

A PARTNERSHIP WITH PURPOSE

The Inter-American Development
Bank and PepsiCo





About the IDB

The Inter-American Development Bank is a leading source of long-term financing for economic, social and institutional projects in Latin America and the Caribbean. Besides loans, grants and guarantees, the IDB conducts cutting-edge research to offer innovative and sustainable solutions to our region's most pressing challenges. Founded in 1959 to help accelerate progress in its developing member countries, the IDB continues to work every day to improve lives.



About PepsiCo

PepsiCo products are enjoyed by consumers one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$63 billion in net revenue in 2015, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 22 brands that generate more than \$1 billion each in estimated annual retail sales.

At the heart of PepsiCo is Performance with Purpose — our goal to deliver top-tier financial performance while creating sustainable growth and shareholder value. In practice, Performance with Purpose means providing a wide range of foods and beverages from treats to healthy eats; finding innovative ways to minimize our impact on the environment and reduce our operating costs; providing a safe and inclusive workplace for our employees globally; and respecting, supporting and investing in the local communities where we operate. For more information, visit www.pepsico.com.



About the PepsiCo Foundation

Established in 1962, the PepsiCo Foundation is the philanthropic anchor of PepsiCo, collaborating with non-profit organizations to develop innovative solutions to challenges facing underserved communities around the world. In support of PepsiCo's commitment to Performance with Purpose, the PepsiCo Foundation provides grants to eligible non-profit organizations to advance progress in the fields of Human, Environmental, and Talent Sustainability. For more information, visit: www.pepsico.com/Purpose/Global-Citizenship.

UNDER THE IDB'S REFORM AGENDA — BUILT ON A PLATFORM OF TRANSPARENCY AND ACCOUNTABILITY — THE BANK IS CONSTANTLY WORKING TO INCREASE DEVELOPMENT IMPACT AND VALUE DELIVERED IN LATIN AMERICA AND THE CARIBBEAN.

Driven by the belief that public-private partnerships are among the most effective vehicles for accelerating development, the Inter-American Development Bank (IDB), PepsiCo, Inc. (PepsiCo), and the PepsiCo Foundation have partnered to build brighter futures for underserved communities in Latin America and the Caribbean since 2008. Our partnership has served those communities through projects focused on access to safe water, sustainable agriculture, inclusive recycling, nutrition, disaster relief, and youth development, benefitting more than 1 million people across 12 countries.

To maximize our collective impact, our organizations are leveraging a blend of resources, expertise, and relationships that contribute to positive outcomes. Our partnership reflects the IDB's focus on going beyond traditional financing models to explore new and innovative instruments for development effectiveness and positive social impact, while PepsiCo brings on-the-ground capabilities and expertise in many key project areas, along with a legacy of caring for the communities where the company operates.

Throughout this report, you will learn how our organizations are working together to break new ground by partnering through multilateral funds and innovative financing mechanisms, and by designing and testing models that can be scaled and replicated throughout the region. You will learn how our local partners are leveraging their work with us to raise the visibility of their social objectives, engage more effectively with governments, and promote a culture of results-oriented philanthropy. As a result, our collaboration allows for development efforts that are both innovative and ripe for integration into public policy.

Through these collaborations, we are pioneering new approaches to generate impact in a region whose future looks brighter every day. Moving forward, we will remain committed to working together, guided by an integrated approach which will continue to catalyze growth and progress, improving lives in the Latin America and the Caribbean region for years to come.

Sincerely,



Indra K. Nooyi
Chairman and CEO
PepsiCo



Luis Alberto Moreno
President
Inter-American
Development Bank

The IDB and PepsiCo: A Partnership with Purpose

At a February 2011 ceremony in Mexico City, a five-year Memorandum of Understanding was signed by IDB President Luis Alberto Moreno and PepsiCo Chairman and CEO Indra Nooyi, laying the groundwork for a partnership that would go on to promote sustainable growth, access to services, and social inclusion for underserved communities.

Through this partnership, PepsiCo and the PepsiCo Foundation have leveraged the IDB's technical and financial strengths to maximize their development impact and achieve scale, while the IDB has leveraged PepsiCo and the PepsiCo Foundation's resources and skills for innovation to enhance its interventions and better serve those most in need.

With a focus on addressing the region's most pressing development priorities, the partners built a collaboration agenda that prioritized the following areas:

1. **Water and sanitation.** Promote the human right to water and sanitation by enabling access to safe water and adequate sanitation in the region.
2. **Sustainable agriculture, nutrition, and food security.** Promote the application and development of innovative sustainable agricultural practices. Support joint initiatives for the provision of affordable nutrition solutions for underserved and low-income communities.
3. **Recycling.** Work towards addressing the social needs of informal recyclers by promoting the reuse of waste as an economic activity, while preserving the environment.
4. **Youth development.** Promote health, education, gender equality, and violence prevention through sports for development activities that foster systemic change in the lives of impoverished youth. At the same time, encourage the application and development of innovative approaches to youth employment and skills development.
5. **Knowledge sharing in the corporate social responsibility space.** Share and advance knowledge and best practices on corporate social responsibility through joint participation in conferences and workshops, and the development of knowledge products.



Bridging the Last Mile Gap for Water Access

THE LATIN AMERICAN AND CARIBBEAN (LAC) REGION HAS ENTERED AN ERA OF ACCELERATED DEVELOPMENT. THE REGION HAS IMPROVED ACROSS VARIOUS DEVELOPMENT INDICATORS, PROPELLING A WAVE OF GROWTH THAT IS REFLECTED IN BOOMING CITIES, A SWELLING MIDDLE CLASS, AND STRONGER INSTITUTIONS. YET CHALLENGES PERSIST, AS EVIDENCED BY GAPS IN SECTORS SUCH AS WATER AND SANITATION.

For instance, while 220 million people in the region gained access to water and sanitation between 1990 and 2015, 34 million people remain without access to clean water — which is both a human right and a critical means of improving lives — and another 106 million still lack adequate sanitation. To close this gap, and to propel Latin America and the Caribbean into a new chapter in its development, LAC needs support from forward-thinking private sector partners who are willing to commit resources and expertise to the task of bringing water and sanitation to all corners of the region.

Enter PepsiCo, a company that actively works through its philanthropic arm, the PepsiCo Foundation, to provide access to these basic needs. In 2011, the PepsiCo Foundation committed a grant of \$5 million to the AquaFund, a multi-donor fund launched and managed by the IDB to facilitate investment in water supply and sanitation, water resources, and solid waste management and wastewater treatment. With the resources, expertise, and innovation it brings to the Fund, the PepsiCo partnership enables the IDB to learn from and leverage these

private sector strengths through its own sovereign lending, while improving the range and quality of its services.

The first private sector donor to contribute to an IDB trust fund, the PepsiCo Foundation's grant finances a variety of projects. In particular, the partners share a joint interest in bringing water to rural and dispersed communities, reaching the poorest of the poor through their efforts. With active projects in Colombia, Mexico, Honduras, and Peru to date, these efforts alone are expected to reach 8,000 direct and 192,000 indirect beneficiaries over the next few years.

Alongside fellow donors the Austrian Federal Ministry of Finance (BMF), the Spanish Agency for International Development Cooperation (AECID), the Swiss Agency for Development and Cooperation (SDC), and the Swiss State Secretariat for Economic Affairs (SECO), the PepsiCo Foundation's contribution helps to effectively tap into public and private sector strengths as a means of supporting LAC countries in achieving universal access to sustainable, reliable, and affordable water and sanitation services.

"The greatest impact of this project is that — thank God — we now have clean water, sanitary facilities, and no bad smells around our homes. I would like to thank all the donors and all the companies who remembered our town. Thanks to them, our lives have changed 100 percent."

~ Luz Angela Zapata, beneficiary of the Aquafund Colombia program from Guachené, Colombia

YOU CAN'T FUEL YOUR CAR WITH IT OR PRESSURIZE IT INTO AN EXPENSIVE STONE, BUT EVERY TIME THERE IS A SHORTAGE OF WATER WE ARE REMINDED OF HOW PRECIOUS THIS TRANSPARENT FLUID REALLY IS.

Hydro-BID: Budgeting Water, Empowering Leaders, Benefitting Communities

You can't fuel your car with it or pressurize it into an expensive stone, but every time there is a shortage of water we are reminded of how precious this transparent fluid really is. That's why the PepsiCo Foundation and the IDB teamed up in 2014 to address the mismatch between water supply and demand with Hydro-BID, a ground-breaking water resource data management and modeling tool.

Hydro-BID was developed to respond to the challenges related to lack of information, reliable data, and tools to support governments, water utilities, the private sector and other institutions as they strive to plan and make better decisions for the sustainable management of water.

Building off of decades of data, this capacity-building tool empowers decision makers to more accurately predict water supply shortfalls, design more effective monitoring programs, and make more informed decisions about water allocation. Critically, Hydro-BID allows users to prepare for a drought or a potential flood months before it strikes, leveraging datasets, hydrologic modeling, and simulation systems to visualize the expected availability of freshwater in water-scarce regions under virtually any climate change, population, and land use scenario.

What sets Hydro-BID apart from other water data visualization tools, however, is its incorporation of "what-if" assessments that allow users to aggregate and analyze available data to visualize diverse scenarios and better

manage climate change adaptation efforts. Also, Hydro-BID allows various water management alternative scenarios to be run live during a single session with stakeholders, without the typical months-long waiting time for model results.

Unveiled by the PepsiCo Foundation and the IDB during the 2014 World Water Week, Hydro-BID is a product of the IDB-managed AquaFund. The first major leap toward effective water budgeting anywhere, Hydro-BID was intentionally made applicable to water resource contexts across the globe. It has massive opportunity for scale, and has the potential to inspire more informed decision making that will help governments around the world better serve their constituents.

The tool is being currently piloted in Argentina, Haiti, Peru, and Brazil, with plans for additional applications in six more Latin American countries in the next three years. Plans are in the works to incorporate an economic analysis component that will help decision makers estimate water-related costs and benefits, and can guide the design of water infrastructure and policy.

The IDB's vision is that Hydro-BID will become a key tool that can be adapted to the needs of its users, opening the doors to an enriched planning process, facilitating skills improvement and ultimately ensuring increased water availability.



“Pernambuco, Brazil is facing a severe water supply crisis. The Jucazinho Dam, the largest in the state, has been diminished to 1.4 percent of its capacity, marking the lowest volume of available water in the dam’s history. To reverse this worrying trend, specialists from the IDB and its partner institutions are supporting the Pernambuco Agency for Water and Climate through technical training and the development of decision-making simulations. Through such platforms as Hydro-BID they are making great strides in solving water resource challenges, improving management to ensure supply in times of drought, and expanding access to this indispensable resource for communities across the Latin American and Caribbean region.”

~ Marcelo Asfora, President of Pernambuco’s Agency for Water and Climate



PEPSICO AND THE IDB HAVE A LONG HISTORY OF PROMOTING INCLUSIVE RECYCLING AS A MEANS OF IMPROVING THE QUALITY OF LIFE AND WORK OF RECYCLERS, FACILITATING THE DEVELOPMENT OF LOCAL RECYCLING MARKETS, AND SUPPORTING THE SUSTAINABILITY OF THESE EFFORTS OVER TIME.

Pioneering Partnerships: An Industry-Wide Approach to Inclusive Recycling

Roughly 4 million people in LAC make a living by recovering and selling recyclable materials such as plastic, aluminum, glass, cardboard, and paper, among others. Yet while these workers recover between 50 and 90 percent of all recyclable materials, they receive only an estimated 5 percent of profits. That's why PepsiCo and the IDB have a long history of promoting inclusive recycling as a means of improving the quality of life and work of recyclers, facilitating the development of local recycling markets, and supporting the sustainability of these efforts over time.

The partners first joined forces on this issue in 2008, collaborating to provide a combined \$3.6 million in grant resources to help informal recyclers enter the formal economy, and link them to value chains in Argentina, Bolivia, Colombia, Dominican Republic, and Peru. Working through the Multilateral Investment Fund (MIF) of the IDB Group, these projects have greatly influenced public policy in the region, encouraged improved municipal waste management, and driven national regulations on recycling.

In 2015, the collaboration escalated to integrate PepsiCo into the IDB Group's Regional Initiative for Inclusive Recycling (IRR), which works to integrate recyclers into formal recycling supply chains. Established in 2011 by the IDB, the Avina Foundation, the Latin American Network of Recyclers (Red-LACRE) and Coca-Cola Latin America, PepsiCo's participation brings together two competitors to transform the initiative into a true industry-wide platform with a potential for greater impact. PepsiCo provided

a \$2 million contribution over five years, as well as recycling expertise, nine inclusive recycling programs from PepsiCo's Waste to Wealth regional initiative, and a large network of bottlers that can help the IRR improve reach and impact. But the broader impact of this enhanced partnership raises the bar for public-private partnerships and encourages companies everywhere to put competition aside so that entire industries may better collaborate to advance social innovation.

To date, the IRR's results are more effective recycling, a cleaner environment, and better lives for recyclers themselves. It continues to place a strategic focus on improving the economic and social conditions of recyclers by increasing their access to markets and helping national and local governments, businesses, civil society, and recycling cooperatives build inclusive and commercially viable recycling value chains. For example, as a result of IRR's work in Colombia, today municipalities are required to incorporate inclusive recycling into municipal cleaning systems. In Bogota, where recyclers are part of the cleaning system, they have received over \$23 million as payment for their service in the last 4 years, and have collected more than 742,000 tons of recyclable material.

Thus far, the initiative has worked with 40 municipalities in 12 countries, provided technical assistance to three national governments, and has benefitted 17,000 individuals. Over the next two years, it intends to reach an additional 13,000 direct beneficiaries and 150,000 indirect beneficiaries.



“The IRR embodies collaboration, bringing together development actors, businesses, and grassroots recyclers to incorporate recyclers into waste management systems and value chains. This is further enhanced by the participation of companies that usually compete in the market, but collaborate to find solutions to sustainable development challenges. Working with the IDB Group, PepsiCo, The Coca-Cola Company, Danone, and Red LACRE on this agenda has and continues to be a tremendous learning experience that marks a path towards a more prosperous, inclusive and sustainable Latin America.”

~ Gonzalo Roque, Programs Manager, Fundación Avina





SUNFLOWERS POINT THE WAY TO PROGRESS



In Mexico, PepsiCo and the IDB Create New Markets to Improve Lives

USING SUNFLOWERS AS A VEHICLE FOR DEVELOPMENT, THE IDB AND PEPSICO TOOK TO MEXICO FOR AN INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP INTENDED TO BOOST THE INCOMES OF SMALLHOLDER FARMERS AND THEIR FAMILIES.

Through the HOSO Project, an agricultural initiative seeking to create a sustainable market for sunflowers, the partners sought to revitalize a once-thriving commercial crop that had diminished in recent years. Providing both access to loans and technical assistance to Mexican farmers, the sunflowers provide a source of heart-healthy high-oleic sunflower oil (HOSO) for snacks PepsiCo produces in Mexico under the Sabritas brands.

The project is a testament to PepsiCo's belief in Performance with Purpose, simultaneously enhancing PepsiCo's products while improving lives by creating markets for small farmers and crowding in market financing that is so critical to their success. Launched in the midst of severe drought and water scarcity, the partnership strategically encouraged farmers to prioritize more sustainable crops like sunflowers, which require less water than others, and expanded farmers' access to PepsiCo's value chain.

To make the project possible, PepsiCo committed to purchase 100 percent of the crop and provided technical training for farmers and assistance with crop management. Importantly, PepsiCo and the IDB came together to provide risk coverage to a local financial intermediary, allowing farmers access to working capital essential to improving their businesses. By the end of the project all granted credits were fully paid by the Mexican farmers on time.

Innovative in its alignment of business and development objectives and flexible enough to allow its business model to adapt and mature, the project marked the launch of a collaboration that would later grow to include diverse sectors and countries, and that would consistently reflect the power of public-private partnerships.

By the end of 2014 (second year of operation) there was an average improvement of 43 percent in yield productivity. In addition, 78 farmers applied for financial support (representing 80 percent of the total hectares in the program). And credits were repaid 100 percent.

“We think sunflowers are a good alternative for cultivation, because lately beans have not been growing. And the sunflowers are working, even though there has been so little rain. And as we see them working, we will continue growing them.”

~ Rosario Flores Bautista, sunflower and bean producer in rain fed crops from Zombrete, Zacatecas, Mexico



Rebuilding Health in Haiti

THROUGHOUT LATIN AMERICA AND THE CARIBBEAN, MILLIONS OF PEOPLE SUFFER PAIN, CHRONIC DISABILITIES, AND SOCIAL EXCLUSION DUE TO NEGLECTED TROPICAL DISEASES (NTDs). THE LACK OF CLEAN WATER AND INADEQUATE SANITATION AND HOUSING ARE RISK FACTORS FOR MANY OF THESE DISEASES, AND HENCE NTDs TYPICALLY AFFLICT POOR AND MARGINALIZED POPULATIONS.

Targeting Haiti two years after the devastating 2010 earthquake struck the country, a consortium of more than 10 organizational partners including the IDB and the PepsiCo Foundation set out to eliminate Lymphatic Filariasis (LF) as a public health problem and control Soil-Transmitted Helminthiasis (STH) in the metropolitan area of Port-au-Prince, the capital city. Both diseases are caused by parasitic worms. In 2012, the capital area, with a population of approximately more than two million, was the only earthquake-affected area in the country in which mass-treatment campaigns had yet to be initiated.

The project was successful in treating 71 percent of the residents in Port-au-Prince, using a medication called preventive chemotherapy, a significant milestone towards the elimination of LF in Haiti. These campaigns helped reduce

the STH prevalence among school children from 46 percent in 2002 to 19 percent in 2013. Using an integrated approach to NTDs control, the partners incorporated mass-drug administration, community mobilization and behavioral change efforts, and water and sanitation investments into their interventions.

In pledging \$500,000, the PepsiCo Foundation leveraged \$500,000 in IDB funding, as well as another \$1 million in further contributions from the University of Notre Dame, the executing agency for the project. Combining resources and funding from the PepsiCo Foundation, the IDB, and the University of Notre Dame, as well as financing from other organizations, contributed to the sustainability of NTD control efforts in Haiti, allowing for a greater impact than each organization's own resources could have possibly generated alone.

“The beauty of this approach was that it brought together diverse partners and tapped into each of their strengths and what they could bring to the table. And the result was an effective strategy for reducing disease and improving public health in Haiti.”

*~ Fr. Thomas Streit, CSC, Associate Professional Specialist,
Disease Control and Elimination, University of Notre Dame*

“In Latin America and the Caribbean, sports are a powerful and unifying force. That’s why the IDB, in collaboration with key partners like PepsiCo, has worked to harness sports as a vehicle for development. By engaging children and youth in sports programs, with a specific focus on girls, we have effectively imparted to them skills and values that set them up for success on the field, in the workplace, and throughout the lifespan.”

~ Bernardo Guillamon, Manager, Office of Outreach and Partnerships,
Inter-American Development Bank

GETTING YOUTH MOVING IN MEXICO: PEPSICO AND THE IDB PARTNER THROUGH SPORTS FOR DEVELOPMENT

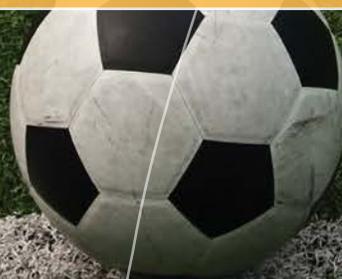
Sports are known for their ability to engage, motivate, train, and retain children and youth in development projects. Soccer in particular has long captured the attention of global youth, and is played by more than 200 million people and enjoyed by billions around the world. Soccer has all the elements to be a potent tool for teaching young people important work-related skills in that teams are made up of players that fulfill specific functions but are also united for a common purpose, and the game rewards leadership, teamwork, and other values that are important in workplace settings.

With this in mind, in 2012 the IDB and PepsiCo teamed up in Mexico through a Sports for Development program. Targeting the cities of Jalisco and Juarez, the partners set out to create a powerful model that would harness youth passion for soccer, the creative energy of young people, and market-specific skills training to better prepare participants for employment opportunities.

This effort is a part of PepsiCo’s focus on developing high-impact programs in vulnerable communities, as well as part of the IDB’s commitment to improving lives through approaches with proven results.

The partnership in Juarez harnessed the power of sports as an instrument to reduce youth violence and unemployment, and implement comprehensive job training schemes that provided participants with valuable skills and tools to help them compete in the labor market. To date the program has supported 2,552 youngsters; 93 percent now have a job or continued their education in Juarez, and in Jalisco the program is beginning its third edition. Importantly, the partners’ use of sports as an instrument for social change stands to spark progress across the board, providing participants health benefits and broader social and economic benefits as well.

Implemented in cooperation with the Community Foundation of the Northern Border and the Rafa Marquez Foundation, PepsiCo’s contributions to this effort are paving the way for replication throughout the country, and for the integration of the program’s best practices into Mexican public policy.





Health by the Spoonful: Proving the Power of Innovation

It's a troubling paradox. Despite improving health indicators in recent years, Latin America still experiences a high prevalence of chronic malnutrition. Undernutrition at an early age often results in stunting, hinders a child's learning ability, and can actually increase their chance of obesity later in life. At the same time, rising incomes have correlated to an increase in childhood obesity. Almost 4 million Latin Americans under age five are either overweight or obese, increasing their risk of suffering chronic diseases such as diabetes and heart disease in adulthood.

These troubling figures motivated the PepsiCo Foundation and the IDB to address the issues of undernutrition and obesity in tandem. Gathering

on the eve of World Food Day in 2014, the partners announced the *Sustained Program to Improve Nutrition (Spoon)*, an innovative program targeting children in both urban and rural settings in key countries.

With studies demonstrating that weight and height in the first two years of life play a critical role in a child's future growth and in the prevention of lifelong obesity, Spoon will utilize a \$5 million contribution from the PepsiCo Foundation to improve infant feeding practices, including breastfeeding, and to promote the use of a nutritional supplement that contains vitamins, minerals, and essential fatty acids children need during their first 6 to 24 months of life. Additionally, the project will develop



a behavioral change strategy to encourage parents and caregivers to adopt healthy feeding habits.

The program's most important component is a focus on generating the evidence needed to take this intervention to scale, and as such the partners are working to prove the power of innovation, testing, and measuring this inventive solution with an eye toward ensuring its most successful elements are made sustainable and extended. The partners have also teamed up with the health ministries in Colombia, Peru, Guatemala and Mexico, so as to mainstream the project's best practices into existing health services for pregnant women and babies.

Other partners include the Global Alliance for Improved Nutrition (GAIN), an international organization focused on solutions to end malnutrition, and Nutriset, a food manufacturer dedicated to preventing and treating malnutrition in developing countries.

In 2015, the Government of Japan, through the IDB-managed Japan Special Fund Poverty Reduction Program, provided Spoon additional support, enhancing the effort in Guatemala by strengthening the project's implementation and monitoring, key activities to generate evidence to fight undernutrition and obesity in the country.



"I believe that partnerships and collaboration are foundational to sustainable development. No single actor alone can solve the pressing issues that we face in our region. However, through collaborative approaches, we can bring together resources, knowledge, and diverse capabilities that combine to generate a lasting impact on society. At PepsiCo we believe in partnerships, and our long standing collaboration with the IDB is an excellent example of successful collaboration that goes beyond funding to unlock innovation and impact."

~ Laxman Narasimhan, CEO, PepsiCo Latin America

Knowledge as Capital: Partnering to Share Experience

BY CONTRIBUTING VALUABLE FINANCIAL RESOURCES, PEPSICO HAS ENABLED THE IDB TO PILOT INNOVATIONS THAT STAND TO BRING NEW SOLUTIONS TO TRADITIONAL DEVELOPMENT CHALLENGES. BUT THE PEPSICO-IDB PARTNERSHIP HAS ALSO LOOKED BEYOND FINANCING TO TAP INTO EACH ORGANIZATION'S STRENGTHS AND EXPERTISE. THIS HAS OCCURRED BETWEEN OPERATIONAL TEAMS AND LEADERSHIP ALIKE, WITH TOP MANAGEMENT SHARING PERSPECTIVES ON THE REGION, AND WITH EXPERTS FROM EACH SIDE CONSULTING ONE ANOTHER ON IDEAS, CHALLENGES, AND MORE.

As part of an ongoing effort to infuse joint work with knowledge and new perspectives, the PepsiCo Foundation has enriched the AquaFund's water and sanitation projects by bringing its expertise — including sustainability best practices, case studies and know how — contributing valuable financial resources and complementing the public sector viewpoint provided by the Fund's other donors. In the recycling space, PepsiCo has and continues to help inform of opportunities and market constraints, contributing up-to-the-minute information about technological innovations and market trends. And tapping into its marketing acumen, the PepsiCo Foundation is enhancing Spoon's nutritional efforts by helping the program to communicate with its target audiences, sharing its communications prowess to more effectively reach beneficiaries.

This strategic focus on continuously diversifying the instruments available for working together sets the PepsiCo-IDB partnership apart. It has facilitated great innovations, and has raised the bar for public-private partnerships by going beyond traditional partnership paradigms to give new meaning to collaboration. For example, in 2014, the partners came together around volunteering, bringing PepsiCo employees to the field in Colombia to advance their joint efforts in expanding access to water.

But more broadly, the PepsiCo-IDB collaboration is exemplary in its effort to actively emphasize and redefine the private sector's role in development. In one example, the two joined forces around the CSR Innolabs

initiative, which was established three years ago by the IDB and a number of major private sector corporations to help further propel growing interest in corporate social responsibility (CSR) across Latin America and the Caribbean. In joining this initiative, PepsiCo is helping to create a forum for private sector leaders and their firms to share innovative examples for overcoming barriers to CSR with the aim of creating more competitive and sustainable models. By pushing such agendas both within this initiative and through global platforms like the World Economic Forum and the Latin America Conservation Council, PepsiCo and the IDB leverage their respective and collective strengths, networks, and voices to position priorities essential to development in the region.

Moving forward, the partners expect that this knowledge-based partnership approach will generate further innovation and will further position both the region and key development priorities on the international stage. Building off a new Memorandum of Understanding signed in April 2016 among PepsiCo, the PepsiCo Foundation and the IDB, the next chapter of the PepsiCo-IDB partnership will feature enhanced efforts, inclusive of but not limited to, expanding access to water and sanitation, and improving the management of this precious resource. And more generally, the partners will work strategically to expand into new areas of collaboration, focusing on vital sectors such as agriculture, social innovation, and youth as they strive to collaboratively build a brighter future for Latin America and the Caribbean.



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