

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/CSC - Southern Cone
▪ TC Name:	Modernization of Public Employment Services II
▪ TC Number:	RG-T3149
▪ Team Leader/Members:	Urquidi, Manuel (SCL/LMK) Team Leader; Cravo, Tulio (SCL/LMK) Alternate Team Leader; Muhlstein, Ethel (SCL/LMK); Gaona, Tania (SCL/LMK); and Jaime Ramirez, Margie-Lys (LEG/SGO)
▪ Taxonomy:	Research and Dissemination (RD)
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	09 March 2018
▪ Beneficiary:	Labor Ministries of Bahamas, Barbados, Bolivia, Paraguay, Peru, Chile and Brazil
▪ Executing Agency:	Inter-American Development Bank, Social Sector, Labor Markets Division (SCL/LMK)
▪ IDB funding requested:	\$ 225,000
▪ Local counterpart funding:	\$ 0
▪ Disbursement and execution period:	36 months
▪ Types of consultants:	Individual consultants and consulting firms.
▪ Prepared by Unit:	SCL/LMK
▪ Unit of Disbursement Responsibility:	SCL/LMK
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; and productivity and innovation.

II. Objective and Justification

- 2.1 The technical cooperation's (TC's) objective is to promote the use of digital technologies for labor intermediation systems (LIS) in the Public Employment Services (PES) and labor training institutions (LTI) of the Latin America and the Caribbean (LAC) Region. The TC will support the knowledge generation and dissemination regarding opportunities of new technologies and its possible uses by PES. It will also provide support to countries that are implementing new technologies for their LIS. This support in the enhancement of the management information systems will consider the action plans developed by the TC Modernizing Public Employment Services in LAC (RG-T2604; ATN/KP-15244-RG).
- 2.2 Technological change facilitates work in all institutions and promotes efficiency and effectiveness. The different services provided by Public Employment Services and job training institutions to job seekers can benefit from implementation of different technologies. Diagnostics and action plans developed under the TC Modernization of Public Employment Services (PES) in LAC (RG-T2604; ATN/KP-15244-RG) expose a strong technological gap on PES, this gap also affects vocational training institutions that should be an integral part of LIS. To promote better services to jobseekers in the region, it is necessary to integrate technologies into LIS that also allow PES and LTIs to be brought closer to private employment services. Emergence of technologies such as Blockchain and New Expert Systems represents an opportunity for institutions in the region and these opportunities must be analyzed.

III. Description of Activities and Outputs

3.1 **Component 1: Analysis of opportunities and challenges for the implementation of digital tools in Labor Intermediation Systems in the Region.** The component seeks to analyze available digital alternatives for LIS and understand the challenges of implementing them in the region. The component will finance: (i) an analysis of digital tools available for LIS; (ii) preparation of a dissemination document on the mentioned tools for PES and / or labor training institutions in the region; (iii) a best practices study on the management of change in technology implementation processes; and (iv) analysis of minimum training requirements for human resources in PES during technology implementation processes. This information could be used as a basis for the development of an online course (MOOC) later.

Component 2: Promoting use of digital tools in Labor Intermediation Systems of the Region. The component seeks to promote the use of digital tools as part of LIS, PES and LTI in the region. At the same time, the component will provide technical assistance for countries that are in the process of implementing digital components in their LIS. It will finance: (i) dissemination events on advantages of incorporating technology in LIS; (ii) transfers of good practices that may include study trips for PES or ICL staff; (iii) expert advisors in implementing digital tools for at least three priority countries; and (iv) hiring consultants specialized in advanced technologies (such as blockchain, artificial intelligence, systems integration) to support implementation of digital tools in LIS of at least three countries in the region.

IV. Budget

Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding (SOC)	Counterpart Funding	Total Funding
Component 1: Analysis of opportunities and challenges for the implementation of digital tools in Labor Intermediation Systems in the Region	100,000	0	100,000
Component 2: Promoting use of digital tools in Labor Intermediation Systems of the Region	125,000	0	125,000
Total	225,000	0	225,000

V. Executing Agency and Execution Structure

5.1 The Executing Agency will be the Inter-American Development Bank (IDB), through the Social Sector, Labor Markets Division (SCL/LMK), as requested by the beneficiary, in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and the TC Operating Guidelines (GN-2629-1).

5.2 This execution arrangement is due to the regional nature of the project and the experience and capacity of the Bank in executing this type of project and its ability to hire high-level international consultancies, with added value, in addition to the Bank's greater options for use tools to transfer lessons learned from other countries, as well as organize activities to promote the transfer of best practices from within and outside the region. The Bank will supervise consulting services and beneficiaries will be able to

provide technical inputs to the consultants' reports. Ownership of intellectual property rights of products resulting from the execution of the TC belongs to the Bank. However, a license to use these products will be granted to the beneficiary governments.

VI. Project Risks and Issues

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

VII. Environmental and Social Classification

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