

# Regional Public Goods Initiative

**2012 Call for Proposals**

## **GUIDELINES**

**Deadline for Submission of Proposals:**

**March 29, 2012 - 12 a.m. – midnight (US Eastern Standard Time)**

Applicants who intend to submit a proposal should register [here](#) as soon as possible. Registration requires the title of the proposal and the participating countries. Please note that this information is tentative and can be changed at the time of submission of the proposal.

## I. CONCEPT AND KEY FEATURES

1. **Concept:** The Regional Public Goods Initiative (the “Initiative”) of the Inter-American Development Bank (IDB or “the Bank”) is based on the premise that the countries of Latin America and the Caribbean (LAC) share numerous development challenges that can be addressed more effectively and efficiently at a regional level through collective action and cooperation. The Initiative is also a response to the increasing importance of South-South cooperation (SSC) in the development agenda of LAC countries and the IDB, who is committed to being an active partner in development through a South-South led learning and cooperation process.
2. **Definition of regional public goods:** The Initiative defines regional public goods (RPG) as goods, services or resources that are produced and consumed collectively by the public sector and, if appropriate, the private sector in a minimum of three LAC countries.<sup>1</sup> The Initiative focuses on regional public goods at an early stage of development and that have the potential to generate significant shared benefits and positive spillover effects. Spillover effects can be expressed in terms of scope (benefits extend beyond the originally targeted sector in each country) and/or scale (benefits extend beyond the original group of countries).
3. **Competitive allocation of funds:** In 2012, the Initiative will provide up to US\$5 million in non-reimbursable resources (grants) for proposals that have been selected under the present Call For Proposals (CFP). Proposals are assessed against (i) a set of eligibility criteria; (ii) their technical merit; and (iii) alignment with the IDB’s strategic priorities.
4. **Demand-driven:** The Initiative finances proposals that have been prepared and presented by entities from a group of LAC countries. The Initiative is open to cooperation initiatives in any area of development, as long as the proposal makes the case that the countries work collectively to achieve development gains that they cannot achieve individually or only at a higher cost.
5. **Alignment with IDB priorities:** While in principle the Initiative accepts proposals in any thematic area in which the IDB is active, the selection of proposals for financing will be closely aligned with the Bank’s five sector priorities. These sector priorities are part of the Bank’s New Institutional Strategy, which was adopted on the occasion of the Ninth General Increase in the Resources of the IDB (GCI-9) in July 2010. The priorities are: (a) social policy for equity and productivity; (b) infrastructure for competitiveness and social welfare; (c) institutions for growth and social welfare; (d) regional and global integration; and (e) protection of the environment, responsiveness to climate change, promotion of renewable energy and ensuring food security.
6. In addition, proposals with a gender-specific focus will be evaluated positively. (See Guiding Questions to determine gender-specific focus).

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<sup>1</sup> For the case of bi-national projects, see paragraph 10 below.

## II. ELIGIBILITY CRITERIA

7. Eligible proposals promote regional public goods that (i) involve a minimum of three countries<sup>2</sup> who work together to produce the good (see section 1 below); (ii) can be consumed free of charge and should be produced by all relevant stakeholders (see section 2 below); and (iii) be in an early stage of development (see section 3 below).

### 1. Regional dimension of the good

8. The regional criterion is met if a proposal meets the following two conditions:
9. Number of countries: A minimum of three (3) borrowing member countries of the Bank are involved in the production of the RPG. The Initiative may exceptionally consider proposals to finance bi-national projects. These bi-national proposals will have to demonstrate that (i) the issue to be addressed is of strictly bi-national nature; (ii) the proposal fully justifies that the regional public good to be produced has the potential for an exceptionally high development impact; and (iii) the regional public good produced can be replicated in other contexts should similar circumstances arise. All other eligibility criteria of the Initiative will continue to apply.
10. Applicants who wish to submit a proposal for a bi-national project should not only register [here](#) as early as possible, but also contact the RPG team at [BPR@iadb.org](mailto:BPR@iadb.org) to verify eligibility.
11. Collective action: RPGs need to be promoted by means of collective action among all participating countries. This means that the institutions engaged in the promotion of the RPG decide collectively how to achieve that goal, including the agenda, mechanisms and partners of their regional cooperation, as well as the regional commitments that they are willing to undertake.<sup>3</sup>

### 2. Public Dimension of the good

12. In general terms, a regional good is considered public to the degree that its benefits are non-rival and non-excludable in consumption. Under this Initiative, in addition to consumption, the public dimension includes the production aspect of the good, i.e. it answers the question of who participates in its production. The regional public goods to be promoted by the Initiative should be produced by all relevant stakeholders.

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<sup>2</sup> For the conditions that apply to bi-national proposals see paragraph 9.

<sup>3</sup>The Initiative does not finance RPGs that consist exclusively of a unilateral transfer of capacity and knowledge from one country to another country or group of countries (a form of RPG production that is also known as “Best Shot”). This modality is not based on cooperation among all partners in the production of the good and thus is not eligible under the Initiative.

13. The Initiative concentrates on public policy-related RPGs, i.e. projects that facilitate regional coordination in public policy design, reform and execution, including the development of regional solutions for issues such as regulatory upgrades, institutional strengthening and capacity development (including knowledge products). The public policy focus allows the IDB to better align the RPG Initiative with the Bank's country and sector strategies.
14. Public policy-related RPGs need to demonstrate the involvement of those institutions in each participating country that are tasked with designing and implementing policy in the thematic area of the regional public good. These are usually government agencies. Occasionally, governments delegate matters to semi-public or private (usually non-profit) institutions. Proposals must include a [letter of commitment](#) from the national entity responsible for the public policy associated with the RPG. Supranational institutions in Latin America and the Caribbean can submit a letter of commitment on behalf of their members, provided that this letter is based on an official mandate or a specific resolution that identifies the RPG. The mandate or resolution needs to be submitted as part of the proposal documentation.
15. The purpose of the letters of commitment are to: (i) demonstrate the interest that each country has in cooperating with others in the process of producing the RPG; (ii) verify the availability of financial and human resources to implement the activities as stated in the proposal; and (iii) guarantee the sustainability of the process of generating the regional public good beyond the IDB's financial support.
16. Exceptionally, the Initiative may consider innovative ideas for regional public goods proposed by the private, non-profit sector that do not depend on public policy and therefore do not require the participation of policy-setting institutions. These proposals will have to demonstrate that (i) the benefits to be generated by the regional public good are expected to be exceptionally significant; (ii) the regional public good can be produced in a sustainable manner beyond the financing of the Initiative; and (iii) the governments of the participating countries do not object to the proposal being submitted. This means that the proposal needs to be accompanied by a non-objection letter from the government agency that serves as the official IDB liaison in each participating country. All other eligibility criteria of the Initiative will continue to apply.
17. Applicants who wish to submit a proposal under this modality should not only register [here](#) as early as possible, but also contact the RPG team at [BPR@iadb.org](mailto:BPR@iadb.org) to verify eligibility and receive information about the process of obtaining the non-objection letters.
18. International or hemispheric organizations, foundations and cooperation agencies outside the region cannot present proposals or be the executing agency of RPG projects. However, they may be invited to serve as advisors to the process and/or co-finance the production of the RPG.

### 3. Initial Stage RPGs

19. The Initiative intervenes in the early stages of RPG generation, leveraging its resources to correct disincentives and/or remove obstacles that prevent an RPG from emerging or progressing toward the stage of production. Regional cooperation on new topics or with new partners is often characterized by insufficient leadership, institutional support, resources and/or a clear understanding of the scope of the commitments and benefits resulting from the generation of the RPG. RPG projects accompany the process of early stage regional coordination among countries until the generation of the regional public good has reached a point where the benefits and institutional framework of the cooperation effort are clear and the process becomes sustainable.

<b>Summary of Eligibility Criteria</b>	
<b>1. Regional Dimension</b>	
i.	Has the proposal been submitted by a minimum of three (3) LAC countries?
ii.	Does the proposed public good have the characteristics to be produced collectively?
iii.	Does the proposal indicate that the benefits will be produced and consumed collectively?
<b>Bi-national proposals</b>	
i.	Is the issue to be addressed of strictly bi-national nature?
ii.	Does the proposal have the potential for an exceptionally high development impact?
iii.	What is the potential for replication in other contexts?
<b>2. Public Dimension</b>	
i.	Which stakeholders produce the good in each country? Does the proposal include the relevant stakeholders (public and private) that need to participate?
ii.	Is the proposed public good related to the regional coordination of public policy? Therefore:
iii.	Does the proposal demonstrate the participation of the agencies that are responsible for the public policy in question (letters of commitment)?
<b>Private (non-profit) sector proposals</b>	
i.	Will the benefits to be generated by the regional public good be exceptionally significant?
ii.	Can the regional public good be produced in a sustainable manner beyond the financing of the Initiative?
iii.	Does the proposal include non-objection letters from the governments of the participating countries?
<b>3. Early Stage</b>	
i.	Do participating countries propose a regional approach to a newly emerging issue? or
ii.	Do participating countries propose a regional approach to an issue under new circumstances (changes in the dimension of the problem, partners, etc.)?

### III. TERMS AND CONDITIONS

#### A. Proposal Documentation

20. The documentation should include:
- a) The proposal (following the Proposal Preparation Guidelines in section IV below).
  - b) Annexes to the proposal:
    - [Letters of commitment](#) to be issued by the agencies responsible for the public policy associated with the RPG. OR
    - [Letters of no-objection](#) only in the case of proposals submitted by private, non-profit institutions.
21. Applicants of eligible proposals will be contacted at a later stage to provide proof of the executing agency's legal registration in one of the [IDB's borrowing member countries](#).

#### B. Entities Eligible to Submit and Execute Proposals

22. The executing agency of an IDB project is responsible for the implementation of project activities and the administration of the Bank's financial contribution. Each project can have only one (1) executing agency. The following table provides an overview of the entities that are eligible to submit and/or execute RPG projects and those that are not.

Type of Institution	Eligible to	
	Submit	Execute
Borrowing member countries, including national and sub-national institutions.	Yes	Yes
Private, non-profit entities that are legally established in one of the Bank's borrowing member countries.	Yes	Yes
Latin American and/or Caribbean regional or sub regional institutions.	Yes	Yes
Departments (organizational units) of the Bank.	Yes	No <sup>4</sup>
International public organizations with a global or hemispheric role, as well as their specialized agencies.	No	No
Entities that are legally established in a non-borrowing member country of the Bank.	No	No
Private, for-profit entities from any country.	No	No

<sup>4</sup> Only under exceptional circumstances and upon request of the countries participating in the project can an organizational unit of the Bank execute an RPG project.

**C. Language**

23. Proposals may be submitted in Spanish or English.

**D. Inquiries**

24. Applicants may consult eligibility issues with the RPG team at [BPR@iadb.org](mailto:BPR@iadb.org).

**E. Evaluation and Selection of Proposals**

25. The IDB will review the proposals by means of the following three-step process: (i) determination of eligibility, (ii) technical review of eligible proposals, and (iii) ranking of eligible proposals based on their technical soundness and their alignment with the IDB's strategic priorities. Please see the estimated time line at the end of this section.

26. The IDB will notify applicants once list of proposals recommended for financing has been approved the Bank's Board of Executive Directors.

**F. Preparation of an IDB Project Document**

27. The proposals selected for financing under the Initiative will be developed into and approved as technical cooperation (TC) projects of the IDB. Representatives from the applying institutions and Bank staff will together prepare the corresponding project document. Once the standard TC approval process has been finalized, the IDB and the designated executing agency will sign an agreement to initiate the implementation of activities and the disbursement of resources. Proposals selected under the present CFP are expected to be approved and start disbursing in the second half of 2012.

Estimated Time Line								
Task	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
<b>Close of Call for Proposals</b>	◆							
<b>Review of proposals</b>		▶						
Eligibility review		■						
Technical review of eligible proposals			■					
Ranking of eligible proposals				■				
<b>Approval of recommendations for financing</b>					◆			

#### IV. PROPOSAL PREPARATION GUIDELINES

Applicants are asked to prepare a document responding to each of the questions and following the guidelines in each section. Each response should start with the question that is being answered.

The text of the proposal should not exceed six (6) pages, using letter paper size, 12 point font and single space.<sup>5</sup>

##### I. Basic Proposal Data (maximum half a page)

- a) Name of the RPG proposal:
- b) Participating countries:
- c) Participating institutions:
- d) Name and country of the executing agency:
- e) Amount and sources of financing in US dollars:
  - Requested from the RPG Initiative: US\$
  - Counterpart resources: US\$
  - Other sources: US\$
- f) Execution period (in months):

##### II. Objective and Justification (maximum 2 pages)

Question 1: Which is the issue that the proposal will address?

*Bi-national proposals*

*Question 1a: Please explain why the issue to be addressed is of strictly bi-national nature.*

Question 2: Why is a regional approach better than a national one to address the issue?

Question 3: Have there been previous attempts to address the issue?

Question 4: What is the regional public good to be promoted by means of collective action?

Question 5: For public policy-related proposals: what is the public policy associated with the RPG?<sup>6</sup>

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<sup>5</sup> Since bi-national proposals and those submitted by the private, non-profit sector need to answer additional questions, the maximum length of those proposals is eight (8) pages.

<sup>6</sup> Not applicable to proposals presented by the private, non-profit sector.



Question 6: What are the benefits that the regional public good is expected to generate?

Question 7: Is the regional public good expected to produce positive spillover effects in terms of scope and/or scale (see paragraph 2 above)?

*Bi-national proposals*

*Question 7a: Please describe in a succinct manner the regional public good's potential for an exceptionally high development impact.*

*Question 7b: What is the potential for replication in other contexts?*

*Proposals from the private, non-profit sector*

*Question 7c: Please describe in a succinct manner the regional public good's potential for an exceptionally high development impact.*

**III. Activities** (maximum 1 page)

Question 8: What are the main activities? The title of the activities and their associated costs should appear in the budget.

**IV. Budget** (maximum 1 page)

The proposal should include a budget estimate (in US dollars). The costs should be disaggregated as shown below:

Activity and type of expense	Unit of measurement	Total Value	Sources of financing		
			IDB	Counterpart	Other sources
For example: consultant fees, travel expenses, etc.	For example: consultant daily fee, travel days and average airfare, etc.				

When preparing the budget, please make sure that expenses to be covered by the IDB are [eligible](#).

All proposals must indicate counterpart contributions in cash and/or in kind. The counterpart includes the contributions of the executing agency, institutions of the participating countries and any partner that has been invited to form part of the initiative. The size of the counterpart contribution should reflect the commitment of the aforementioned parties with the proposal and its objectives.

**V. Executing agency and execution structure** (maximum 1 page)

Question 9: Which is/are the institution/s in each country that will participate in the proposal?

Question 10: How will the countries/institutions in each country cooperate in the promotion of the RPG?

**VI. Sustainability** (maximum half a page)

Question 11: What strategies or mechanisms are planned to facilitate the sustainability of regional cooperation and the generation of the RPG?

*Proposals from the private, non-profit sector*

*Question 11a: Please explain how the regional public good will be produced in a sustainable manner beyond the financing of the Initiative.*