

Regional Public Goods Initiative

2015 Call for Proposals

GUIDELINES

Deadline for Submission of Proposals:
April 9, 2015 - 11:59 p.m. (U.S. Eastern Standard Time)

I. CONCEPT AND KEY FEATURES

- 1.1 **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.
- 1.2 **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, non-profit sector in a minimum of three borrowing member countries of the IDB.¹ The Initiative focuses on regional public goods 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).
- 1.3 **Competitive allocation of funds:** Each year, the Initiative provides non-reimbursable resources (grants) for proposals that have been selected as a result of a call for proposals (“CFP”).
- 1.4 **Demand-driven:** The Initiative finances proposals that have been prepared or are endorsed by and benefit a minimum of three borrowing member countries of the IDB.
- 1.5 **Thematic focus:** The Initiative is open to the promotion of RPGs in any area, in which the Bank is active. However, alignment with the IDB’s operational agenda is a selection criterion (see paragraph 3.1). Proposals with a gender-specific focus will be evaluated positively (see [Guiding Questions](#) to determine gender-specific focus).

II. ELIGIBILITY CRITERIA

A. Regional dimension of the RPG

- 2.1 To comply with the regional criterion a proposal must meet the following two conditions:
- a) **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 RPG to be produced has the potential for an

¹ Exceptionally, the Initiative may consider bi-national proposals (see paragraph 2.1).

exceptionally high development impact; and (iii) the RPG produced can be replicated in other contexts should similar circumstances arise. All other eligibility criteria of the Initiative will continue to apply.

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 to verify eligibility.

- b) **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. Please note that regional value-added is a selection criterion (see paragraph 3.2). Therefore, proposals need to make the case that collective action will produce benefits that countries cannot achieve individually or that can be achieved only at a higher cost.²

B. Public Dimension of the RPG

- 2.2 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 RPGs to be promoted by the Initiative should be produced by all stakeholders.
- 2.3 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).
- 2.4 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 RPG. 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.
- 2.5 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 RPG beyond the IDB's financial support.

² The Initiative does not finance RPGs that consist exclusively of a unilateral transfer of capacity, experience 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.

- 2.6 Exceptionally, the Initiative may consider innovative ideas for RPGs proposed by the private, non-profit sector that are not concerned with public policy and therefore do not require the participation of public policy-setting institutions. However, proponents interested in submitting a proposal under this window should bear in mind the following:
- a) The RPG will always need to be promoted by means of **collective action** among the private, non-profit institutions of a minimum of three (3) borrowing member countries of the Bank.³ Therefore, the RPG is necessarily a response to a concern or a missed opportunity that these institutions share and wish to resolve by means of cooperation. It is **not** the delivery of a good, service or resource to the public by a group of non-profit organizations from various countries.
 - b) Proposals under this window will have to demonstrate that (i) the benefits to be generated by the RPG are expected to be exceptionally significant; (ii) the RPG 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.⁴
- 2.7 In view of the high number of ineligible private sector proposals in the past, the IDB now requires a **pre-eligibility review** for proposals to be submitted by the private non-profit sector. To learn more about the pre-eligibility process and the deadlines to request a pre-eligibility review, click [here](#).

³ Exceptionally, the Initiative may consider bi-national proposals (see paragraph 2.1).

⁴ Bi-national proposals submitted by the private, non-profit sector without the participation of public policy-setting institutions must also comply with the criteria associated with bi-national proposals that are listed in paragraph 2.1.

Summary of Eligibility Criteria	
1. Regional Dimension	
i.	Has the proposal been submitted by a minimum of three (3) IDB borrowing member countries?
ii.	Does the proposed RPG have the characteristics to be produced collectively?
iii.	Does the proposal indicate that the benefits will be produced and consumed collectively?
Bi-national proposals	
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?
2. Public Dimension	
i.	Does the proposal include the relevant stakeholders (public and private) that need to participate in each country?
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)?
Private (non-profit) sector proposals	
i.	Will the benefits to be generated by the RPG be exceptionally significant?
ii.	Can the RPG 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?

III. SELECTION CRITERIA

- 3.1 **Strategic relevance.** The strategic relevance of an RPG proposal will be determined by its alignment with the [Bank's priorities](#) in a sector and/or country/subregion. If the alignment condition is fulfilled, the assessment will further consider (i) a proposal's consistency with current regional challenges/opportunities; (ii) the consistency between challenge/opportunity and the response that is being proposed; and (iii) the needs and priorities of the beneficiary countries and stakeholder groups, as expressed in the letters of commitment that document the countries' willingness to work together on a topic.
- 3.2 **Regional value-added.** Proponents will need to rigorously spell out the value-added of a regional versus a national approach.
- 3.3 **Sustainability.** Proposals will be assessed against the prospects of sustaining or in some cases reaping the benefits of an RPG once the support of the program has ended. In many cases, the ultimate benefits of the RPG do not materialize until regional agreements are being implemented (mostly at the national level), which may require substantial investments. Therefore, proponents will be asked to articulate the possibilities and conditions of sustaining the project's results and fully realizing its benefits.

IV. TERMS AND CONDITIONS

A. Proposal Documentation

- 4.1 The proposal documentation includes: (i) the completed proposal form, and (ii) the [letters of commitment](#) to be issued by the agencies responsible for the public policy associated with the RPG.
- 4.2 Applicants of selected 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

- 4.3 The executing agency of an RPG project is the entity responsible for carrying out or implementing the activities provided under that project and for the management and administration of the Bank's financial contribution. This entity commits itself to carrying out the activities of the project in accordance with the provisions set forth in the corresponding non-reimbursable technical cooperation agreement to be entered into between the executing agency and the Bank. The executing agency also commits itself to covering part of the project's direct and indirect costs by providing cash and/or in-kind contributions, whose amount and type will be determined during the process of project preparation (see also paragraph 4.12). RPG project resources cannot be used to cover overhead costs of the executing agency. Each project can have only one (1) executing agency.
- 4.4 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.
- 4.5 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, sub-national and local 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
Organizational units of the IDB.	Yes	No ⁵
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 IDB.	No	No
Private, for-profit entities from any country.	No	No

⁵ An organizational unit of the IDB can execute an RPG project, if the countries participating in the project submit a request in that regard, including a robust justification for such request.

C. Language

4.6 Proposals may be submitted in Spanish or English.

D. Submission of Proposals

4.7 The IDB will only consider proposals that have been submitted online through the website of the RPG Initiative. There will be no exceptions to this requirement. Please note that the online proposal submission system will shut down promptly at 11:59 p.m. (U.S. Eastern Standard Time) on April 9, 2015. To avoid any technical difficulties, we recommend that you do not wait until the last moment to submit the proposal.

E. Inquiries

4.8 Applicants should direct inquiries to the RPG team at BPR@iadb.org. Please note that the RPG team will only answer questions related to the present Guidelines and provide advice on the eligibility of a proposal idea. Such advice represents the opinion of a member of the RPG team; it should not be interpreted as an official statement from the Eligibility Committee of the RPG Initiative, nor does it represent or entail a commitment of any kind from the RPG Initiative or the IDB.

4.9 As mentioned in paragraph 2.7. of these Guidelines, the pre-eligibility review consultation is **mandatory** for RPGs submitted by and benefitting the private, non-profit sector. To access the pre-eligibility review form, click [here](#).

F. Evaluation and Selection of Proposals

4.10 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 compliance with the selection criteria. Please refer to the estimated timeline at the end of this section.

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

G. Preparation of a Technical Cooperation Project

4.12 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 in October of 2015 and start disbursing in the first quarter of 2016.

Estimated Time Line								
Task	2015							
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
Close of Call for Proposals	◆							
Review of proposals								
Eligibility review								
Technical review of eligible proposals								
Ranking of eligible proposals								
Final approval of recommendations for financing by the IDB's Board of Executive Directors			◆					
Preparation and approval TC document for proposals to be financed (max. 4 months)								

Online Proposal Form

This is reminder that the following form can only be completed and submitted online. The IDB will not consider proposals sent via e-mail.

The numbers indicate the maximum word count that the form will allow under each heading.

Basic Proposal Data

- a) Title 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\$
 - TOTAL: US\$ SUM
- f) Execution period (in months):

Justification: Which is the issue that the proposal will address? **500**

Bi-national proposals: Please explain why the issue to be addressed is of strictly bi-national nature. **200**

Objective: What is the regional public good to be promoted by means of collective action? **150**

Regional value added: What is the value added of a regional approach vs. a national approach? **350**

Benefits: What are the benefits that the regional public good is expected to generate? Is the regional public good expected to produce positive spillover effects in terms of scope and/or scale (see paragraph 1.2 of the CFP Guidelines)? Please note that the answer to this question carries special weight in the case of bi-national proposals or proposals from the private, non-profit sector (see paragraphs 2.1(a) and 2.6(b), respectively, of the CFP Guidelines). **350**

Bi-national proposals: What is the potential for replication in other contexts? **200**

Activities: What are the main activities? The title of the activities and their associated costs should appear in the budget. **500**

Budget: The proposal should include a budget estimate (in US dollars). 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.

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.				

Execution structure: Which is/are the institution/s in each country that will participate in the proposal and how will they cooperate in the promotion of the RPG? **350**

Sustainability: Please articulate in a succinct manner the possibilities and conditions of sustaining the project's results and fully realizing its benefits beyond the financing of the Initiative. Note that this part carries special weight in the assessment of private, non-profit sector proposals. **350**