB's Social Sector (SCL), are promoting this area and this project, which could benefit from the initiative as one of the first projects of its kind. Moreover, it would also contribute to the generation of knowledge and the local community.
- 3.3 Likewise, this project will contribute to the country strategy with Peru (2017-2021) in the priority area of productivity with emphasis on the labor market, and specifically with the Bank's strategic objective of "Support[ing] formalization of the economy." The project will narrow the gap between labor skills and competencies required by the market, thus boosting the sector's productivity and competitiveness. The project will also contribute to the Institutional Strategy in the area of the future of work, promoting the adoption of new labor competencies and skills in the area of information technology. The project will help supplement the training offerings of loan operation PE-L1152, led by the IDB's Labor Market Division (SCL/LMK), improving the effectiveness of services provided by the One-stop Window of Employment Promotion (VUPE) for the formal job placement of youth in urban areas of Peru.

- 3.4 The project also complements regional technical cooperation operation RG-T3232, “Promoting Digital Disruption in Latin America and the Caribbean,” led by the Bank’s Competitiveness, Technology and Innovation Division (IFD/CTI). This technical cooperation operation is being implemented in 11 countries with the aim of increasing companies’ digital transformation capacity—especially SMEs—by leveraging the opportunities of the digital economy, through the implementation of digital maturity self-assessment instruments, such as the digital checkup tool. Under this technical cooperation operation, IFD/CTI is preparing a regional platform of digital training content. Accordingly, this project could potentially: (i) reach a wider group of SMEs using the digital checkup tool; (ii) make its training offerings available on the platform; and (iii) absorb regional demand for training, with a view to scale-up.
- 3.5 The project is closely aligned with Institutional Strategy of the IDB Group, inasmuch as its second update (2020) proposes as a new priority area for addressing development challenges “Assisting countries in supporting learning-work-learning transitions,” including “labor intermediation systems such as digital platforms to connect job seekers with opportunities.” The Institutional Strategy also prioritizes “support[ing] the use of technology for inclusion to address labor market inequalities that may be exacerbated during transitions, particularly for groups who face employment discrimination.” The project is further aligned with the IDB Group’s operational priorities (Labor Sector Framework Document). The Bank’s main goal in the labor market and social security sector is to promote successful career paths while simultaneously enhancing productivity and social inclusion.
- 3.6 The project is closely aligned with IDB Lab’s Strategic Development Objectives, including “Promote business growth and job creation driven by technology.”
- 3.7 The project is also aligned with the priority business areas of IDB Invest, particularly “Improv[ing] the private provision of basic goods and services, opportunities for income generation and social mobility for vulnerable populations” and with the crosscutting theme of “gender and diversity.”
- 3.8 Lastly, the project is aligned with the following Sustainable Development Goals (SDGs) announced by the United Nations General Assembly:
- SDG 4: Quality education (target 4.4), as the project provides upskilling and reskilling training services for workers between the ages of 50 and 65;
 - SDG 5: Gender equality (target 5.5), as the project includes specific actions to expand women’s access to work through platforms; and
 - SDG 8: Decent work and economic growth (target 8.5), as the project promotes access to quality education for the population between 50 and 60 years of age with the aim of improving their labor conditions and/or incomes.

B. Scalability

- 3.9 Once the project is implemented, the hope is to have the tools and evidence needed to replicate and scale it nationally, and then offer it as a paid service to the country’s major companies. This would not only ensure the project’s financial sustainability, but also provide the mean to increase its reach. As a nonprofit institution, the Romero Foundation would invest any excess proceeds in developing high-impact social responsibility initiatives that are in keeping with its purpose. Also important to

consider are the project's design and launch costs, which are considerable (as well as others included in the cofinancing), but are currently covered during the first three years, after which they will no longer be included in the cost of the operation.

- 3.10 The project will initially focus on companies of the Romero Group, while outreach activities to other institutions (e.g. other companies, SMEs, and government) are expected to produce results in the second year, considering the program's dissemination effect and immediate results, with a view to adding new organizations that wish to join. In the first stage, the project will focus on the Lima area where most of the Romero Group's operations and employees are located (although a few of its agroindustrial companies are based in other regions). Consequently, in the second stage, the project will leverage these as anchor companies to reach others associated with the Romero Group's value chains, enabling its expansion into other regions. By leveraging existing partnerships with the Ministry of Production, the project hopes to have access to the Ministry's network of companies that have benefited from its programs, including *Innovate Perú* [Innovate Peru], a national program. Accordingly, the dissemination process facilitated through the Ministry is expected to result in the project's adoption by other Peruvian government agencies and programs.
- 3.11 With a view to expanding the program's base of beneficiaries, efforts will be made to establish partnerships with higher education institutions. Specifically, the project seeks to develop joint training programs with a view to the certification of competencies, which would provide an additional credential to the one that would be obtained by the beneficiaries through the upskilling and reskilling program.
- 3.12 Lastly, under the framework of the sustainable business model mentioned in paragraph 2.9, it is recommended that the training services be extended beyond the project's time horizon. Moreover, the hybrid model of users that pay for the service and those on scholarship makes it viable to scale the project to other regions of the country without undermining the stability and sustainability of the upskilling and reskilling program. Accordingly, documenting the lessons learned from the upskilling and reskilling program should make it possible to replicate the project in other countries of the region that are facing similar challenges.

C. Project risks

- 3.13 Workers in this age group have little or no experience with online training programs. In fact, this upskilling and reskilling training program could be their first exposure to an online learning environment. For this reason, an enrollment and onboarding strategy will be developed for the program. The program will also continuously monitor the workers' participation and identify any difficulties that could impact their performance or cause them to drop out.
- 3.14 The organizations—companies and government agencies—and the workers themselves can limit access to information about performance, as well as the job and economic position of their workers. Accordingly, confidentiality and data use policies are expected to apply with a view to ensuring that any data obtained are used solely for adapting the program of training, monitoring the progression of training throughout the program, and continually improving it. The anonymity of information will be guaranteed before it is used in program research processes and impact evaluations.

- 3.15 Another possibility is that the training may not lead to improvements in the professional career track either within or outside the organization. In order to mitigate this risk, the project will work closely with the human resources divisions of its company and government partners to ensure that training content is always aligned with demand and connecting students with that demand.
- 3.16 Given their fragmentation, rapprochement with SMEs could present significant limitations. Moreover, the mapping their workers could be underreported, taking into account the high levels of informality among these workers. For this reason, the outreach strategy will initially be pursued through networks of the Romero Group's key companies and the current partnership with the Ministry of Production. Regarding the mapping of workers, a communications strategy that appeals to employers will be proposed, making it possible to reach all workers of the organization.

IV. COST AND FINANCING

- 4.1 The total cost of the project is US\$1,805,000, of which US\$902,500 (50%) will be provided by IDB Lab in the form of a grant, and the remaining US\$902,500 (50%) will be provided as a local counterpart contribution by the Romero Foundation.

Component	Financing	Counterpart	Total (US\$)
	IDB Lab	Romero Foundation	
1. Development of reskilling and upskilling competencies	292,000	360,000	652,000
2. Training quality assurance	285,000	275,400	560,400
3. Business linkage, systematization, and dissemination of results	100,500	172,000	272,500
4. Project coordination and administration	180,000	95,100	275,100
5. Evaluations	45,000	-	45,000
Total	902,500	902,500	1,805,000
	50%	50%	

V. PROJECT PARTNERS AND IMPLEMENTATION STRUCTURE

A. Description of the project executing agency

- 5.1 For more than 38 years, the Romero Foundation has been promoting various social responsibility initiatives that are implemented by the Romero Group. In recent years, the Foundation has become the country's leader in terms of its impact in the area of informal education. The Foundation has trained more than 4 million people and is the only one with a massive, open, online training platform. Notably, the Romero Online Campus is not a formal education platform, but a training platform that offers content to support workers and entrepreneurs throughout their lives, providing online courses with practical and up-to-date content that can be completed in a short period of time. The Romero Group has a long track record as a leader in the sectors in which it operates, and is committed to the country's development. During the

COVID-19 pandemic, the companies of the Romero Group and the Romero family¹⁹ have made the most donations in the history of Peru. With regard to the Peruvian State, the Romero Foundation has active agreements with the Ministry of Production, the Ministry of Education, and the Ministry of Labor and Job Promotion, which can help facilitate the scaling of the project.

- 5.2 The project leverages the capacity of the Romero Foundation, which operates the Romero Online Campus, one of the most important training platforms serving Peru's entrepreneurial and business sectors. The Campus will make its platform available to the project, provide it with information technology support, the know how it has amassed since it began operating the Campus, and the Foundation's more than 38 years of experience promoting the social responsibility initiatives implemented by the Romero Group.

B. Implementation structure and mechanism

- 5.3 **Program coordination unit.** The team of the project coordination unit (PCU) will be comprised of Romero Foundation staff, and will include a project coordinator, administrative-financial specialists, and technical specialists responsible for training and mentoring activities (Component 1); revaluation and positioning (Component 2); and training quality assurance (Component 3). The project coordinator will be responsible for the execution of project activities and coordinate the work of the rest of the team. The administrative-financial specialists will be responsible for the operation's financial and accounting controls.
- 5.4 **Project advisory committee.** A project advisory committee will be established and will meet semiannually to monitor the progress made on the design and implementation of the project, ensure that the project remains on track to achieve its development objectives, issue strategic guidelines to promote the project's scalability and ensure its sustainability once its funding is depleted, and identify pathways to facilitate growth of the solution proposed under the project. During the first year of the project, the advisory committee will meet more frequently to provide advice and help draft the project's strategic guidelines. The committee's purpose is to provide technical advice and collaborate on advocacy and dissemination actions. The advisory committee will be comprised of the Romero Foundation's chairman of the board, general manager, the project coordinator, as well as three external advisors to be named in due course. At some point in the future, external experts of the upskilling and reskilling program may participate on the committee, such as government human resources and talent managers.
- 5.5 Six months after the project has been completed, a sustainability workshop will be held to identify specific actions to ensure the continuity of project activities once its financing has been depleted.
- 5.6 Periodic coordination meetings will be held to develop project action and implementation strategies. IDB Lab will provide the executing agency with support for the project and participate in its strategic decision-making.

¹⁹ [Gestión. Empresas del Grupo Romero destinan S/ 50 millones en iniciativas para enfrentar la pandemia.](#)

VI. ACHIEVEMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 **Results-based disbursement and fiduciary arrangements.** The executing agency will agree to the IDB Lab standard arrangements concerning results-based disbursements, procurement policies, and financial management applicable to the private sector, in accordance with the Financial Guidelines for IDB-financed Projects (document OP-273-12) of 12 June 2019, and the Operational Guidelines for Management of Milestones and Financial Supervision for Technical Cooperation of IDB Lab and the SEP. Based on the results of the Assessment of Integrity and Institutional Capacity of the Executing Agency (DICI), the Romero Foundation presents a low level of risk, has a financial management system that is acceptable to IDB Lab, and possesses a monitoring and accountability structure for presenting its financial statements to the Bank. Project disbursements will be conditioned on verification of compliance with milestones, in accordance with the verification measures agreed upon between the executing agency and IDB Lab. The achievement of milestones does not exempt the executing agency from responsibility for compliance with the results matrix indicators and project objectives.

VII. ACCESS TO INTELLECTUAL PROPERTY INFORMATION

- 7.1 **Access to information.** The information contained in this document is classified as “Public Upon Approval,” in accordance with the Bank’s Access to Information Policy.²⁰
- 7.2 **Intellectual property.** The executing agency will retain intellectual property rights to the platform, as well as know-how, methodologies, studies, and other products developed during the execution of the project. The executing agency will grant the Bank an irrevocable, non-exclusive, royalty-free, and perpetual license to use, copy, distribute, reproduce, and publicly display and perform any project-related work or results. The Bank may disseminate, reproduce, and publish and project-related information, as well as its participation in the project’s financing.

²⁰ [IDB Access to Information Policy.](#)