

TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Support to the Implementation of Information Technologies in Labor Training and Intermediation Institutions
▪ TC Number:	RG-T3661
▪ Team Leader/Members:	Urquidi Zijderveld, Manuel Enrique (SCL/LMK) Team Leader; Rucci, Graciana (SCL/LMK) Alternate Team Leader; Casco, Mario A. (ITE/IPS); Garcia Valero, Andrea Carolina (SCL/LMK); Gonzalez Herrera, Beatriz Maria (SCL/LMK); Hernandez-Cartagena, Carolina L. (SCL/LMK); Negret Garrido, Cesar Andres (LEG/SGO); Penaherrera Proano, Sebastian (SCL/LMK)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	19 Aug 2020.
▪ Beneficiary:	Labor Ministries and Training Institutions of Latin America and the Caribbean
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC Strategic Development Program for Social Development(SOC)
▪ IDB Funding Requested:	US\$150,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	
▪ Types of consultants:	Individual consultants and consulting firms.
▪ Prepared by Unit:	SCL/LMK-Labor Markets
▪ Unit of Disbursement Responsibility:	SCL-Social Sector
▪ TC included in Country Strategy (y/n):	N
▪ TC included in CPD (y/n):	N
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; Gender equality; Diversity

II. Objectives and Justification of the TC

- 2.1 In January 2020 the World Health Organization declared a global pandemic due to a new Coronavirus (COVID-19). In the following months governments of the Region have taken extreme measures to protect the population from the virus. This has had serious repercussions on the labor market, and also in the institutions in charge of labor intermediation in the Region. Most of these institutions have seen their work capacities radically decrease, largely due to insufficient development of digital skills, processes, and infrastructure.
- 2.2 During the lockdown phase implemented in many countries and in the post lockdown phase, social distancing practices have become the new way to give services. The efficiency associated represents an alternative to lower costs in the future and promote better services, reducing, for example, the need to go to employment offices for job seekers and promoting alternatives for training that can reduce costs and time through the use of online platforms.

- 2.3 Taking this situation into account, the technical cooperation (TC) objective is to continue improving efficiency and effectiveness 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. This TC will support the PES and LTI with the implementation of information systems. This phase is going to make a leap towards the improvement and development of digital skills. It is important to take into account the fact that the competences installed in the information systems -by the preceding technical cooperations- are different according to countries. In this sense, maturity diagnoses will be carried out to focus the work with the different PES and LTI of the Region. Therefore, the objective of improving the digital technological competences of the LIS in PES and LTI of the Region is that they move towards intersectoral, predictive and interoperable systems.¹ All this framed in a process of aiding the transformation of these institutions and maximizing their digital capabilities.
- 2.4 To accomplish the objective to continue improving efficiency and effectiveness of digital technologies for LIS, PES and LTI of LAC, this Technical Cooperation is going to carry out diagnoses and analysis (Component 1) in the Region on the situation and progress about implementations of information systems in the institutions in charge of training and job placement. Consequently, it will be possible to continue with the implementation phase of information systems in at least 4 countries (Component 2) through advisory services, dissemination activities and one document, and lessons learned. Diagnosis will include a maturity model to be developed and implemented in the Labor Ministries and training institutions benefited by previous TCs, and analyzes will focus on digital tools needed to improve information systems and also, best practices based on how to include usability of PwD in information systems.
- 2.5 The TC will consider the results of two previous CTs. “Modernization of Public Employment Services (MPES) I (RG-T2604; ATN/KP-15244-RG) and II (RG-T3149; ATN/OC-16825-RG). MPES I supported the identification of business needs of the public employment systems (PES) of Brazil, Barbados, Chile and Peru, building on the experience of South Korea. Technical officers of these countries met with their Korean counterparts to address the similarities and differences between their local systems and the Korean equivalent. The meetings served to i) mobilize key actors and create awareness of the need to modernize PES using accessible IT solutions and ii) generate assessments of current situation and roadmaps that identified priorities to improve the PES based on local realities and national capacities. Subsequently, MPES II, based on these identified priorities continued along the lines of modernizing the PES and LTI, through the (i) Analysis of opportunities and challenges for the implementation of digital tools in PES in the Region; and (ii) Promoting use of digital tools in PES of the Region. The TC has so far supported the diagnosis in eight countries in the region.
- 2.6 Some of the countries that have implemented solutions based on the work of these TCs are: Paraguay that implemented an Artificial Intelligence System, which included

¹ For additional information of the benefits of interoperability see, for example: Pombo et al. “El ABC de la interoperabilidad de los servicios sociales: Marco conceptual y metodológico” BID 2019 and Pombo et al. “El ABC de la interoperabilidad de los servicios sociales: Guía para los gobiernos” BID 2019. For additional information on the benefits of predictivity and the use of technologies see, for example: Urquidí & Ortega “Inteligencia artificial para la búsqueda de empleo: Cómo mejorar la intermediación laboral en los servicios de empleo” BID 2020.

an ontological and semantic engine for labor intermediation in the Ministry of Labor. Additionally, a Customer Relationship Management (CRM) and a Dashboard are being developed to measure indicators, trends and data on the labor market. Perú, is in the phase of calling a request for information for the Labor Market, which will include an ontological and semantic artificial intelligence engine. In addition, the architecture design of the data systems, technology, processes and information system for the general direction of employment and job training was completed. In Mexico, a study of the architecture of their systems was supported, as well as the state of the systems for supporting the job counselor for the country's employment centers. In Colombia, the TC supported the high-level design of the system architecture of the special administrative unit of the country's public employment service. The detailed design of processes and technical specifications for the development of an information system are currently being reviewed to support all employment and labor intermediation centers. In all these countries the results of MPES II were the basis for the implementation of specific projects for digital transformation of the PES and the Labor Ministries.

- 2.7 Based on this good practices for PES, this new project will widen the scope to support labor training institutions and labor ministries, promoting interoperable systems that allow active workers; job seekers and students benefit from digital services. The TC will also promote that all digital solutions are accessible for people with disabilities (PwD), as one of the lessons learned from the above mentioned TCs is the importance of considering the needs of PwD from the design phase of services.
- 2.8 Labor markets in the Region face imbalances, mainly, the coexistence of high levels of unemployment with high levels of mismatch demand for work in certain occupations, sectors or regions that is exacerbated by a skill mismatch. LIS and LTI can be a key factor in reducing skill mismatches, collaborating with other actors in the labor market to develop and constantly improve the skills of the workforce.
- 2.9 Both LIS and LTI cannot respond to these challenges without the use of technology. Technological developments are creating new channels to deliver services and improve processes, and new possibilities to collect and analyze data. All these have the potential to change how LIS and LTI measure their performance and better serve their clients. To face these challenges, it is necessary to have access to the data and to have the capacity to process and understand it in order to propose actions.²
- 2.10 Based on the aforementioned, this TC will support LIS and LTI to improve efficiency and effectiveness in their Information Systems and improve their digital competences. The effectiveness and efficiency of information systems of LTI and job placement will be improved by promoting the implementation of intersectoral, predictive and interoperable systems as well as digital solutions for training in a context of social distancing. The TC will work with countries that can demonstrate the existence of

² Considering the experience of the European Network of Public Employment Services (European Commission, 2020), if we work to make the LIS and LTI more effective, we must have efficient processes and to achieve this, the mobilization of all relevant knowledge resources is required. As specified in the toolkit: "Knowledge-oriented organizational culture and evidence-based leadership practices are crucial for knowledge-sharing and innovation. Managing knowledge in organizations has two dimensions: firstly, managing knowledge to ensure effective delivery of current services, and secondly, developing information and KM systems to support strategic planning. Challenges frequently faced by PES include improving accountability, making evidence-based decisions, enhancing collaboration and strategic partnerships with stakeholders, and retaining the knowledge and expertise of staff who are leaving the organization. Expert KM is also imperative for the development of digital government strategies".

funding to implement solutions, in order to guarantee the sustainability of the results of the TC and with countries in which the two previous TCs were worked on.

- 2.11 **Strategic alignment.** This TC is consistent with the Institutional Strategy Update (UIS) 2020-2023 (GN-2933) and is aligned with the objectives of: (i) social inclusion and equality, by promoting equal access to better job opportunities; (ii) productivity and innovation, through the promotion of better skills in the workforce and better matching for job vacancies; (iii) Institutional capacity and rule of law, by strengthening of information systems of labor ministries and (iv) the transversal areas of climate change y environmental sustainability through the promotion of knowledge and skills in clean technologies, sustainable productive processes, sustainable infrastructure, resilience and low emissions activities among others. Additionally, the TC is aligned with the Corporate Results Framework (CRF) 2020-2025 (GN-2727-7) by supporting the improvement of government efficiency through a better and more efficient use of resources by improving the capacities of LTI and labor ministries. This TC is framed in the Sectoral Labor Framework Document (GN-2741-7) with the dimension of success "Citizens of the region have greater and more equitable opportunities to access a formal employment and with better salary expectations" and with the Gender and Diversity Sector Framework Document (GN-2800-8) through (i) the analysis and a proposal on possible policies to promote the use of platforms for the training of women in nontraditional sectors and (ii) with the analysis of best practices to include usability by People with Disabilities in information systems. The TC is also aligned with the Strategy for a Social Policy Favorable to Equality and Productivity (GN-2588-4) by favoring inclusion and gender equity and with the objective (iii) of the Strategic Program for Social Development Funded with Ordinary Capital (SOC) (GN- 2819-1) by favoring inclusion and gender equity.

III. Description of activities/components and budget

- 3.1 **The total cost of the TC is US \$ 150,000**, financed by the Strategic Social Development Program financed with Ordinary Capital (SOC), on a non-reimbursable basis. The TC does not foresee a local counterpart. The beneficiaries will be the Governments of the Region³ through their Ministries of Labor, their LIS and LTI. The disbursement and execution period will last 36 months. These funds will be used in the following components:
- 3.2 **Component 1: Support institutions in charge of training and job placement, to improve efficiency and effectiveness in their Information Systems.** The component seeks to improve Information Systems efficiency and effectiveness of public institutions in charge of training and job placement by supporting them moving towards intersectoral, predictive and interoperable systems. The component will finance: (i) a diagnoses based on a maturity model to be developed and implemented in the Labor Ministries and training institutions; (ii) an analysis of digital tools necessary for information systems implemented in each country to become intersectoral,

³ The TC expects to benefit the LIS and LTI in Barbados, Bolivia, Brazil, Chile, Colombia, Panama, Paraguay and Jamaica as the knowledge products of best practices will be applicable given their regional nature. Nevertheless, this list of beneficiaries is tentative as the final beneficiaries of the advisory services will be determined once the studies of component 1 are finished and will depend on confirmed funding (from sources different from this TC) to implement reforms by each of the countries and a formal request from the country by a letter of non-objection from the appropriate institutions within the country. No intervention in any country will be done without the abovementioned letter.

predictive and interoperable; and (iii) an analysis of best practices of how to include usability by people with disabilities PwD in information services.

3.3 Component 2: Advisory services, dissemination activities and lessons learned.

The component seeks to promote the use of digital tools by labor training and intermediation institutions. The component will implement and socialize the findings of Component 1 by supporting implementation, elaborating a document and organizing workshops. The component will finance: (i) one technical note on best practices in the design and implementation of digital solutions; the (ii) organization of two workshops for institutions; and (iii) advisory services to support the implementation of technologies in at least 4 countries.

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Total Funding
Component 1	Support institutions in charge of training and job placement to improve efficiency and effectiveness in their Information Systems.	90,000.00	90,000.00
Component 2	Dissemination of best practices and lessons learned.	60,000.00	60,000.00
TOTAL		150,000	150,000

IV. Executing agency and execution structure

- 4.1 **Execution.** The Executing Agency will be the Inter-American Development Bank (IDB), through the Social Sector, Labor Markets Division (SCL/LMK), , in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and the TC Operating Guidelines (GN-2629-1) considering it aims at generating a regional perspective on the subject and that as a Research and Dissemination project it cannot be executed by a single country. The TC will also benefit from the experience of the Bank working in regional studies and its ability to hire high skill professionals.
- 4.2 IThis 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, when applicable.
- 4.3 In this regard, the Team Leader in charge of the administration and execution of the TC is Manuel Urquidi (manuelu@iadb.org, *057757).
- 4.4 **Acquisitions.** All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 Administrative Manual "Complementary Work Force" for individual consultants will be applied for Individual consultants; (b) GN-2765-4 Policy for the Selection and Contracting of Consulting Firms for Operational Work

Executed by the Bank and Guidelines OP-1155-4 will be applied for Consulting Firms for services of an intellectual nature and; (c) GN-2303-28 for logistics and other related services.

V. Major issues

- 5.1 The team has not identified substantial risks at accountability, public administration, macroeconomic, or fiduciary level.

VI. Exceptions to Bank policy

- 6.1 None.

VII. Environmental and Social Strategy

- 7.1 Classification C -- According to the nature of the project, it is estimated that activities that cause a significant negative environmental or social impact will not be carried out. See safeguards in [SPF](#) and [SSF](#).

Required Annexes:

Results Matrix - RG-T3661

Terms of Reference - RG-T3661

Procurement Plan - RG-T3661