



FINANCING A SUSTAINABLE FUTURE

2019 Partnership Report

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About this Report

In 2019, the Inter-American Development Bank (IDB Group) closed out the decade with a strong focus on partnerships as a tool for amplifying development impact and generating measurable results in Latin America and the Caribbean. Recognizing the spirit of urgency presented in the United Nations Sustainable Development Agenda and doubling down on its commitment to finance the Sustainable Development Goals (SDGs) by 2030, the IDB Group sought to further mainstream its focus on “inclusive partnerships built upon principles and values, a shared vision, and shared goals that place people and the planet at the center,” as embodied in SDG #17. In this sense, through the Office of Outreach and Partnerships (ORP), the IDB Group continued working across the many divisions housed within the IDB, its private sector entity IDB Invest, and its innovation laboratory IDB Lab to forge new alliances, strengthen existing ties, harness partner knowledge and innovation, and unlock private capital to advance the SDGs in Latin America and the Caribbean. In the pages of this report, you will learn about what the region must do to achieve the SDGs by the 2030 deadline, the region’s evolving development challenges and opportunities, and the IDB Group’s strategic use of partnerships to improve lives.

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A letter from IDB President Luis Alberto Moreno

Dear partners and friends,

The year 2019 was full of milestones for the Inter-American Development Bank (IDB). As we celebrated our 60th anniversary, prompting us to reflect on how far we’ve come over the last 60 years and what we hope to accomplish in the next few decades, we also closed out the decade with a reinvigorated commitment to partnerships as a key tool for improving lives.

Such partnerships are now central to IDB’s work; in 2019, we broke all previous resource mobilization records, mobilizing more than \$4 billion from a diverse group of partners committed to advancing development and creating value in our region. And equally important, as requested by our Board of Governors, we updated our institutional strategy, adding a new pillar reflecting our belief that resource mobilization from partners and investors is an essential vehicle for development.

I strongly believe this renewed emphasis on the power and necessity of collaboration will help ensure that the development we support in our countries will be both more sustainable and inclusive.

While we achieved a great deal in 2019, frustration over inequality across several countries in the region provided a sobering reminder that our mission is more important today than ever before. We face complex challenges including unprecedented migration flows, as new studies indicating that climate change is happening faster than expected add urgency to adaptation and mitigation initiatives. Meanwhile, though our governments are ramping up efforts to implement the United Nations’ Sustainable Development Goals (SDGs), public resources remain insufficient to achieve them before the 2030 deadline.

Taken together, these challenges seem daunting. But our experience shows that we can unlock novel solutions by closely coordinating with governments, developing creative strategies for mobilizing private capital, and finding new ways to engage philanthropists, corporations, and other actors.

More than a decade ago, we created the Office of Outreach and Partnerships (ORP) to boost exactly this type of collaboration. Since then, ORP has become critical to the IDB and I proudly consider it a key part of our work.

I am confident it will continue to help us amplify our impact in the region, especially as our countries work to reduce inequality, finance the SDGs, and meet their commitments to the Paris Climate Agreement.

I hope that, in reading the pages in this report, you too will recognize the power of partnerships to improve lives. As we focus on 2020, we at the IDB are driven by a belief that through teamwork and collaboration we can accomplish almost anything, together. We hope you’ll join us.

Yours sincerely,

Luis Alberto Moreno
President, Inter-American Development Bank

About the IDB Group

The **IDB Group** is the leading source of development finance for Latin America and the Caribbean (LAC). It helps to improve lives by providing financial solutions and development know-how to public and private sector clients. The group comprises the **IDB**, which has worked with governments for 60 years; **IDB Invest**, which serves the private sector; and **IDB Lab**, which tests innovative ways to enable more inclusive growth.

About the IDB

The Inter-American Development Bank (IDB) 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. www.iadb.org

About IDB Invest

IDB Invest, a member of the IDB Group, is a multilateral development bank committed to promoting the economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest finances sustainable companies and projects to achieve financial results and maximize economic, social, and environmental development in the region. With a portfolio of \$12.4 billion in asset management and 342 clients in 24 countries, IDB Invest provides innovative financial solutions and advisory services that meet the needs of its clients in a variety of industries. www.idbinvest.org

About IDB Lab

IDB Lab is the innovation laboratory of the IDB Group, the leading source of development finance and know-how for improving lives in Latin America and the Caribbean. The purpose of IDB Lab is to drive innovation for inclusion in the region by mobilizing financing, knowledge, and connections to co-create solutions capable of transforming the lives of vulnerable populations affected by economic, social, or environmental factors. Since 1993 IDB Lab has approved more than \$2 billion in projects deployed across 26 LAC countries. www.idblab.org

In 2019, the IDB mobilized **\$4.42 billion** in resources and formalized valuable collaborations through **31 institutional agreements**. The Bank also engaged nearly **100 partners** throughout the year.



When all is said and done, it might well be that the very last of the 17 Sustainable Development Goals (SDGs) — emphasizing the importance of partnerships — will have had the most profound impact in driving the overall success of the 2030 Agenda.

To be sure, this was foretold in the United Nations' vision that "cross sectorial and innovative multi-stakeholder partnerships will play a crucial role for getting us to where we need by the year 2030." It is an idea that is close to our hearts here at the Inter-American Development Bank.

We have long embraced the notion that collaboration among organizations, enterprises, and government institutions in Latin America and the Caribbean — along with others worldwide who have an interest in the future of the region — can make all the difference when it comes to sustainable development outcomes.

Not only do we believe this, but we live it every day. And we are determined to make the most of it as we begin a "Decade of Action" to deliver the 2030 promise. From the financing perspective, we are delighted to have pushed our collaborations into new areas that have motivated corporations and institutional investors to join the effort. In particular, we are highly encouraged that the world's largest asset

managers and other industry leaders are joining us to facilitate private investment in high-impact projects that generate returns and advance SDG progress in the region.

We took further encouragement from our Donors Forum in October 2019, which gave us the chance to dive deeply into the region's key challenges, and thereby shine the light on emerging opportunities for our partners to leverage their core businesses and innovative approaches to fulfill the 2030 Agenda.

From our *#SinDesperdicio* collaboration with global businesses to confront food waste, to the 21st Century Skills Coalition that seeks to ensure citizens are ready to succeed in the digitally-driven economy, among many others, we are justifiably proud of the impact our alliances have had. Our partners are showing the world how, through collaboration, we can secure the leadership, resources, and smarter solutions we need to achieve the Sustainable Development Goals.

As we close out the decade, our record of building effective, impactful partnerships across the region is one that speaks for itself. But now is the time to speak louder and more forcefully. And to do that we need your voice.

Consider this your invitation to partner with the IDB as we build a better future.

Bernardo Guillamon
Manager
Office of Outreach and Partnerships (ORP)



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Unlocking Capital to Achieve the Sustainable Development Goals

Adopted in 2015, the Sustainable Development Goals (SDGs) provide the world with time-bound, quantitative goals to drive economic, environmental, and social development. Not only is this three-pillar approach a distinguishing factor with regard to the Millennium Development Goals that preceded them, but the SDGs have also gone further as a rallying point for governments, corporations, philanthropists, academia, and civil society — whom together have reached unprecedented alignment on how to make the world a better place.

“Urgent action is needed to mobilize, redirect and unlock the transformative power of trillions of dollars of private resources to deliver on sustainable development objectives.”

Sustainable Development Goal #17

However, while the financial sector in particular has adopted the SDGs and increasingly sought to address them through investments, Latin American and Caribbean (LAC) countries continue grappling with an annual SDG financing gap of approximately \$650 billion. With development funding to LAC representing barely 10 percent of that, it's clear that public sector resources are insufficient to meet this demand.

Accordingly, the IDB and its partners have been hard at work to close the SDG financing gap, with a strong focus on mobilizing private investment.



Guiding Investors Toward Projects that Pack an SDG Punch

LAC scored well in the *2019 Sustainable Development Report*, an annual ranking of where each country stands on SDG implementation. This means that the region offers an opportunity for private investors, with relatively modest financial commitment, to move the needle on key SDGs.

In particular, investors have expressed growing interest in the infrastructure sector and its potential to unlock economic, environmental, and social benefits. But uncertainties persist about where to invest and how to gauge the development potential of infrastructure investments in the region.

To bridge this information gap and guide investor decisions towards high-impact opportunities, in 2019 the **Sustainable Development Solutions Network (SDSN)** and the IDB jointly launched the *SDG Impact Toolkit for Infrastructure Investments*. The Toolkit is a visualization instrument built to align infrastructure investment opportunities with the SDGs, moving beyond a simple tagging exercise by using a sophisticated SDSN methodology to calculate each country's distance-to-target on select indicators.

Sharing data on current and historic infrastructure investment, the Toolkit identifies the region's greatest SDG challenges at the national level. It also takes into account sub-sector specific data to determine how much infrastructure projects can contribute to specific SDGs.

A new toolkit that provides investors with comprehensive insights by assessing the potential impact of each dollar on SDG-related infrastructure gaps.

The Sustainable Development Solutions Network (SDSN) was commissioned by Ban Ki-moon, when he was serving as UN Secretary-General, to mobilize scientific and technical expertise to support practical problem solving for sustainable development. SDSN operates networks of knowledge institutions, thematic networks, and the SDG Academy, an online university for sustainable development.

Giving a Boost to Green Finance Growth

Green bonds, a type of climate finance in which bonds are earmarked for climate and environmental projects, have been a success in LAC, with more than \$12.5 billion in issuances in the five years since they were introduced in the region. However, analysts estimate that the market for green bonds will need to grow substantially for LAC to meet its climate challenges. To get there, the market will need to address a key challenge, which is ensuring that investors can get the information they need.

To tackle this issue, in 2019 the IDB joined forces with the governments of **Germany, Switzerland, and the United Kingdom** to create the

Since green bonds were first introduced in LAC in 2014, the IDB has supported more than 20 percent of the total issuance volume by providing a variety of client support mechanisms.

Green Bond Transparency Platform for LAC (GBTP), a digital tool that aims to increase the transparency and comparability of green bonds by working with issuers, underwriters, standard setters, and verifiers to support harmonization and standardization. The platform will provide information on how bond proceeds are used and on their environmental impact, while testing the use of blockchain to reduce transaction costs and increase traceability. GBTP was formally launched at the United Nations Climate Change Conference (COP25) and receives support from additional partners.

The GBTP is complemented by Germany-IDB efforts to promote domestic issuances, establish ambitious regional standards, and scale up green bond issuances through anchor investments, de-risking, and co-financing. These intentions were captured in a Joint Declaration of Intent signed at COP 25.

Promoting Regional Philanthropy for the SDGs

The IDB has long considered the philanthropic sector an important ally in its quest to drive SDG implementation. Accordingly, for years the IDB has worked with key enabling organizations to build up a culture of giving in LAC. To this end, in 2019 the IDB shared its perspectives on this topic at the *2019 Brazilian Philanthropy Forum* organized by **Brazil's Institute for the Development of Social Investment** and the **Global Philanthropy Forum**. Additionally, the Bank presented innovative approaches to SDG financing at the annual event of Argentina's **Group of Foundations and Companies (GDPE)**.

Green Bonds: Diversifying the Portfolio to Maximize SDG Impact

Building on its support of about 20 percent of the green and sustainable bonds issued in LAC to date, the IDB Group in 2019 continued working with partners to promote innovative bond instruments in pursuit of the SDGs.

Critically, this support has made LAC countries pioneers in sovereign green and sustainable sovereign bonds. For instance, the IDB and the **Climate Bonds Initiative (CBI)** supported the **Government of Chile** in developing the first sovereign green bond in the Americas, an instrument expected to further develop the market and showcase Chile's commitment to mobilizing capital markets for development. In **Ecuador**, the IDB supported a similar milestone with the issuance of the first sovereign social bond in the international market. This bond is intended to boost the program *Casa para Todos*, which provides access to decent and affordable housing for more than 24,000 medium- and low-income families and will mobilize approximately \$1.35 billion in investments for the country's housing sector.

At the same time, the IDB supported the development of local green bond markets and a diversification of the sectors that can use this tool. One highlight is the first green bond issuance in Peru's local market, for which the IDB provided technical support to **Peru's National Development Bank (COFIDE)**. Working through the Lima stock exchange, **Bolsa de Valores de Lima (BVL)**, the bond will finance climate change mitigation projects in the energy sector.

Inspired by the finance community's growing appetite for green bonds, in 2019 the IDB took these issuances a step further and launched its first sustainable development bonds (SDB) — bond issuances tied directly to the SDGs. Four bonds of this type were issued throughout the course of the year, further solidifying the Bank's leadership in developing innovative tools to advance SDG financing.

First-Ever Gender Bond is Launched in Latin America

Breaking new ground in the world of SDG financing, in 2019 IDB Invest supported the issuance of the first gender bond in Latin America. Issued in Panama, the bond exclusively expands access to financing for women-led SMEs, promotes women's entrepreneurship, and advances women's economic empowerment, in line with four SDGs. Issued by **Banistmo**, a subsidiary of **Grupo Bancolombia**, and structured and purchased by IDB Invest, it is valued at \$50 million with a five-year term.

In another example, the IDB worked in **Mexico** with the government entity **FIRA** to issue the first green bond in LAC to support forestry efforts, in line with CBI Forestry Criteria. And in **Brazil**, the public-private dialogue **Financial Innovation Lab** has been exploring instruments and regulatory incentives to promote green bonds as a means for scaling up greener investments in infrastructure, agriculture, and land use.

Further, on the private sector side, IDB Invest supported the first issuance of green bonds in Ecuador, subscribing a \$50 million bond issued by **Banco Pichincha** for a total of \$150 million. Proceeds will support projects with environmental benefits, in line with six SDGs. The **International Finance Corporation** and France's **Proparco** participated as investors. In addition, IDB Invest supported **Grupo Bancolombia** to issue the first sustainable bond by a private company in that country. The bond, which combines green and social criteria, will help contribute to ten SDGs through this issuance.



IDB Group and the Swiss Government Join with Colombian Partners to Continue Pioneering Work in Social Impact Bonds

In partnership with **Switzerland's State Secretariat for Economic Affairs (SECO)**, the **City of Cali**, **Corporación Inversor**, and local and international advisors, IDB Lab in 2019 deployed a second social impact bond (SIB) in Colombia to boost formal employment prospects for vulnerable communities in Cali. Operated by **Fundación Carvajal**, **Fundación Colombia Incluyente**, **Fundación Alvaralíce**, and **Kuepa**, the \$1.4 million bond builds upon the previous SIB in Colombia to finance employment programs using an innovative payment-for-results approach. This latest SIB duplicated the number of investors from three to six, added a new six-month job retention payment metric that enhances the quality of employment, and innovated by working at the local level.

The previous SIB, launched by the **Government of Colombia**, **SECO**, and **IDB Lab**, sought to improve urban employment outcomes for vulnerable populations in the cities of Bogotá, Cali and Pereira. A coalition of foundations including **Fundación Corona**, **Fundación Bolívar Davivienda**, and **Fundación Mario Santo Domingo** participated as investors.

RESULTS FROM THE FIRST SIB INCLUDE:

899 participants formally employed (660 female and 239 male).

677 participants retained work for 3 months. Of this total, 74% were female and 77% were between the ages of 18 and 30. This is important as unemployment rates for poor women and youth are among the highest in Colombia and the rest of the region.

309 participants retained work for 6 months (249 female and 60 male).

133 participants retained work for 12 months (108 female and 26 male).

In 2018, Colombia became the first developing country to issue a social impact bond, an innovative public-private partnership through which impact investors provide up-front funding for a service that benefits a vulnerable population. Repayment depends on the project's outcome. Through this mechanism, the government and private investors establish a set of goals and select an intermediary, usually an NGO or company, to run the project. The government pays only if outcomes are achieved.

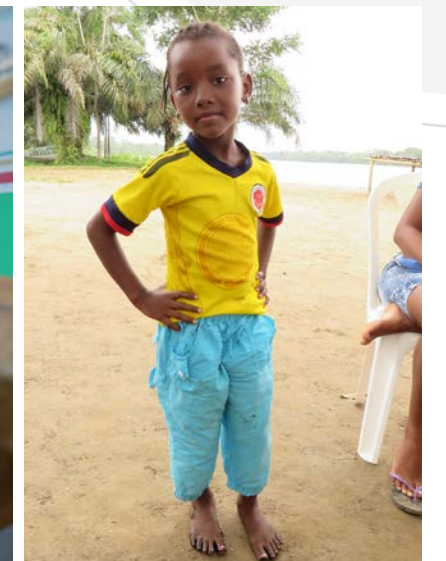
Determined to Shape the Future of Financing for the SDGs

The IDB in 2019 became the first multilateral development bank (MDB) to join the **United Nations Global Compact's CFO Taskforce for the SDGs**, which brings together corporate finance leaders to develop innovative strategies to mobilize financing for sustainable development.

Alongside CFOs, C-suite executives, and leaders from public and international organizations, the Bank will help develop a program of activities that promote financing and unlock private capital for the 2030 Agenda. The group will also work to harness the expertise of CFOs and other

leaders, with the aim of empowering companies to contribute to the sustainable development agenda.

Taskforce activities will focus on the three main pillars of SDG-aligned corporate finance and investment, practical resources and guidance, and stakeholder engagement. They will include the co-creation of guiding principles for finance and investment, knowledge sharing, the development of concepts and frameworks, and the provision of recommendations for mobilizing private capital and creating a market for SDG investments.



Italy Joins the Quest to Boost Private Investment in LAC

A partnership between the **Ministry of Economy and Finance of the Republic of Italy** and IDB Invest has set out to mobilize sustainable private investment, strengthen the sustainability of the private sector in Latin America and the Caribbean, and support the private sector's contributions to the SDGs.

Specifically, the partners will work to strengthen value chains and projects, with a focus on building capacities and supporting private

entities in assessing sustainable and inclusive production risks and opportunities. They will also drive the evolution toward more sustainable products and services through measures that encourage the private sector to integrate sustainability considerations into their business models. Finally, Italy and IDB Invest will invest €1.5 million in capacity building at the market level, which will include disseminating knowledge and upgrading the private sector's capacity for sustainability.

In 2019, co-financing with partners mobilized \$4.18 billion (through 46 transactions) to enrich IDB efforts in LAC, up from \$2.71 billion (through 41 transactions) in 2008, reflecting a 54 percent increase in dollars mobilized and a 12 percent increase in transactions.



Co-financing Reaches New Heights

To fill the SDG financing gap by 2030, the IDB Group has worked to optimize the use of its own resources while maximizing its capacity to leverage new sources of financing. In this setting, the IDB Group has noted a shift in donor preferences in LAC, which increasingly favor reimbursable models over the use of traditional grant resources.

To capitalize on this trend, the IDB has become a leader in establishing framework co-financing agreements with partners, or platforms that establish standardized rules of engagement to facilitate coordination and enable greater financing. These platforms have been shown to strengthen ties between the IDB Group and its partners, to generate more value for IDB Group clients, and to amplify development impact by increasing the size and reach of co-financing operations.

The year 2019 further confirmed donor affinity for this development financing approach, with co-financing from IDB Group partners reaching new heights. Landmark efforts include the \$150 million co-financed by the **French Development Agency (AFD)** for a policy-based loan in the Dominican Republic. Intended to strengthen road safety, urban mobility, and ground transportation, this is one of several projects co-financed by the **France-IDB** partnership in 2019.

*The development of a strong project pipeline is key to the success of co-financing arrangements. To this end, project preparation grants that ensure the proper design of projects are a best practice. Increasingly, the IDB Group and its partners are looking to build joint grant preparation facilities that leverage the resources of both partners to ensure an abundance of high-impact operations. A notable example can be seen in the IDB's partnership with **Spain**, which in 2019 pre-approved an initial \$3 million grant facility to support the preparation of operations, thereby ensuring the effectiveness of FONPRODE-IDB co-financing.*

continued on next page

Co-financing continued

Co-financing efforts also proved fruitful in the **Germany-IDB** partnership. One effort channeled \$112 million from **KfW**, Germany's development bank, through a credit line with **Nacional Financiera**. The funds helped support the construction of the largest desalination plant in the Western Hemisphere, providing a much-needed new source of drinking water to the coastal communities of Baja California in Mexico. The partners also advanced water and sanitation efforts in Bolivia through operations totaling \$247 million.

In addition, 2019 was a record year for the **Spain-IDB** collaboration. \$95 million were co-financed through the country's **Development Promotion Fund (FONPRODE)**, while \$6 million were channeled from the **Spanish Agency for International Development Cooperation (AECID)**. One noteworthy example is Spain's \$40 million contribution to an IDB project in Ecuador, which will improve wastewater treatment capacity and the continuity, management, and reliability of the drinking water system, benefiting more than 200,000 people directly and the 2.6 million citizens of Quito indirectly. Spain's **Instituto de Crédito Oficial** was also an IDB co-financing partner last year.

Since 2013, another important co-financing mechanism has been the *China Co-Financing Fund for Latin America and the Caribbean*, which in 2019 remained a cornerstone of the IDB Group's partnership with **China**. Created with the **People's Bank of China**, the \$2 billion fund is the first of its kind established by China and a multilateral development bank. It seeks to boost private investment, improve competitiveness and social welfare, and support programs to mitigate the impacts of climate change. By the end of 2019, the fund had approved approximately \$1.4 billion to finance 56 projects in 18 countries. More than half of the resources have been utilized in infrastructure, energy, and financial institutions, among other sectors. In 2019 alone, the partners approved six new projects for a total of \$178.5 million under the *China Co-financing Fund*.

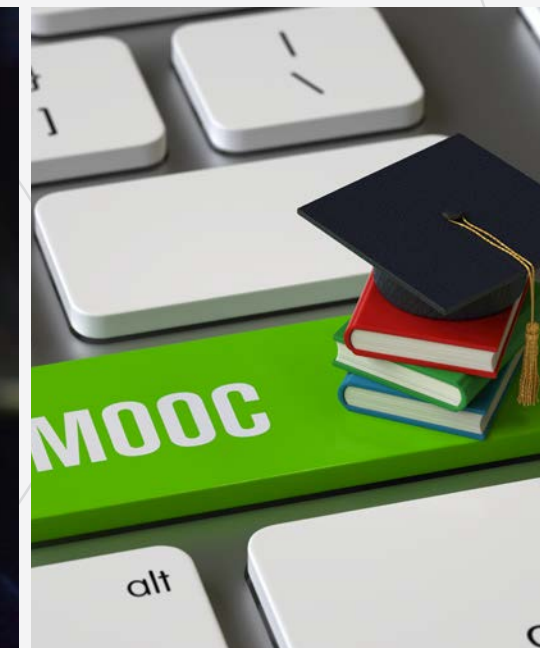
In 2019, important co-financing partners included the **Bank of Tokyo-Mitsubishi UFJ**, **BlackRock Inc.**, the **European Investment Bank**, **Finnvera**, Colombia's **Financiera de Desarrollo Nacional**, and the **United States International Development Finance Corporation**. In addition, the dedicated co-financing platforms established by the IDB Group and the governments of **Canada**, **Korea**, and **Japan** remained active (see pages 33, 43, and 51, respectively).



Leveraging Knowledge as Capital for SDG Implementation

A critical aspect of Sustainable Development Goal #17, which calls for partnerships as a vehicle for achieving the remaining SDGs, is its strong emphasis on knowledge. Knowledge sharing is cited in two of this SDG's targets, and exists as an underlying theme that ties together its focus on capacity-building and technology promotion, among other priorities. Similarly, the IDB's commitment to generating and disseminating knowledge is well reflected in its operations and its work with partners, who recognize knowledge as valuable capital for SDG implementation. Especially as the region's challenges become increasingly complex, the IDB's partnership network has ramped up efforts to leverage knowledge as a means of enhancing interventions and democratizing access to information that can advance the SDGs in LAC.

The IDB is a key knowledge partner for the region, one committed to generating research, democratizing access to information, and channeling the knowhow of its partners throughout LAC.



The SDG Academy Selects IDB to Develop Course on the “How-To” for Achieving SDG #17

The concluding Sustainable Development Goal, #17, urges the global community to “revitalize the global partnership” to bring the agenda to full implementation. But how can we equip our potential collaborators to participate in advancing this agenda?

Through the work of its Office of Outreach and Partnerships, the IDB recognized a knowledge gap regarding how to design, manage, and monitor partnerships for sustainable development — as well as how to use these alliances to leverage knowledge and resources for the effective execution of development programs. To address that gap, the IDB joined forces with the **United Nations’ Sustainable Development Solutions Network (SDSN)** to develop a Massive Open Online Course (MOOC) that empowers public and private sector professionals to work in partnerships.

The resulting course, *Partnerships: A Vehicle for Advancing Sustainable Development*, offered free of charge on the **edX** platform,

went live in October. Through theoretical content and practical case studies, the course analyzes the “why” behind partnerships, the actors with which one can partner, and best practices and skills needed to develop and manage partnerships. In addition, it stresses the importance of mobilizing resources to achieve the SDGs, highlighting innovative finance and alliances with the private sector as an important avenue for doing so.

In line with the course's emphasis on the value of collaboration, the MOOC itself was developed in close coordination with SDSN. It also drew on the expertise of organizations like **Avina Foundation, FEMSA Foundation, Fundación Bancaria “la Caixa,” Google, Microsoft, the Open Society Foundations, PepsiCo, The Coca-Cola Company, The Nature Conservancy, and the United Nations**. It is a critical installment in a series of courses developed by the **SDG Academy**, an initiative of SDSN, on the SDGs. It is also part of the IDB's robust portfolio of free, open courses.

“The [17 Sustainable Development Goals] won’t happen on their own. This MOOC on SDG #17 is devoted to the partnerships that are essential for the success of this shared mission.”

Dr. Jeffery Sachs, Director, Center for Sustainable Development at Columbia University

Tackling the Plastics Crisis through Open Innovation

MIT Solve and the IDB partner for ambitious change.

Plastics are the second largest and fastest growing contributor to industrial greenhouse gas emissions, the primary driver of climate change. LAC is not immune to this problem, as the region produces more than 400 million tons of plastic waste every year.

Recognizing the urgent need for bold solutions, the IDB Group joined **MIT Solve**, an initiative of the **Massachusetts Institute of Technology** that uses open innovation to solve global challenges, to launch the *Rethink Plastics Challenge*. Aimed at finding ways of substantially reducing or eliminating single-use plastic and plastic waste in LAC, the Challenge invites innovators from around the world to participate in developing groundbreaking solutions.

Formally announced at the IDB's 60th Anniversary celebration by IDB President Luis Alberto Moreno and MIT President Rafael Reif, the Challenge offers a total of \$60,000 in cash prizes to three winners. Ten finalists will pitch their ideas at the 2020 IDB Annual Meeting while winning submissions will be considered for a pilot project with IDB financing of up to \$250,000.



The *Rethink Plastics Challenge* grew from a longstanding partnership between **MIT Solve** and the IDB, in which the IDB has been an active knowledge partner for MIT Solve's other global challenge competitions.

Brune Poirson, Secretary of State to the Minister for the Ecological and Inclusive Transition of the **Government of France**, serves as co-chair for the initiative, while the following organizations serve on the Challenge judging panel.

- **Abdul Latif Jameel Poverty Action Lab**
- **Acoplásticos**
- **Althelia Funds**
- **Ambev**
- **Braskem**
- **Ciudad Saludable**
- **Flock**
- **Massachusetts Institute of Technology**
- **MIT D-Lab**
- **Natura**
- **Palantir Technologies**
- **PepsiCo**
- **The Blockchain Challenge**
- **The Coca-Cola Company**
- **University of Georgia**
- **Visa**
- **World Economic Forum**
- **World Resources Institute**

In 2019, the IDB engaged a variety of academic partners. In one example, a new collaboration with the **University of La Coruña** in Spain is co-creating fresh content for a Massive Open Online Course on water management for cities of the future. At the same time, an ongoing course on water management, developed in partnership with Colombia's **Universidad de los Andes**, continues reaching new audiences.

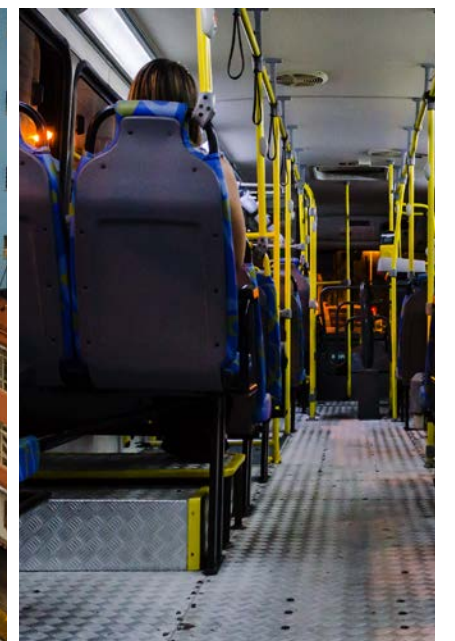
In addition, the IDB joined with universities in Asia, including China's **Tsinghua University** and **Shanghai University of Finance and Economics** and Japan's **Waseda University**, to attract high quality talent to the Bank.

The IDB and Mastercard: Bringing Digital Solutions to Improve Urban Transport

In the transportation sector, data on how transport systems are used is essential to improving urban planning, transparency, participation, and innovation in the delivery of urban services. However, urban data is often scarce. Low- and middle-income cities in particular lack complete transportation maps and data-driven insights about passenger journeys, which impacts citizens' ability to navigate cities and access jobs.

With this in mind, the IDB and the **Mastercard Center for Inclusive Growth** partnered to establish a new *Resource Center for Digital Urban Transport in Latin America* to support the development of open digital urban transport data for and with LAC cities. Operated in partnership between **Columbia University's Earth Institute**, **Massachusetts Institute of Technology's Civic Data Design Lab**, and **World Resources Institute Mexico**, the Center will foster data-building efforts through an open platform for collaborative learning, which will address a knowledge gap for city transit operators, local governments, non-profit and civic organizations, start-ups, and researchers who strive to improve mobility services.

The **Mastercard**-IDB partnership further evolved in 2019 through a renewed Memorandum of Understanding. The agreement reflects a focus on new topics, including migration, and pledges the joint promotion of economic inclusion and data-driven decisions, with a focus on sustainable tourism and islands. Finally, it expands the partners' historic focus on transparency, with the goal of benefitting governments, the private sector, NGOs, and consumers in the region.



Telefónica and the IDB Join to Demystify Data with Co-Created MOOC

As the benefits derived from big data continue to grow, the IDB and its partner **Telefónica** set out to help businesses and public institutions get the most out of it. In 2019, the partners released their MOOC, *Big Data sin misterios* (*Big Data Without Mysteries*), which seeks to help learners make sense of the massive amount of data generated around the world and how it can inform better decisions. The course covers technologies, strategies, and methodologies behind using big data, and includes real-world examples of the impact it has on societies. It also tackles related challenges that arise from big data, including issues related to privacy. It builds off previous in-person courses delivered by the partners in Argentina, Colombia, Ecuador, Mexico, and Peru and touches on real-life examples, processing methodologies, data governance, and more.



According to the **World Economic Forum**, *Big Data Without Mysteries* is among the five most popular Spanish-language courses available on the open learning platform **edX**. Another IDB MOOC on project management also made the list.



Through Mission Investors, Sharing IDB Knowledge on SDG Financing

As it works to finance the SDGs in LAC through innovative financing, the IDB has come to manage more than \$800 million in blended finance resources. To share its experience, the IDB delivered a webinar as part of a *Mission Investors Exchange Series* focused on disseminating knowledge related to sustainable investing. The webinar focused on defining blended finance, its principles, and risks, as well as identifying circumstances in which it can be effective and sharing lessons learned through concrete operations. **Mission Investors Exchange** is the leading impact investing network for more than 200 foundations dedicated to deploying capital for social and environmental change.

Bringing Partnerships into View

In 2019, the IDB continued collaborating with high-profile platforms as a means of highlighting the region's potential, challenges, and priorities, as well as to position opportunities for partnership.

For example, expanding its longtime partnership with the **World Economic Forum (WEF)**, the Bank joined world leaders at WEF's Annual Meeting in Davos, which discussed a new economic era dubbed "Globalization 4.0." In coordination with **Concordia**, the IDB participated in the *Concordia Annual Summit* at the highest levels, exploring geopolitical trends and critical themes such as financing the SDGs through private investment.

In addition, the IDB was once again a knowledge partner for the **Council of the Americas (COA)** and its annual *COA Symposium* and *BRAVO Business Awards* event, at which President Luis Alberto Moreno joined Grammy award-winning artist Carlos Vives to discuss the Bank's alliance with his **Tras Las Perla** initiative. President Moreno was awarded a BRAVO Business Award celebrating his legacy as IDB president.



CASS and the IDB Jointly Organize the 6th China-LAC Policy and Knowledge Summit

A key knowledge partner of the IDB, the **Chinese Academy of Social Sciences (CASS)** in 2019 once again joined forces with the Bank to organize the sixth *China-LAC Policy and Knowledge Summit*. The 2019 edition focused on leveraging new technologies to better serve citizens and foster development. More than 200 participants from the public, private, and academic sectors gathered for the event, representing China and 14 LAC countries.

In 2019, **CASS** also helped inform a high-level IDB policy paper on the potential of trade between Asia and the LAC region. In addition, the IDB worked with the **Center for International Knowledge on Development** to disseminate China's experience managing public investment projects among LAC audiences.

With *Santander Universidades*, Preparing Universities for the Future

To help academia grapple with the ever-increasing rate of technological transformation and its impact on economies and societies, **Santander Universidades** and the IDB joined forces to empower the region's universities to accelerate and enhance their response to these changes.

The partners will develop case studies to improve public perception of the economic and social value of universities in select countries, as well as to better align university activities and programs with this goal. Further, they will seek

to deepen understanding of the role universities play in supporting the use and development of emerging technologies, including their creation of business incubators and incorporation of entrepreneurship in university curricula and extension programs.

This work, which will serve as a springboard for future collaboration, emerged from the *First Annual Dialogue with LAC University Presidents* organized by the partners in 2018. The Dialogue brought together leaders from the region's most esteemed universities to discuss the impact of technological changes and other challenges on universities, as well as strategies for staying relevant. A second edition of the Dialogue is planned for 2020, with a focus on tech education and digital science. It will also analyze the impact of COVID-19 on the rapid digitalization of universities.

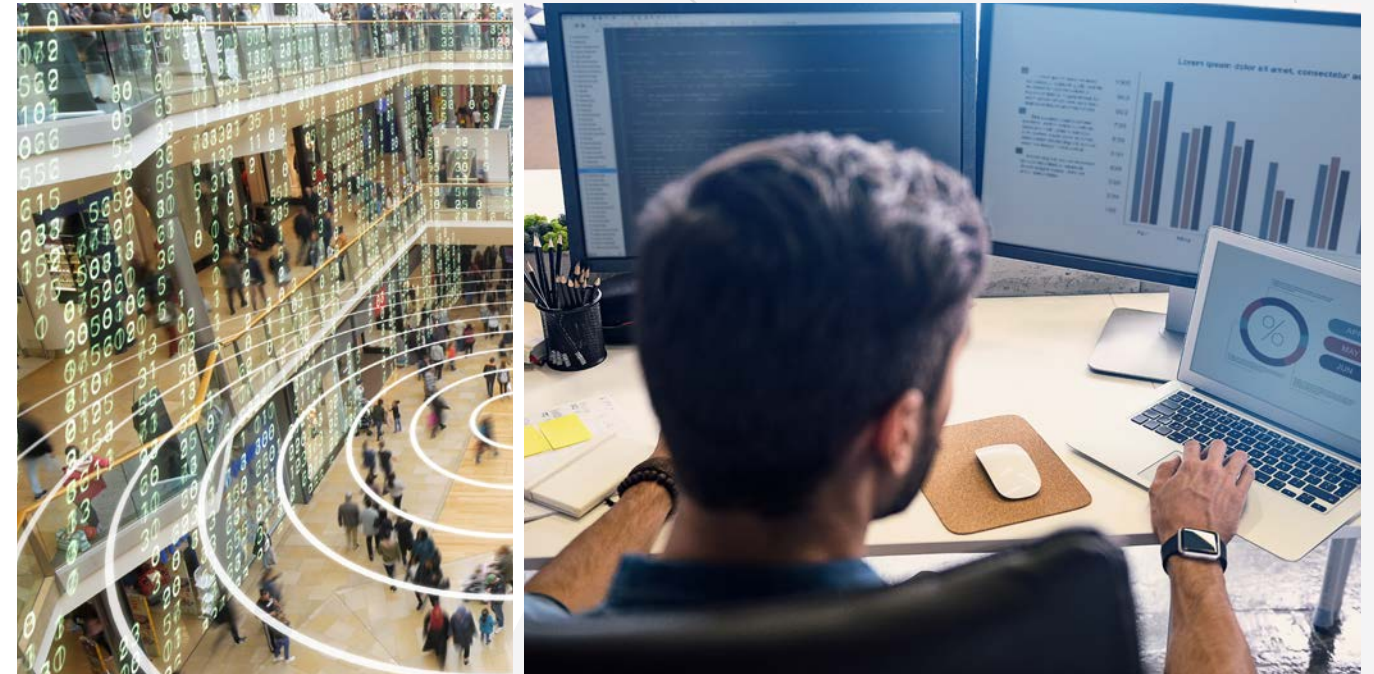


Secondees Enrich IDB Efforts

In 2019, the secondment program continued bringing fresh perspectives and knowledge to the IDB's work. An initiative through which partner organizations deploy professionals to the IDB for a fixed time to work on areas of joint strategic interest, this program has been a longstanding vehicle for tapping the expertise of talented professionals while strengthening ties between the IDB and its partners.

The following entities — most of which have long-term secondment programs with the IDB — provided secondees to the Bank in 2019:

- Bank of Tokyo-Mitsubishi UFJ
- Chinese Academy of Social Sciences
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- European Investment Bank
- Export-Import Bank of Korea
- French Development Agency
- Korea Expressway Corporation
- Korean Ministry of the Interior
- Korea Trade-Investment Promotion Agency
- Japan International Cooperation Agency



Leveraging Big Data to Improve Decision Making

In 2019, the IDB joined the **International Monetary Fund** and the **World Bank** in signing the *Development Data Partnership*, a consortium to provide staff at these organizations with access to big data via data-sharing agreements with the private sector, which are made available through a transparent web platform. Through this effort, the IDB will leverage data from non-traditional sources to enhance project design and fill data gaps. This will facilitate data-driven decision making and incentivize idea generation, collaboration, and knowledge sharing. The effort will also foster responsible data partnerships for the public good. Thus far, the consortium has signed agreements with **Esri** and **Facebook** and is in conversations with other private data providers.

The IDB has long worked to strengthen countries' statistical capacities, and over the years has introduced innovative strategies for collecting, processing, and disseminating data. At the same time, the **Brazilian Institute of Geography and Statistics (IBGE)**, best known for its pioneering of mobile devices in the 2010 Brazilian census, has a track record of deploying technological solutions at scale and sharing them with other countries. Harnessing each organizations' strengths, a new collaboration will pilot innovations in the context of the upcoming Brazilian census, including the use of online platforms to conduct the census. In line with recommendations from the **Conference of European Statisticians**, the effort hopes to generate replicable and transferable knowledge on this topic.

Preparing LAC for Success in the Digital Age

The speed, scope, and scale of the ongoing digital transformation is having a profound impact on world economies and societies. In LAC, nearly two-thirds of the population is now online, as businesses and governments deploy technology-fueled solutions like blockchain and artificial intelligence to address longstanding development challenges. However, despite efforts to embrace technology, the region continues to lag behind its OECD counterparts in transforming business models, democratizing access to technology, ensuring citizens have the skills to capitalize on digital job opportunities, and harnessing the power of technology to unleash sustainable, climate-friendly, and inclusive development.

In this context, the IDB is determined to be a leading partner for shaping the region's digital transformation by enhancing connectivity, digital skills, public service delivery, and overall well-being, as well as LAC's capacity for innovation.



Integrating Ethics into AI Technology

Emerging artificial intelligence (AI) technologies show enormous potential for creating more efficient and personalized social services and already, a growing number of LAC countries are using AI in public service delivery. However, as AI becomes more ubiquitous, governments and other actors must consider how to handle personal data in an ethical and responsible manner and how to anticipate possible biases in the construction of algorithms, among other increasingly complex challenges.

To tackle these issues, the IDB established *fAIr LAC*, an initiative that has galvanized leading tech companies and organizations to promote the ethical use of AI. Thus far, partners include **C Minds, everis NTT Data, Facebook, Google, International Development Research Center, Microsoft, and Telefónica**. The project is implemented by **Uruguay's Agency for Electronic Government, Information, and Knowledge (AGESIC)** and **Tecnológico de Monterrey**.

The initiative will develop standards and tools that guide the responsible use of AI, while shaping regional hubs to promote awareness of ethical risks and ways to mitigate them. The initiative will also lead a dialogue about diversity and inclusion in the use of this technology.

The initiative's first pilot began in the Mexican state of Jalisco, where IDB Lab is collaborating on an AI project for the early detection of diabetic retinopathy, the country's leading cause of blindness.

Exploring the ethical use of new technologies as development solutions, the IDB held a workshop with **Georgetown University** graduate students and faculty to analyze cases in which AI had been used for social good, the ethical risks incurred, and the trade-offs between these risks and development effectiveness.

Enriching the IDB's Knowledge of Blockchain

Given the enormous potential of blockchain as a development tool, in 2019 the IDB set out to better understand this technology. IDB partner **everis NTT Data**, with which the Bank works to foster an inclusive digital transformation and explore the development implications of blockchain, shared their expertise with IDB staff. In a full-day workshop, employees drew from case studies to understand the diverse applications of this tool.

“Open business models and collaboration are essential to increasing digital inclusion. Through this partnership, Telefónica has opened a path that may be followed elsewhere. We are committed to advancing a human-centric digital transformation in which nobody is left behind.”

Alfonso Gomez Palacio, CEO, Telefónica HISPAM, Grupo Telefónica

Telefónica, Facebook, IDB Invest and CAF Launch *Internet para Todos Peru* to Expand Internet Connectivity

About a fifth of all Latin Americans — 100 million people — lack access to widespread mobile broadband and are therefore locked out of an important pathway to the digital economy’s growing benefits. Yet bridging the digital divide will require a holistic approach combining business, technological, and policy innovations with new models of collaboration.

In this spirit, IDB Invest in 2019 joined **Telefónica, Facebook, and CAF Development Bank of Latin America** to launch *Internet para Todos (IpT) Peru*, a wholesale rural mobile infrastructure operator that aims to bring mobile broadband to remote populations where conventional telecom infrastructure deployment is not yet economically feasible — and to do it by creating a sustainable business model.

IpT Peru plans to connect rural communities by enabling any mobile network operator to use its 3G and 4G infrastructure to deliver high quality retail mobile communication services, with an eye toward replicating the model in other countries. For this initiative, **Telefónica del Peru** is contributing its existing rural business, while Facebook, IDB Invest, and CAF invest financial resources in *IpT Peru* so it can upgrade existing voice services and build new sites to deliver fast mobile internet coverage on a wholesale basis, thereby enabling mobile operators to deliver communication services.

With this innovative model of infrastructure deployment, Telefónica del Peru has already connected 2,000 remote communities to the internet, benefiting around 600,000 people.

“Delivering scalable, efficient, and high-quality connectivity to rural communities is key to closing the digital divide. Through Internet Para Todos in Peru, we’re investing in a new way of expanding rural access to mobile broadband, paving the way for the new approaches that the industry needs in order to ensure everyone has access to the benefits of the internet.”

Dan Rabinovitsj, Vice President of Connectivity, Facebook



New Information Technologies Put Trade in the Fast Lane

While critical to a country’s development, cross-border trade is often hampered by the costs of completing import, export, and transit-related documents and certificates. The IDB has long promoted “single window” initiatives that reduce these administrative burdens, but issues such as lack of interoperability among agencies, outdated processes, and limited traceability of shipped goods prevent this concept from reaching its full potential.

However, promising technologies like the blockchain have the potential to improve efficiency, transparency, and interoperability in trade. And in pursuit of this promise, the IDB is partnering with the **World Economic Forum (WEF)** and its *Center for the Fourth Industrial Revolution (C4IR)* to develop the *Global Trade Single Window with Blockchain Project*.

Leveraging each other’s networks, the partners have built a multi-sector expert community of more than 80 global members to support governments as they explore the added value of blockchain and how to operationalize this technology.

Blockchain Alliance Gains Speed in 2019

LACCHAIN, the alliance announced at the end of 2018, ramped up efforts in 2019 to promote the inclusive use of blockchain to reach the region’s most underserved populations. *LACCHAIN* uses digital platforms to help countries share knowledge as they build up national blockchain ecosystems. It also provides technology advice and data analyses to drive the democratization of blockchain, while building a marketplace of applications, a partnership between public and private stakeholders, and the technological infrastructure to inclusively deploy blockchain at scale.

After just a year in operation, six countries are already collaborating with *LACCHAIN* to create viable ecosystems for blockchain use. To date, more than 10 projects and 20 entities are joining its platforms and more than 500 entities have expressed interest in collaborating with the program, including corporations, financial institutions, and government agencies. At the same time, *LACCHAIN* is developing a self-sovereign digital identity, or techno-legal frameworks for digital identity, in line with international standards, as it seeks to provide legally compliant e-money, enabled by large financial institutions.

To date, *LACCHAIN* partners include:

- AID Tech
- Adhara
- Alastria Consortium
- Blockchain Research Institute
- ConsenSys
- Enterprise Ethereum Alliance
- everis NTT Data
- Grupo Sabra
- Hyperledger
- Idemia
- ioBuilders
- LegalBlock
- MIT Media Lab
- Multiledgers
- PegaSys
- RSK
- Tradel
- Uport
- World Data Inc.

Inclusion Across Borders: Tackling Migration Challenges

The almost 5 million Venezuelans currently living outside their country in search of a better life constitute the largest displacement of people in LAC's recent history and one of the largest in the world. This displacement is overwhelmingly intraregional. Five years ago, fewer than 150,000 Venezuelans lived in another LAC country, compared with over 4 million as of February 2020 and an estimated 6.5 million by the end of 2020. Meanwhile, the neighboring countries where most Venezuelan migrants have settled are now facing major challenges to public service delivery, poverty reduction, and social inclusion, particularly in already vulnerable migrant host communities. At the same time, migration flows from Haiti, Nicaragua, and the Northern Triangle countries of Central America have also accelerated, further underscoring the need for a coordinated regional response.

While these migration flows represent one of the most pressing inclusive development challenges seen in LAC today, if addressed quickly and properly, this crisis has the potential to become a significant development opportunity in the region by reaping the "migration dividend."

In this setting, the IDB Group has assumed a central role in coordinating a strategic public-private response to the migration crisis.



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IDB Partners Rally to Fund Migration Solutions in Wake of Venezuela Exodus

To tackle urgent inclusive development challenges posed by the rise of migration, in 2019 IDB partners from around the world stepped up to support the Bank's new *Migration Initiative*. This effort responds to the region's unprecedented and sudden migration inflows and seeks to help countries and local communities boost their immigrant-inclusion capacities.

Following a decision by its Board of Governors, the IDB is providing up to \$100 million to the effort from a grant facility (GRF) created in 2007 for dealing with extraordinary circumstances. These funds will be combined with donor resources and IDB loan operations from \$800 million to total of \$1 billion.

In the meantime, partners have pledged another \$50.5 million to this effort. Specifically, \$11.5 million was committed by the **European Union**, \$5 million by **Japan**, \$10 million by

Korea, \$5 million by **Spain**, and \$7.5 million by **Switzerland**, while the **United States** pledged \$10 million for the *JuntosEsMejor / BetterTogetherChallenge* (see page 30).

Resources will support inclusive national development investments, regional projects including capacity building activities, research, and innovative solutions. Funds will also help receiving countries improve access to services including registration and documentation, social protection for the most vulnerable, health, education, housing, water and sanitation, and economic opportunities.

The UN, national and local governments, and civil society organizations are already providing immediate humanitarian aid to these communities. Thanks to the support of its partners, the IDB will work to address the mid- and longer-term needs of migrants and their host communities.

Over time, migrants can make communities more dynamic and prosperous. However, if not adequately managed in the short term, migration inflows can strain public services and fiscal budgets, impact labor markets, and generate social and political tensions.

Through Operation Preparation, Switzerland and the IDB Boost Employability and Improve Water and Sanitation in Colombia with Initial Spanish Support

While Colombia has made great strides in reducing poverty and inequality in recent decades, many workers still struggle to find employment in the formal job market. Structural unemployment rates are among the highest in the region and informality is prevalent: approximately two-thirds of workers do not contribute to social security and almost half earn less than the minimum wage. In particular, vulnerable populations such as women and migrants are less able to access quality jobs, and the surge in migration from Venezuela poses additional challenges, with 1.6 million Venezuelan migrants and 500,000 Colombian returnees entering from Venezuela in recent years.

Accordingly, **Switzerland's State Secretariat for Economic Affairs** and the IDB set out to improve access to and the quality of jobs in Colombia through a \$25 million program, which is part of the IDB's \$1 billion *Migration Initiative*. The program seeks to address the leading constraints to employability — skills deficits, limited recognition and certification of skills, and a lack of information among job seekers and recruiters — through measures including enhanced employment services, job training, and competency-based certification. It is financed by a \$20 million IDB loan and \$5 million in grant financing provided in equal parts by Switzerland and the IDB. The **Government of Spain**, through the IDB-managed *Spanish Cooperation General Fund*, provided \$250,000 to support program preparation.

Switzerland is also committed to supporting the IDB's work on water and sanitation in La Guajira, Colombia, where water resources are scarce and infrastructure is inadequate. The arrival of migrants in large numbers in a short period of time has spiked demand and increased illegal connections to the water system, presenting risks to community health and resource sustainability. To address these challenges, an IDB loan operation for \$62.5 million targeting the cities of Fonseca and Riohacha will be complemented by a \$5 million grant from the **Swiss Agency for Development and Cooperation** and \$7.5 million from the IDB's GRF. The **Government of Spain** provided \$400,000 to support program preparation.

“Latin American and Caribbean countries, and Colombia in particular, have shown an unparalleled, heartwarming spirit of solidarity, which stimulated Switzerland to partner with the IDB to provide tangible support to the major inclusive development challenge that sudden and large migration represents to their host communities. Migrants can also provide important contributions, such as remittances, know-how, investments, and trade in support of their countries of origin.”

Ambassador Raymund Furrer, Governor for Switzerland to the Inter-American Development Bank



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Germany to Boost Health Services for Displaced Venezuelans in Colombia

Only 11 percent of Venezuelan migrants are registered in Colombia's social security system, which grants citizens access to healthcare. This is problematic considering the troubled healthcare system many migrants (including pregnant women, young children, and those with chronic conditions) left behind in Venezuela. At the same time, Venezuelan nationals benefited from nearly 4 million health services between March 2017 and August 2019, and too many were provided costly emergency room services rather than preventative and regular care.

To address this challenge, the IDB is preparing a \$162.5 million loan operation to increase migrant affiliation in the social service system. The operation will provide approximately 200,000 Venezuelans with health system affiliation and insurance for three years. This will be complemented by a critical initial commitment of \$2 million from the **German Federal Ministry for Economic Cooperation and Development (BMZ)**, which will also ensure access to health services to vulnerable migrant populations including pregnant women and children that cannot be affiliated with the health system in the short term.

With the EU and Korea, Improving the Lives of Migrants in Cities

Economic and educational opportunities that improve lives have long drawn migrants to urban areas. But due to limited financial resources and governance mechanisms at the local level, migrants are often concentrated in communities with pre-existing gaps in social and urban services and housing, which can deepen existing segregation patterns and create social tensions. According to estimates based on Colombia's Great Integrated Household Survey, 31 percent of migrant households from Venezuela experienced housing deficits, a percentage that increases to 37 percent when considering those who entered Colombia since 2017.

In response, the **European Commission** is helping address migration-related challenges in urban areas through an \$11.5 million grant.

The funds will develop strategies for financing an integrated migrant assistance model and Apprenticeship Programs (known as *Escuelas Taller*) intended to expand migrants' access to skills training programs. The grant will also support a pilot rental housing assistance program and entrepreneurship coaching for vulnerable young people.

Meanwhile, given its expertise in urban development, **Korea** is contributing both financial resources and experience to this effort, with a \$4 million grant to finance municipal master plans for housing and urban planning, feasibility studies for public utilities and innovative housing, and capacity building activities.



Japan Provides Multisector Support to the Migration Agenda

The **Government of Japan** committed up to \$5 million in technical resources to be used toward migration projects, including support for the highly vulnerable Venezuelan population in Villa Caracas, Barranquilla, as well as for engineering and feasibility studies to implement water and sanitation interventions in key border towns in Ecuador and Peru. The resources will also enhance migrants' employability through training in creative industries.

With Help from Spain, Upgrading Social Protection and Public Services for Migrants and Host Communities

Through the *Spanish General Cooperation Fund*, **Spain** has contributed \$5 million to support the IDB's *Migration Initiative* with the planning, preparation, structuring, and implementation of investment operations. Thanks to these resources, five projects have already been approved. The first has supported the education sector in Costa Rica with \$225,000. The second, alongside with Switzerland, has endorsed the development of an employability project in Colombia with \$250,000. A third operation is contributing \$400,000 to design and engineering studies on water and sanitation in La Guajira, Colombia. A fourth is helping Ecuador improve migrant and host communities' access to social, health, and education services with \$450,000. And lastly, a fifth operation for \$300,000 has enabled the IDB to set up an online, tutored capacity building program for public servants, which has already delivered three editions. In this effort, a strong partnership has been developed with the **Spanish Public Sector Foundation (FIAPP)**.

Teaming Up with MDBs to Tackle Migration

The IDB has become a member of the *MDB Platform on Economic Migration and Forced Displacement*, alongside the **African Development Bank**, the **Asian Development Bank**, the **European Bank for Reconstruction and Development**, the **European Investment Bank**, the **Islamic Development Bank** and the **World Bank Group**. Launched in 2018, this platform aims to enhance global cooperation to address challenges posed by migration and forced displacement, in order to achieve inclusive and sustainable development.

The platform also provides members a mechanism to engage with the global migration community. In December 2019, the IDB participated in the inaugural *Global Refugee Forum* co-hosted by **Switzerland** and the **United Nations High Commission for Refugees**, during which 840 pledges to improve the lives of refugees and migrants were made by states, international organizations, and other stakeholders.

As part of the Platform's working group on knowledge, evidence, and data, the IDB developed an online community of practice which serves as a space to share ideas, lessons learned, research, event information, and identify operational synergies.



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Mobilizing Businesses to Action on Migration

While the IDB and its public sector partners rapidly answered the call to address migration-related challenges, the Bank also engaged with the private sector, teaming up with the **Tent Partnership for Refugees** to mobilize businesses as a means of advancing the economic integration of refugees. The collaboration resulted in the first-ever *Latin American Business Summit on Refugees*, at which 22 companies including **Accenture**, **Airbnb**, **Mastercard**, and **Telefónica** announced commitments that

will generate more than 4,500 new jobs for refugees, support for 2,000 refugee-owned businesses, and improved access to services for an additional 110,000. The event was co-hosted by the IDB and Tent on the margins of the *United Nations General Assembly*. The initiative comes as new research by Tent revealed that, though their immediate needs are being met, Venezuelan refugees face barriers to economic integration in host countries.

"I recently traveled to Colombia to see with my own eyes and hear with my own ears from the Venezuelans refugees in the country. And what I discovered only reinforced what I've found all across the globe: refugee passion and perseverance is just waiting to be unlocked. When given the chance, refugees will make your companies stronger, smarter and faster. But it's up to us to open the door and provide the opportunity for human dignity."

Hamdi Ulukaya, Founder of the Tent Partnership for Refugees and CEO of Chobani



Tent was founded by Hamdi Ulukaya. As founder and CEO of **Chobani**, and an active donor to humanitarian organizations, Mr. Ulukaya launched Tent because he believes the private sector is uniquely positioned to address the refugee crisis by mobilizing the networks, resources, innovation, and entrepreneurial spirit of the business community.

USAID and IDB Crowdsource Innovative Responses to Venezuelan Refugee Crisis

Complementing the IDB's *Migration Initiative*, the IDB joined with the **U.S. Agency for International Development (USAID)** to launch the *JuntosEsMejor / BetterTogether Challenge*. With a \$10 million commitment from USAID, this global initiative seeks to identify, finance, and scale innovative solutions that support Venezuelan migrants and host communities across LAC's nine largest recipient countries. The initiative's solutions marketplace has already received hundreds of ideas to address the migration crisis, thanks in large part to its expansive partnership network. The platform also gathers local resources and knowledge and

builds a market for effective solutions to support Venezuelans and their host communities. It is open for submissions on a rolling basis.


The initiative is conducting co-creation workshops throughout the region to work closely with migrants, local communities, entrepreneurs, and the public and private sectors to build the necessary skills and networks, as well as promote social cohesion while advancing solutions to improve access to essential goods and services and provide job opportunities.

The JuntosEsMejor / BetterTogether Challenge is open, seeking to crowdsource solutions from anywhere in the world that support Venezuelans and host communities affected by migration. Apply now at <https://juntosesmejorve.org/get-involved>



With IE Business School, Exploring Global Solutions for Migration

The IDB has once again partnered with Spain's **IE Business School** on a capstone project designed to fill a critical knowledge gap. Building off a 2018 project in which students studied blended finance and its implications for LAC, in 2019 a team of graduate students from the Master of International Relations program assessed the world's most innovative solutions to migration-related challenges. The work was conducted in close collaboration with IE faculty and IDB experts and presented to a team of specialists working on this issue.



Who are the migrants?

A report by **USAID** and the IDB answers this question, telling the stories of migrants from El Salvador, Guatemala, and Honduras. The report draws on interviews with nearly 2,000 migrants aged 18 or older who migrated to the United States in the past 10 years. It analyzes the push and pull factors behind migration and offers data to support the design of public policies in countries of origin to stem migration and retain human capital.

Telefónica Uses Technology to Power Focused Social Solutions to Assist Migrants

A critical aspect in the design of migrant inclusion programs is knowing where exactly to intervene. However, the speed and scale of intraregional migration have made it difficult to find credible, up-to-date, granular records on the geographic location of migrants.

To fill this information gap, in 2019 the IDB partnered with **Telefónica** to prepare a multisector social protection, health, and education project in Ecuador, where Venezuelan migrants are scattered across the territory. In this effort, Telefónica provided geo-referenced, anonymized digital activity data gleaned from mobile phone connections and created an interactive heat map tool where geographic sectors are colored according to the density of residents from Venezuela. Using this information, host communities can be better served by social services through measures including the staffing of health care facilities, the deployment of home schooling in highly excluded communities, and the establishment of shelters for the vulnerable known as *Casas de Paso*. To date, this tool has enabled the IDB and the Ecuadorian government to locate migrant settlements and analyze mobility trends, helping to identify ten beneficiary cities.

Mastercard: Harnessing Information to Improve Lives in Migrant Host Communities

In 2019, **Mastercard** and the IDB began collaborating to improve the lives of migrants and their host communities in Latin America and the Caribbean. This new effort harnesses the technical capabilities of Mastercard's Tling Platform, an app that works with **Microsoft's** Kaizala group messaging platform, to collect information and assess living conditions in communities where migrants settle.

Tling uses an incentive-based model that rewards users financially for providing relevant information through survey responses, geo-referenced pictures, or quality of life assessments. This, in turn, informs IDB efforts to support the sustainable inclusion of migrants across the region. Announced at the *Latin American Business Summit on Refugees*, a pilot project in the Colombian cities of Fonseca and Ríoacha (La Guajira) is assessing Tling's viability as a tool to quickly capture quantitative and qualitative information about water and sanitation conditions faced by migrants and vulnerable local populations.

Continuing to Mainstream Gender and Climate

In its quest to advance sustainable development, the IDB has long placed the topics of climate change and gender and diversity at the center of its development agenda, recognizing their cross-cutting nature and the potential of effective interventions in these areas to deliver positive benefits across sectors. For instance, evidence suggests that achieving gender parity in the workforce could increase GDP by more than 30 percent. And at the same time, addressing climate change and conserving LAC's unparalleled natural bounty can generate global food security, unlock substantial clean energy investment opportunities, and much more.

Given their potential for catalytic progress, the IDB has worked for years to mainstream these topics



“The IDB Group and Canada have a solid track record of climate action. The projects in which C2F has invested have abated more than 740,000 tons of CO₂ annually through 24 projects and have prioritized the empowerment of women and girls in the region. With C2F Phase II, we will continue to catalyze private capital towards low carbon and climate resilient investments with a gender inclusive perspective.”

James P. Scriven, Chief Executive Officer, IDB Invest

Sharpening the Gender Focus of an Impactful Climate Partnership

Canada and IDB Invest raise the stakes on gender inclusiveness while leveraging up to \$1 billion in private sector investments.

The fact that developing countries are disproportionately affected by climate change — and that women and girls are often most impacted by its destabilizing effects — has long motivated the IDB Group and the **Government of Canada** to help at-risk communities build resilience and invest in a low-carbon future.

In 2019, the partners ramped up that commitment with a new investment of CAD223.5 million from Canada to initiate the second phase of the *Canadian Climate Fund for the Private Sector of the Americas (C2F)*, which

was established in 2012 to help countries adapt to and mitigate against the effects of climate change.

The initiative is expected to leverage up to \$1 billion in private investments in renewable energy and sustainable agriculture and forestry to help the most vulnerable in the region, especially women and girls, better prepare for and adapt to climate change. It seeks to ensure that all are considered and empowered in the climate actions that will help countries deliver on the ambition of the Paris Climate Agreement.

“This initiative will leverage the kind of private sector investments that will be critical to helping developing countries build climate-resilient economies. By including women and girls, Canada is ensuring that all are considered and empowered in the climate actions and solutions that will help countries deliver on the ambition of the Paris Agreement.”

Catherine McKenna, Minister of Environment and Climate Change, Canada

Sweden: A Growing Partnership

Thanks to the ongoing commitment of **Sweden's Ministry of Foreign Affairs**, in 2019 the IDB and the **Government of Sweden** effectively expanded their partnership to further address the critical priorities of climate change and gender and diversity in the region.

In the climate space, Sweden has contributed \$1 million to the IDB's *NDC Accelerator Multi-Donor Trust Fund*, which fast-tracks bankable projects that help countries achieve their nationally determined contributions (NDCs) under the Paris Climate Agreement. The fund is also supported by **the Netherlands** and the **Nordic Development Fund**. Sweden is also helping the IDB Group test how "green procurement" can advance the region's climate action agenda. This funding can be used to strengthen the capacity of companies and governments to translate climate goals into investment portfolios, pilot assessments for sustainability projects and planning, facilitate the identification and preparation of investment portfolios, promote sustainable procurement, and support detailed engineering designs to increase the bankability of infrastructure investments.

In addition, Sweden contributed \$1 million to *Proadapt*, a technical cooperation project, seeking to reduce carbon emissions and build resilience through smart sustainable procurement practices. Specifically, the effort will present empirical findings on this topic, provide guidance to industry and governments on how procurement policies can reduce carbon emissions, and pilot the development of a "Carbon Calculator" tool that helps companies and governments find effective ways to reduce emissions.

Finally, expanding its support to gender and diversity efforts in the region, between 2017 and 2019 Sweden contributed a total amount of \$900,000 to the IDB's *Gender and Diversity Multi-Donor Trust Fund*. The fund provides grant financing to activities that advance gender equality, reduce discrimination, and support equitable development in the Bank's 26 borrowing member countries. Women and men affected by gender-based inequalities, indigenous peoples, and Afro-descendant communities are the three main target populations served by the fund. Priority areas have been identified within each target population, with a special focus on intersecting areas to address the multi-faceted dimensions of exclusion combining gender, ethnicity, and race.

Sweden is joined by the **Governments of Austria, Canada, Denmark, Norway, and the United Kingdom** in its support of the *Gender and Diversity Multi-donor Trust Fund*, which seeks to advance equitable and culturally appropriate development by fostering gender equality, combating discrimination, and supporting development with identity.

The *NDC Accelerator Multi-Donor Trust Fund* ensures projects are planned, designed, and executed to be sustainable — in terms of low-carbon emissions and climate resilience. The fund is supported by **the Netherlands, Sweden, and the Nordic Development Fund**, and it is a component of the IDB Group's *NDC Invest* platform, which offers financial solutions and technical support to generate prosperous, resilient, and carbon neutral economies by 2050.

In 2019, **Sweden** formalized its support to the IDB Group's renewed innovation laboratory. This support will enable IDB Lab to continue fulfilling its mission of mobilizing financing, knowledge, and connections to catalyze innovation for inclusion, in particular by supporting, testing, and piloting new solutions and creating opportunities for poor and vulnerable populations.



A Major Boost for LAC's Women-led Businesses from a Global Initiative

In 2019, the IDB's *Women Entrepreneurs for LAC (WeForLac)* program, which will aim to enhance women's access to finance, markets, skills, and networks in the region, received more than \$24 million from the **Women Entrepreneurs Finance Initiative (We-Fi)**, a multi-donor partnership founded at the 2017 *G20 Summit* to address obstacles facing women entrepreneurs through comprehensive, sustainable solutions. With this support, the *WeForLac* program is expected to reach more than 19,000 women, with a focus on underserved communities in Brazil, Colombia, El Salvador, Guatemala, Honduras, Mexico, and Peru.

We-Fi's founding contributors include:

- **Australia**
- **Canada**
- **China**
- **Denmark**
- **Germany**
- **Japan**
- **Korea**
- **the Netherlands**
- **Norway**
- **Russia**
- **Saudi Arabia**
- **United Arab Emirates**
- **United Kingdom**
- **United States**



With MDB Allies, Raising the Stakes in the Fight Against Climate Change

On the margins of the *Climate Action Summit*, nine multilateral development banks (MDBs) pledged to increase annual climate investments to \$175 billion by 2025. The statement was released by the IDB Group along with the **Asian Development Bank**, the **African Development Bank Group**, the **Asian Infrastructure Investment Bank**, the **European Bank for Reconstruction and Development**, the **European Investment Bank**, the **Islamic Development Bank**, the **New Development Bank**, and the **World Bank Group**. It builds on the momentum of a record year for climate financing in 2018, when MDB climate funding and co-financing in developing countries and emerging economies reached \$111 billion.



WEF and the IDB: Generating Results

By the end of 2019, more than 200 companies throughout LAC had joined IPGs, one-third of which created company-level action plans on gender parity. In Chile, childcare coverage was expanded and lactation rooms in private companies became a legal requirement. In Argentina, a gender parity certification program for private companies was established, while Panama saw two laws passed related to gender wage gaps and women's participation in executive positions at public companies. Finally, to support commitments initiated by these IPGs, the IDB's first policy-based loans on gender were approved in Argentina and Panama.

Alongside WEF, Stimulating Partnerships to Advance Gender Equality

Estimates suggest that closing the economic gender gap could increase global GDP by \$28 trillion by 2025. Yet while more women are entering the workforce across Latin America, the United Nations reveals the gap between women's labor participation versus that of men still amounts to more than 25 percent, while women's earnings are roughly 17 percent below those of men of the same age, education, and economic status.

To remedy this problem, in 2016 the **World Economic Forum (WEF)** and the IDB joined forces to create the *Gender Parity Taskforces (IPG)*, which are accelerators that promote public-private partnerships to advance women's economic empowerment. Intended to increase the participation of women in the labor force, reduce gender wage gaps, and boost the participation of women in leadership positions, IPGs are led by government and business representatives who ensure progress and facilitate knowledge exchange between countries and companies.

Between 2017 and 2019, this effort reached Argentina, Chile, Costa Rica, the Dominican Republic, and Panama, finally touching down in Colombia last year. Launched in partnership with the **Colombian Ministry of Labor** and **Grupo Éxito**, this newest IPG will address barriers faced by women in the labor market while working to prevent discrimination and gender stereotypes at work and in the media.

Despite progress made in recent decades, Colombian women remain at a disadvantage in the labor market. Their workforce participation is 27 percent below that of men, their rate of unemployment is 71 percent higher, and their wages are 17 percent lower.

IndexAmericas: Building a Bridge Between SDG Investing and Corporate Sustainability

The IDB's holistic approach to financing the Sustainable Development Goals puts special emphasis on mobilizing all actors, especially private sector entities. And in recent years, the Bank has focused specifically on helping companies and investors, which have traditionally focused on profit, integrate an SDG focus into their operations. With investors, the IDB has explored innovative financing instruments that minimize risks and facilitate investment in LAC. And with companies, the IDB has designed projects that align social and environmental wellbeing with their core business.

IndexAmericas was created by the IDB and its private sector entity IDB Invest in partnership with S-Network Global Indexes. The initiative is powered by data from Refinitiv and it receives academic support from the Earth Institute at Columbia University.

As part of this two-pronged effort to inspire private sector SDG action, in 2017 *IndexAmericas* emerged as an initiative that bridges the worlds of investing and corporate sustainability. A corporate sustainability index that recognizes the performance of publicly traded companies operating in LAC, *IndexAmericas* takes its analysis beyond the traditional framework of environmental, social, and corporate governance (ESG) indicators and assesses a fourth component as well: the contribution of companies to the region's sustainable development.

To date, the initiative has developed multiple editions of a *Top 100 Index*, which showcases global companies operating in LAC that demonstrate leadership across the four components. It has also published several iterations of a *Multilatinas Index*, which assesses the performance of LAC-based companies along these same lines, as well as an index recognizing corporate leaders on gender equity.

With BNP Paribas, Taking *IndexAmericas* to Market

One of the most exciting partnership achievements of 2019 was the establishment of a collaboration between **BNP Paribas** and the IDB to create a new sustainable development bond linked to *IndexAmericas*.

2019: An Active Year for *IndexAmericas*

The latest editions of the *Top 100* and *Multilatinas Index* were not the only achievements for *IndexAmericas* in 2019.

In addition, *IndexAmericas'* methodology again served as the basis for the *Latin Trade IndexAmericas Sustainability Awards*, presented by the media outlet **Latin Trade** to corporate sustainability pioneers. Now in their second year, the 2019 awards were delivered at an event at the Colombian embassy in Washington.

In line with its focus on generating knowledge, the IDB and IDB Invest designed and delivered the *Sustainable Capital Markets Training* in Seoul, Korea as an extension of *IndexAmericas*. Organized in collaboration with the **Korea Exchange (KRX)**, this high-level program sought to expand the skillsets of sustainability leaders and participants in LAC's capital markets, who attended a week-long series of lectures and shared experiences on ESG investment, evaluation, indices development, sustainability, and corporate transparency.

As part of the push to integrate sustainability into LAC's capital markets, the IDB has worked with stock exchanges across the region to use the *IndexAmericas* methodology as a foundation for national-level corporate sustainability indexes. These conversations build off the work done in 2018 with the Argentine stock exchange, **Bolsas y Mercados Argentinos (BYMA)** to develop its own index based on *IndexAmericas*.



Given its recognition as a landmark corporate sustainability initiative, *IndexAmericas* was featured as a case study in a new leading book on the topic, *The Financial Ecosystem: The Role of Finance in Achieving Sustainability*, published by Palgrave Studies in Impact Finance.

In 2019, *IndexAmericas* was hailed as the IDB's most innovative corporate project in an internal competition which assessed initiatives on their collaborative nature, the knowledge they helped generate, and their level of innovativeness.

As part of its collaboration with **S-Network Global Indexes**, the IDB again participated as a knowledge partner in the *Summer in the City Annual CSR Investing Summit*, supporting the development of the "Aligning the UN SDGs with Impact Investing" panel, which explored how investment managers are seeking alignment with the 2030 Agenda.

IndexAmericas

First sustainability index created by a multilateral development bank.

First index in LAC to add a fourth component on sustainable development to ESG analyses.

First corporate sustainability index in LAC to achieve full alignment with the SDGs.

First IDB knowledge product, developed using a unique and proprietary IDB Group methodology, to be transformed into a revenue-generating financial product.

Infrastructure

Growth in Latin America and the Caribbean has been sharply impacted by struggles to invest in quality infrastructure. Factoring in current levels of financing, the region's infrastructure investment gap is around 2.5 percent of GDP, or around \$150 billion per year, with estimates that this underinvestment could lead to more than \$900 billion in foregone growth over the next decade if it is not resolved.

In addition to missed opportunities, the infrastructure choices made today will determine how equitable, resilient, and environmentally sustainable the region's societies will be in the future. This means that in addition to financing infrastructure, LAC must ensure projects reduce carbon emissions and are climate-resilient while delivering improvements that reduce poverty and inequality.

The IDB works with partners to attract financing and knowledge that will narrow LAC's infrastructure gap and provide the basis for economically vibrant and environmentally resilient communities.

Big Numbers: US DFC and IDB Invest Pledge to Catalyze Billions in the Region's Development

As part of the IDB Group's longstanding partnership with the **Government of the United States**, in 2019 IDB Invest and the **Overseas Private Investment Corporation (OPIC)**, now known as the **U.S. International Development Finance Corporation (DFC)**, pledged to invest a combined \$3 billion in development projects in LAC over five years, with the option of increasing investment to \$5 billion. The partners also aim to match this by mobilizing between \$6 billion and \$10 billion in private investments.

The new agreement, signed at the IDB's 60th anniversary celebration, is a key element of joint efforts to catalyze financing by leveraging the partners' collective resources to conduct

business development, due diligence, and ongoing project monitoring. Both institutions will also explore providing clients with a variety of solutions beyond senior debt, including mezzanine financing and equity.

Within this collaboration, IDB Invest and OPIC will focus on the infrastructure sector, namely in the areas of transport, energy, water and sanitation, and social infrastructure. They will also prioritize investment in businesses and funds owned or led by women or providing a product or service that empowers women. This gender focus builds upon the *Fund Mujer* initiative launched by the partners in 2018.

The new agreement accompanies a milestone in United States development finance as OPIC underwent a transition to become the **DFC**, which will have more resources to better mobilize private capital to the developing world and to expand its flexibility to collaborate with like-minded counterparts like IDB Invest.

"Meeting the vast development needs of Latin America and the Caribbean will require innovative thinking and strategies. By leveraging our toolkit and the regional expertise of IDB Invest, we can scale our impact and promote a private sector-led model that promises greater prosperity and stability throughout this critical region."

David Bohigian, Former Acting President and CEO, OPIC (now known as DFC)



The pledge was captured in a Memorandum of Understanding signed by Luis Alberto Moreno, IDB President and Chairman of the Board of IDB Invest, and David Bohigian, Former Acting President CEO of OPIC (now known as DFC).

Women-owned micro, small and medium-sized enterprises worldwide face a \$1.7 trillion shortfall in access to finance. In LAC, the region with the best gender parity in early-stage entrepreneurship, the business opportunity could reach more than \$98 billion.

Colombia and the United States Join with the IDB to Empower Women

While small and medium-sized enterprises make up a majority of the private sector in Latin America, these businesses — particularly those owned by women — face steep barriers to accessing credit. In 2019, IDB President Luis Alberto Moreno set out to address this challenge alongside David Bohigian, Former Acting President and CEO of **OPIC** (now known as **DFC**), Ivanka Trump, Advisor to the President of the **United States**, and Ivan Duque, President of **Colombia**. Together, these leaders announced Letters of Intent to provide financing to *MAS Equity Fund IV* and *Altra Fund III*, two Colombian private sector investment funds that will apply a gender lens to their investments.

These were among the first commitments made under *Fund Mujer*, an alliance launched by DFC and IDB Invest to advance gender-focused investment strategies. *Fund Mujer* aims to narrow the gender credit gap by directing investments toward female entrepreneurs, companies with a significant share of women leaders, and firms that generate jobs or consumer products for women.

Announced at the 2018 Women 20 (W20) Summit in Buenos Aires, *Fund Mujer* will also seek to ensure that its investments enhance women's economic participation and success.

Fund Mujer represents the first gender-lens fund in the LAC region. It is a key component of the **United States' 2X Women's Initiative**, which supports investment in businesses and funds owned or led by women, or providing products or services that empower women.

Stepping Up SDG Investments with the European Commission

In 2019, the **European Commission (EC)** and the IDB continued strengthening their partnership, this time in reinvigorated alignment with the Sustainable Development Goals. Notably, the Bank financed half of its *Caribbean Investment Facility (CIF)* portfolio and participated in almost half of its *Latin American Investment Facility (LAIF)* projects.

Infrastructure was a key focus of this financing, with grants from both facilities channeled to transportation, water and sanitation, and social infrastructure projects. One effort in Haiti will use a €20 million grant to develop climate-resilient bridge standards in that country, while a project in Jamaica provided a €7 million grant to strengthen hospitals. At the same time, alongside other partners, these actors channeled a €10 million grant to improve water and sanitation in rural Ecuador. Notably, the EC and the IDB negotiated a new Financial Framework Partnership Agreement to boost grant mobilization as a means of unlocking private SDG financing, setting the stage for more ambitious partnerships into the future.

For the past two years, the **EC** has leveraged €850 million in loans from IDB and European financing institutions by supporting key IDB projects. Thanks to this partnership, each euro invested in the region by the EC will leverage another 8.5 euros in financing.

Korea and the IDB: A Landmark Partnership for Infrastructure Financing

In 2019, the **Government of Korea** remained a critical supporter of efforts to fill the infrastructure financing gap in Latin America and the Caribbean. Working through the *Korea Infrastructure Development Co-financing Facility for Latin America and the Caribbean* (KIF), the partners approved \$80 million in financing for infrastructure projects in the region.

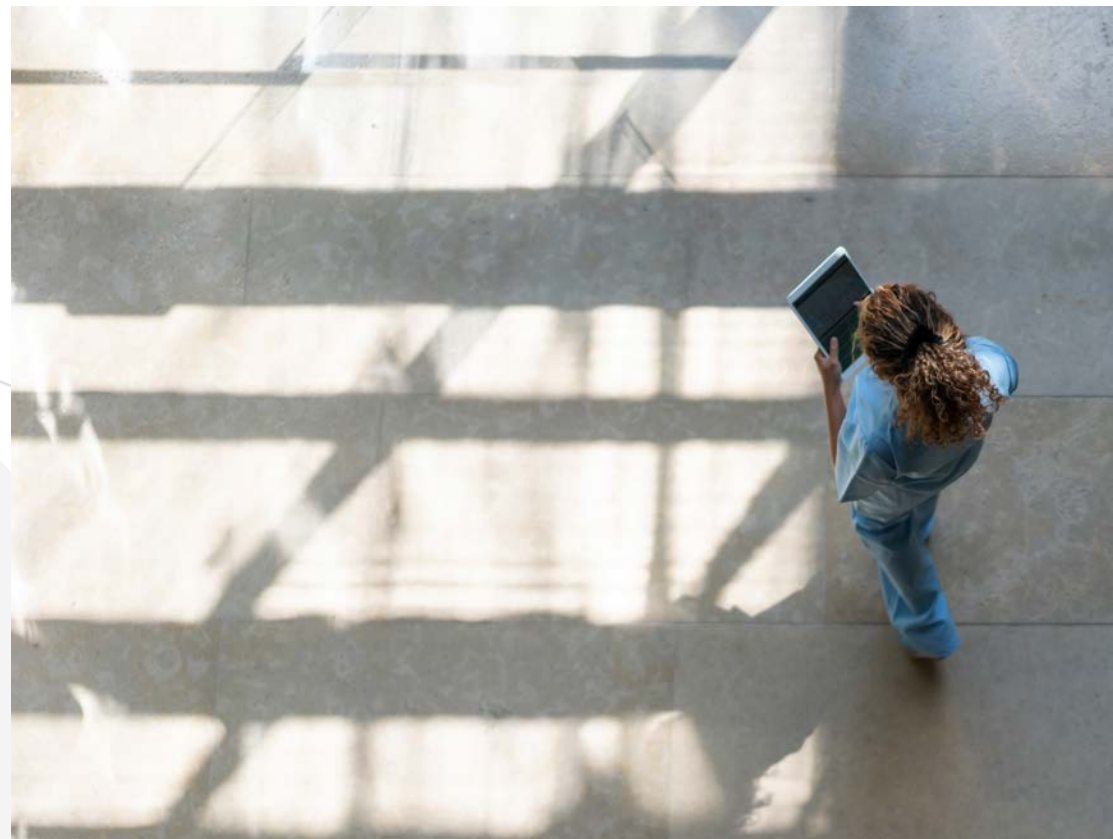
One noteworthy effort mobilized \$50 million in financing to rehabilitate roads considered crucial to agriculture in Paraguay, helping to improve and maintain the production corridors that help sustain the country's agro-industrial sector. A separate project channeled \$30 million in Korean funding to a water and sanitation effort in Honduras. Specifically, the program seeks to improve service delivery by enhancing sector governance and management with a view to achieving water security and confronting the impacts of climate change.

Created in 2015 with \$100 million in initial financing, Korea's **Ministry of Strategy and Finance** later quadrupled its size with an additional contribution of \$300 million. To date, the facility has financed seven projects for \$230 million across Nicaragua, Ecuador, Bolivia, Colombia, Honduras, and Paraguay, helping to make critical investments in broadband, water and sanitation, transport, clean energy, and other areas.

The four IDB-managed *Korean Trust Funds* — which include the *Korea Poverty Reduction Fund*, the *Knowledge Partnership Korea Fund for Technology and Innovation*, the *Public Capacity Building Fund*, and the *Korea Private Sector Innovation Fund* — remained an important platform for the **Korea-IDB** partnership in 2019. Over the years, they have mobilized more than \$208 million and supported 536 projects, making positive contributions to technology, innovation, poverty reduction, and public sector management in the region.

INFRALAC: Encouraging Public-Private Partnerships

Given their joint focus on financing infrastructure and advancing public-private partnerships in the region, the **Spanish Ministry of Economy and Digital Transformation**, in collaboration with **ICEX Spain Trade and Investment**, has joined forces with IDB Invest to launch the *INFRALAC Support Program for Regional Infrastructure and Public-Private Partnerships* in 2019. This ministry-funded program makes resources available to IDB Invest for the preparation of projects and partnerships in the transport, water and sanitation, energy, and social infrastructure sectors.



In China, Discussing Infrastructure Investment in LAC

The IDB has long worked with Chinese organizations to advance its infrastructure financing efforts. As such, in 2019 a key forum was organized to promote Chinese investment. Held in Macau as part of the *10th International Infrastructure Investment and Construction Forum*, the fifth edition of the *China-LAC Infrastructure Forum* brought together government officials, business leaders, and investors to discuss the challenges and opportunities for infrastructure investment in the region.



Advancing Sustainable Infrastructure with the United Kingdom

The *UK Sustainable Infrastructure Program (SIP)* created by the IDB and the **UK's Department for Business, Energy and Industrial Strategy (BEIS)** remained active in 2019, building off country dialogues held in the previous year to implement transformative projects and advance the IDB's sustainable infrastructure framework.

As an example, one effort financed studies to support renewable energy auctions in Colombia. The first study evaluated the risks of energy supply contracts and risk between buyers and sellers, providing recommendations to minimize these hazards. The second study evaluated opportunities to finance renewable energy in both the Colombian and international financial market, proposing new financial mechanisms to facilitate long-term funding and reduce the risks and costs incurred by project developers. These studies were considered essential to creating the competitive environment required of the energy auction process. And, as a result, they ensured the country's second auction in October was successful, facilitating 15-year power purchase agreements for seven electric generators for 1,300 megawatts of new wind and solar capacity by 2022.

In 2019, this initiative was also complemented by a separate technical cooperation that will transform Colombia's institutional energy sector framework to ensure its readiness to develop other renewable energy projects. The effort will also support the generation of wind energy in the country's north, which will help inform overall wind project planning and development.

The SIP was created in 2017 with £177 million in initial financing from the **United Kingdom** as well as resources from the IDB and IDB Invest. It seeks to provide blended finance through various instruments to fund sustainable, low-carbon infrastructure.

WATER AND SANITATION

The Latin American Water Funds Partnership: An Alliance Evolves to Meet New Challenges

In LAC, the inefficient use of water resources and the effects of climate change pose significant threats to water security. Over the last two decades, rainfall has decreased by nearly a third while the retreat of glaciers is expected to reduce water flows by 40 percent by the year 2050.

This situation calls for a coordinated response, as exemplified by strategic collaborations like the *Latin American Water Funds Partnership (LAWFP)*, which brings together the **FEMSA Foundation**, the **Global Environment Facility**, **Germany's International Climate Initiative (IKI)**, **The Nature Conservancy (TNC)**, and the IDB to enhance water security through the creation and strengthening of Water Funds.

A key achievement in 2019 was the launch of the Santiago-Maipo Water Fund in Chile. Announced in a press conference led by the Mayor of Santiago, TNC, and the IDB, this new fund will serve the Maipo River basin, an area that supplies water to more than one-third of Chile's population. It has received additional support from entities including **Adapt Chile**, **Aguas Andinas**, **Anglo American**, the **Association of Rural Municipalities (AMUR)**, the **Confederación de Canalistas de Chile**, the **National Federation of Health Services Cooperatives (FESAN)**, and **Nestlé**. Collaborative projects with **Conaf**, **Fundación Cultiva**, and **Coca-Cola Chile** complement this effort as well.

Notably, in 2019 the LAWFP was recognized by the **Partnering for Green Growth and the Global Goals 2030 (P4G) Initiative** as a recipient of its *State-of-the-Art Partnership Award* in the Clean Water and Sanitation category. Drawing from a global pool of contestants, the award celebrates innovative PPPs that are driving green growth and climate action while demonstrating measurable impact on the Sustainable Development Goals. The award ceremony was presided over by the First Lady of Colombia.

To date, the LAWFP has implemented the Water Funds model in 25 cities and is in the process of working with an additional 14 municipalities. In all cases, the LAWFP works with multisectoral groups to design solutions tailored to the unique challenges faced at the local level. With support from more than 570 partners, \$200 million in resources have been raised and leveraged by the Water Funds, with more than 24,000 families participating in upstream projects and more than 122,000 hectares conserved thus far.



In July, the 2019 *Water Funds Summit* was hosted by the LAWFP and **Agua Capital**, Mexico City's Water Fund. Over three days, the Summit presented state-of-the-art water security solutions and called on cities to address urgent challenges. It brought together 370 participants from 26 countries, as well as representatives from 28 Water Funds. The event live-stream generated more than a thousand connections, thanks in part to promotional support from **Cinepolis**, the musical artist **Emmanuel**, and the **ECOFILM Festival**.



LAWFP receives the 2019 State-of-the-Art Partnership Award for its contributions to SDG #6.

The **Korea-IDB** partnership has had a historic focus on knowledge sharing, with the ultimate goal of learning from Korea's development journey to accelerate progress in LAC. Accordingly, in 2019 the partners applied this knowledge focus to water and sanitation, organizing the *Korea-Latin America Environmental Cooperation Seminar* to foster Korea-LAC cooperation and discuss LAC's water and sewage systems and relevant Korean experiences. The event brought together 100 participants including officials from Colombia, the Dominican Republic, and Panama. Partners included the **Korea Environmental Industry and Technology Institute**, **Korea's Ministry of Environment**, and **Korea's Ministry of Land, Infrastructure and Transport**.

In Ecuador, European Partners Rally to Help Rural Communities

In line with its unrelenting focus on water and sanitation, in 2019 the IDB and key partners in Europe rallied to bring improved services to rural Ecuador. Targeting the area around the city of Portoviejo, the effort will expand and improve access to and management of these services. The project received €10 million in grant financing from the **European Commission**, co-financing from the **European Investment Bank** in the form of a \$60 million loan, and \$17 million in additional lending that would come from the **Spanish Agency for International Development Cooperation**.

Rewarding Innovation in Water and Sanitation

For a decade, **FEMSA Foundation** and the IDB have granted the *Water and Sanitation Award for Latin America and the Caribbean* to leading solutions in the sector. The year 2019 marked the award's 10th anniversary, and accordingly the partners created a special edition "All Star" category celebrating a prior winner that has generated the greatest impact, innovation, and progress since being awarded. Contestants were eligible for monetary prizes and participation in an innovation bootcamp for social entrepreneurs. Following a highly competitive process, judges selected nine finalists to compete in a "pitch by fire" event during the award ceremony in Panama City.

WATER AND SANITATION AWARD FOR LAC

- **All Star Winner — Eco Panplas (Brazil):** Technology that decontaminates and recycles plastic oil containers without using water or generating waste.
- **First Place Winner — Yakupura (Ecuador):** A domestic water purifying filter, created from activated vegetable charcoal, that attaches to kitchen faucets.
- **Second Place Winner — Acualight (Mexico):** A low-cost and easy-to-install system that limits water waste in showers by redirecting back to the cistern cold water discharged while users wait for it to heat up.
- **Third Place Winner — Freshwater Solutions (Chile):** Technology that generates purified water from the air by capturing environmental humidity.



Putting LAC Front and Center at World Water Week

As part of the IDB's partnership with the **Stockholm International Water Institute (SIWI)**, the Bank once again coordinated the "Focus on the Americas" session of SIWI's 2019 *World Water Week (WWW)* event.

As the event grows more successful each year, so does interest in the "Focus on the Americas" agenda. In 2019, 21 organizations joined with the IDB as co-conveners of LAC-focused events,

including **FEMSA Foundation, International Water Association, One Drop Foundation, PepsiCo Foundation, The Nature Conservancy,** and the **World Resources Institute**, among other organizations, as well as the governments of **Austria, Mexico, Spain, and Switzerland.**

In addition, in 2019 the IDB played the role of Key Collaborating Partner for the event along with **UN-Water** and the **Women for Water Partnership**. Together, they worked to reach new audiences, enrich discussions, and harness global knowledge to guide the debate. The IDB also collaborated with the **Scientific Program Committee** and other organizations on the development of two seminars.



AquaFund Shines at World Water Week

The IDB-managed *AquaFund* was prominently showcased at WWW. A launch event led by **PepsiCo Foundation** unveiled a publication financed by the fund, which demonstrates how the IDB and its partners are providing water and sanitation to rural dispersed areas. To complement this dialogue, the **Spanish Agency for International Development Cooperation** convened a session on best practices for reaching rural communities. At the request of **Switzerland's State Secretariat for Economic Affairs (SECO)**, a closed session was held with bilateral and multilateral donors to discuss

utilities' performance as part of SECO's efforts to enhance corporate governance. Finally, the partners closed out the event with a group interview that was disseminated through the **Stockholm International Water Institute's** global channels.

The *AquaFund* is a multi-donor trust fund which, over the years, has mobilized more than \$37.6 million from its partners the **Federal Ministry of Finance of Austria**, the **Spanish Agency for International Development Cooperation**, the **Swiss Agency for Development and Cooperation**, **Switzerland's State Secretariat For Economic Affairs**, and the **PepsiCo Foundation**.

Water resource management is a major challenge that impacts all productive sectors in LAC. To address it, the IDB created the *Hydro-BID Support Center* in 2017. With support from the **PepsiCo Foundation** and in line with SDG #6, the Center helps governments manage changes in water availability by applying the *Hydro-BID* modeling tool in arid and stressed areas, as well as by providing datasets, analytical tools, capacity building, project preparation support, educational resources, and more. By the end of 2019, the Center had reached 12 countries and benefited more than 33 million catalytic beneficiaries.

ENERGY

Innovative Energy Savings Insurance Policies Reach Colombia

A partnership between **BANCOLDEX** and the IDB, with critical support from the **Government of Denmark**, has helped Colombia become the first LAC country to issue energy saving insurance policies under the *Energy Savings Insurance Program (ESI)*. The effort benefits several small and medium-sized enterprises (SMEs) that have invested in energy efficiency and power generation projects, which range from replacing outdated boilers with modern solar thermal systems to installing new photovoltaic generation facilities. In all cases, ESI tools have been vital to build confidence in the project and to fill financing gaps by guaranteeing energy savings.

ESI is a regional initiative developed by the IDB and the **Danish Energy Agency** to promote investments in energy efficiency. Insurance covers the damages of not obtaining the promised energy savings and is one of the program's tools to mitigate investment risks, thereby enabling more companies to invest in more efficient technologies and improve productivity and environmental performance. ESI is also being implemented with Danish support in Brazil, Chile, El Salvador, and Peru, and with funding of other donors in Argentina, Nicaragua, and Paraguay.

Colombia is highly vulnerable to climate change, in part because of its intense dependency on water systems to generate energy. Today, 70 percent of its installed capacity is hydraulic, making it vulnerable to shifts in water supply caused by events like El Niño. As such, since 2016 the IDB has been working with the **Government of Colombia** to diversify the energy matrix through policy-based loans and support to the country's *Mission for Energy Transformation*. However, to take these efforts to the next level, the partners identified a need for an additional \$2-\$2.5 billion in financing, as well as a novel financing mechanism capable of mobilizing these resources.

To fill this gap, **Bancoldex** and the IDB joined forces to structure a novel credit facility of approximately \$1 billion to facilitate renewable energy financing. The facility will be a key element of Colombia-IDB efforts to guarantee more sustainable, efficient energy generation and build up Colombia's climate resilience. In an agreement signed at the *Colombian Conference on Infrastructure*, the partners also pledged to explore additional financing instruments capable of mobilizing investments, provide technical assistance to build up a project pipeline, and generate and share knowledge regarding the transformation of the energy matrix.



The IDB and the Danish Energy Agency collaborated on producing this video to promote the Energy Savings Insurance Program, which can be found on the website of the GFL Green Finance LAC Platform.

Driving Universal Access to Energy with *SEforAll*

The collaboration between the international organization **Sustainable Energy for All (SEforALL)** and the IDB has been revitalized with the signature of a new partnership agreement. Together, the partners will strive to guarantee universal access to modern energy services, double the global rate of energy efficiency improvements, and double the share of renewable energy in the global energy matrix.



Japan and the IDB Double Down on Energy Financing

In 2019, the IDB and the **Government of Japan** continued working through the *Co-financing for Renewable Energy and Energy Efficiency (CORE)* program to support renewable energy and energy efficiency projects, as well as quality infrastructure projects related to energy savings. Through CORE, the **Japan International Cooperation Agency (JICA)** channeled approximately \$120 million in financing to two efforts in the region. One of these strives to enhance energy efficiency in the Dominican Republic, while another extends the impacts of CORE to the water and sanitation sector in Paraguay. Originally created in 2012 with an initial target amount of \$300 million and a narrower geographic focus, the effort is now a \$3 billion partnership that works across the LAC region.

The IDB and the **Japan Bank for International Cooperation (JBIC)** in 2019 extended their collaboration to continue exploring parallel and joint co-financing opportunities for eligible borrowers at public, subnational, and private sector levels. Going forward, the partnership will prioritize projects with a favorable impact on preserving the global environment, especially as it relates to energy and climate change. In addition, in 2019 the JBIC-IDB partnership hosted a joint workshop on novel energy savings solutions tied to the SDGs.

Japan Channels \$5 Million to Quality Infrastructure Efforts

With a focus on addressing LAC's dire need for infrastructure investment, in 2019 **Japan's Ministry of Finance** replenished the *Japan Quality Infrastructure Initiative (JQI)* with a \$5 million contribution. As the IDB's first built-in grant mechanism for a co-financing arrangement, last year the JQI approved five projects totaling \$2.5 million to advance progress in sectors like energy and disaster prevention.

The JQI was launched in 2016 to promote quality infrastructure in the LAC region, with a focus on economic efficiency and lifecycle cost, safety, resilience against natural disasters, environmental and social safeguards, and knowledge transfer and capacity building.

Japan's single-donor trust funds were once again replenished in 2019, with **Japan** contributing \$7 million to the IDB-managed *Japan Special Fund (JSF)*. Dedicated to technical cooperation activities, JSF has been replenished annually by Japan for more than 30 years. In addition, in 2019 JSF approved nine projects for a total of \$7.3 million, including a disaster risk management project in Dominican Republic. At the same time, JSF's *Poverty Reduction Program (JPO)* approved five projects totaling \$4.7 million. Since 1988, the JSF — including the JPO and JQI — has financed 601 technical cooperation projects worth \$361 million across all IDB borrowing member countries.

In September, the **Japan International Cooperation Agency (JICA)** and the IDB hosted the *IDB-JICA Innovation Day* to explore further partnership opportunities, specifically related to fostering optimal solutions to infrastructure bottlenecks in the energy sector.

Diversifying the Caribbean's Energy Matrix

Alongside the **Caribbean Development Bank**, the **Government of Italy**, and the world's largest international climate funds, in 2019 the *Sustainable Energy Facility for the Eastern Caribbean (SEF)* continued working to reduce the dependency of Eastern Caribbean countries on fossil fuels by diversifying their energy matrixes and developing geothermal energy. Concrete accomplishments last year included the implementation of a geothermal exploration campaign in St. Vincent and Grenadines, which is expected to facilitate the installation of approximately 10 megawatts of power generation capacity, as well as a new analysis into the feasibility of geothermal projects in St. Kitts and Nevis and Grenada. In addition, the program financed the rebuilding of a key transmission line in Dominica, following its destruction by Hurricane Maria in 2016, thereby allowing for the flow of power from the geothermal plant currently under construction to centers of consumption. Importantly, the SEF was recognized as the best geothermal facility in LAC at the 2019 *GEOLAC* event.

The SEF is a \$157.1 million facility supported by the IDB, the **Caribbean Development Bank**, the **Climate Investment Funds**, the **Green Climate Fund**, the **Global Environment Facility**, and the **Government of Italy**. It provides an array of innovative financial instruments to de-risk geothermal development and facilitate the establishment of PPPs.

TRANSPORT



Infrastructure

In Haiti, Boosting Disaster Recovery and Resilience

As part of their ongoing commitment to Haiti's development, in 2019 the **European Investment Bank (EIB)** and the IDB signed a first-of-its-kind agreement formalizing joint efforts to reinforce the country's resilience to climate change and natural disasters.

The agreement will enable the EIB to participate in the financing of important post-hurricane reconstruction needs, which includes the construction of bridges that can better withstand extreme weather and earthquakes. It is part of the IDB's broader *Transport and Departmental Connectivity Program*, which aims to further improve the quality, accessibility, and safety conditions of transportation in Haiti through an increase in paved road coverage and the rehabilitation and upgrading of infrastructure.

This greater cooperation is fully in line with the *Addis Ababa Action Agenda* and the *Accra Action Agenda*, which strive to enhance the implementation of the *Paris Declaration on Aid Effectiveness* through improved coordination within the international development community.

"I am very pleased to sign this enhanced collaboration agreement with IDB. This will pave the way for deeper cooperation on post-disaster and climate resilient public infrastructure in Haiti."

*Emma Navarro, Vice President,
European Investment Bank*

Thanks to IDB Partners, Bogota to Have Largest Fleet of Electric Buses in Latin America

Imagine this: you are at the bus stop, expecting your traditional mode of transportation — an old, noisy bus like those used by commuters across LAC. Instead, you are greeted by an electric bus, replete with WiFi, USB ports, and access for people with disabilities. This improved commute will soon be in reach for Bogota's citizens as the city becomes home to the largest fleet of electric buses in the region.

This regionwide milestone was achieved through collaborative support for the *TransMilenio Program*, Bogota's renowned bus system. Specifically, the IDB and its partners helped Bogota introduce the first 379 electric buses into its transportation system, while helping to improve its financial structure and public transit framework. An innovative aspect of this achievement is that it is a result of private procurement. This was made possible by the IDB-managed *NDC Pipeline Accelerator Fund* and its partners **the Netherlands**, the **Nordic Development Fund**, and **Sweden**, as well as the **United Kingdom** and the *Sustainable Infrastructure Program* it established with the IDB in 2017.



In 2019, the **Korea Airports Cooperation (KAC)**, the only multi-airport operator in Korea, formalized its first partnership with the IDB. The collaboration will promote knowledge exchange between KAC and the Bank, while exploring opportunities for the development of air transportation in the region.

In a new agreement, the **Ministry of Land, Infrastructure and Transport of Korea** and the IDB pledged to further their collaboration to develop knowledge products and services, while sharing information regarding the planning and implementation of transport, housing, urban development, and infrastructure initiatives. They will also focus on developing feasibility studies and exploring investment opportunities.

In working to mobilize private capital for the SDGs, the IDB has found that investors often cite a limited project pipeline as a leading obstacle to investing in LAC. To remedy this situation, the Bank has been working with partners to build up this pipeline and ensure the feasibility and bankability of operations. In this spirit, the IDB is collaborating with the **Global Infrastructure Facility (GIF)**, a partnership between governments, multilateral development banks, and private investors that helps governments bring well-structured, bankable infrastructure projects to market. In 2019, the GIF committed more than \$2 million to help the IDB enhance public transport in Brazil. Specifically, this grant will support the State of São Paulo in structuring a public-private partnership to create the first regional train from São Paulo to Campinas.

The **International Civil Aviation Organization (ICAO)**, a specialized agency of the **United Nations**, has joined forces with the IDB to help LAC countries implement ICAO standards for aviation. Together, the partners will work through projects, technical assistance, and knowledge creation to help the region respond to growing demand in the aviation sector, while developing a modern, efficient, reliable, and safe air transport industry. By working with ICAO, the IDB gains access to a global network of aviation specialists who can support the design of air transport projects.

Social Progress

The first two decades of the 21st century have been characterized by transformational changes, the scale, scope, and speed of which are acutely felt in the social sector. In areas like health and education, we are constantly reminded of the importance of innovation to continue generating positive outcomes for LAC communities. On the issues of gender and diversity, persisting challenges hold the region back from being truly equitable and inclusive for all people. And in the labor market, critical skills gaps limit the capacity of companies to recruit the right people and grow, while at the same time youth unemployment plagues the region as a major development challenge. In all of these areas, the IDB Group seeks to engage partners that can enrich its interventions and amplify its potential to improve lives in the region. And increasingly, given the ever-accelerating pace of transformation in our world, the IDB is working to adapt its programming to the 21st century.

A key component of these efforts is the IDB's growing focus on fostering 21st century skills, or transversal abilities that enable LAC citizens to grow, prosper, and achieve the highest levels of welfare. Intended to address the region's persisting inequality and empower people of all ages to thrive in an ever-evolving world, the IDB's public, private, academic, philanthropic, and non-profit partners have rallied to this cause.



Germany and Switzerland to Transform Vocational Training in LAC

New multi-donor fund will address regional skills gap by promoting private sector involvement in training systems

The IDB and two key partners have unveiled a \$13 million multi-donor trust fund to transform technical and vocational training (TVET) in the LAC region. Specifically, the fund will help countries consolidate modern skills ecosystems and prepare citizens for the labor markets of the future and the Fourth Industrial Revolution (4IR).

Joining the IDB in launching the *TVET Fund* are two founding donors, the **Federal Ministry for Economic Cooperation and Development of Germany (BMZ)** and the **Swiss Agency for Development and Cooperation (SDC)**, which are committing \$11 million and \$2 million in grant financing, respectively.

Despite the fact that more than 45 million people in LAC are currently enrolled in some form of TVET, such training systems in the region have traditionally been disconnected from the private sector. Accordingly, TVET is generally

associated with supply-driven programs that in the best cases reach out to employers to help them meet social responsibility objectives. In contrast, this fund will focus on accelerating the transformation of TVET by promoting private sector involvement and incorporating the most successful international experiences. It will promote the creation of modern, private sector led training ecosystems that endow individuals with the skills needed for lifelong learning and successful labor trajectories — with the goal of boosting economic development in the region.

The IDB has long sought to enhance TVET throughout the region, strengthening all components of the system with a clear focus on improving quality and relevance. In the past five years, the Bank has lent \$835 million in sovereign loans and has supported the region with \$9.5 million in non-reimbursable technical cooperation.



A Coalition to Foster 21st Century Skills Development

Looking to address the challenges posed by a rapidly changing labor market, the IDB in 2019 joined with 25 partners from the public and private sectors to launch the *21st Century Skills Coalition*, which will support a new generation of education and training policies in Latin America and the Caribbean. The coalition will provide more than \$34.7 million to projects that promote skills development among children and youth, with a focus on looking beyond technical capabilities and increasingly at socio-emotional skills such as creativity, critical thinking, and communication that employment experts believe are growing in importance.

Under the umbrella of the coalition, several concrete activities are already underway. For example, in collaboration with the **GRAMMY Music Education Coalition**, the initiative is creating a \$1 million *Coalition for Universal Musical Education in Latin America and the Caribbean* to make music education universal across the region as a means of fostering 21st century skills. Also, in partnership with **Think Equal**, an early childhood development innovation fund has been set up with \$676,000 to promote the social and emotional learning of children. Finally, an \$8 million project with **FORGE** has been launched to train economically vulnerable youth in socio-emotional skills.

New Milestone is Achieved as IDB Establishes Partnership with Education Above All

Under the umbrella of the IDB's *21st Century Skills Initiative*, in November the IDB joined forces with **Education Above All (EAA)**, a foundation founded in 2012 in Qatar by Her Highness Sheikha Moza bint Nasser. To formalize the collaboration, the partners signed a framework agreement that will serve as the basis for future cooperation and co-financing. The partnership is expected to kick off in 2020 with an education project in Paraguay, complementing an IDB operation that supports extended school days and improved transportation conditions for students attending rural schools.

Partners in the 21st Century Skills Coalition

- Ashoka
- CLOO Behavioral Insights Unit
- D2L
- Education Above All
- Empresarios por la Educación-Colombia
- Forge
- Fundación Danilo Perez
- F.C. Barcelona Foundation
- Fundación Gratiud
- Fundación Real Madrid
- Fundación Scholas Ocurrentes
- Google
- GRAMMY Music Education Coalition
- Holberton School
- iNNpulsa
- ISTE
- Laboratoria
- MEDUCA — Panamá
- Minerva University
- REDUCA
- Skills Agility Lab
- SKT Telecom
- Think Equal
- TUMO Center for Creative Technologies
- Virtual Educa, and the
- TVET Fund, which is supported by the governments of Germany and Switzerland

With Google, Creating Pathways to Meaningful Employment for Brazilian and Panamanian Youth

Latin America and the Caribbean is grappling with a digital skills challenge. Approximately half of the region's companies struggle to find candidates with the right skills, compared to 36 percent across OECD countries. In Brazil and Panama, IT-related jobs are the seventh and sixth most in demand, respectively, yet employers find that applicants lack both technical skills and soft skills that will enable them to perform well while learning on the job.

Yet while companies struggle to fill positions, youth unemployment is on the rise. In the knowledge economy (which includes IT), accessing jobs remains a challenge, especially for women and Afro-descendants. These factors contribute to the region's large population of "NEETs" — youth that are neither employed nor enrolled in an education or training program — most of whom are female, low-income, and from vulnerable communities.

Google, a longstanding partner of the IDB, experienced this challenge firsthand in its efforts to find IT support applicants. As a solution, they created a course on IT support fundamentals. And in the process, they discovered that

prioritizing skills-based training over traditional university degrees could create pathways to meaningful work for countless individuals. To expand the impact of this program, in 2018 Google teamed up with **Coursera** to launch an online skills certification to prepare people with no prior experience or degree for an entry-level IT position. And in 2019, **Google.org** joined forces with the IDB and IDB Lab to scale this program in LAC.

Together, the partners will work to secure IT employment for 2,340 low-income and vulnerable youth by co-creating a gender-inclusive, blended training model that combines Google's IT certification with an in-person and online soft skills curriculum and support services for job placement. Implemented by **JA Brazil** in Brazil and **Glasswing International** in Panama, the effort has a strong focus on reaching NEETs, women, and Afro-descendants, particularly those who are at risk of social exclusion. These projects, which are being implemented as part of the IDB's *21st Century Skills Coalition*, will be rigorously evaluated by the IDB Group with the intention of capturing lessons for future replication and scale.

The IDB Group's experience with youth training programs has confirmed that soft skills and job placement services for vulnerable youth are fundamental to their success in vocational training programs.

International evidence suggests that entry-level IT jobs often serve as "door-openers" into other higher-level jobs, making them a bridge to higher quality jobs for those that have not or cannot complete traditional university degrees.

In Paraguay, Korean Partners Strengthen Student Skillsets for Success in Future Workplaces

In 2019, the **Korean Education Research Information Service (KERIS)**, Korea's leading telecommunications firm **SK Telecom (SKT)**, and the IDB set out to bring computer programming classes to 100 schools in Paraguay. The effort kicked off with a training session for teachers and representatives of the **Paraguayan Ministry of Education** on the importance of computational thinking skills for the 21st century, programming best practices, and how to use SKT's educational robot "Albert" in the classroom. The session, supported by the IDB and delivered by KERIS and SKT, set the stage for the development of a curriculum on computational thinking.

These programming classes will be integrated into an extended school day program that aims to prepare students for the 21st century labor market. In addition to teaching digital skills, the extended school day will include classes in music, art, and sports intended to foster advanced socio-emotional skills in areas such as communication, creativity, teamwork, and resilience.

The effort has received \$950,000 in financing from the **Government of Korea**, as well as a donation of 900 "Albert" robots from SKT. It is one of the first activities to take shape under the IDB's new *21st Century Skills Coalition* and is part of an educational transformation led by the **Government of Paraguay** to develop human capital in the country. In 2020, the partners intend to train 100 teachers and 400 assistant teachers, and to offer programming classes to 2,000 second grade students.



INTRODUCING ALBERT

Albert is SKT's smart robot coding solution for children. It is a smartphone-based program that helps children understand mathematics and easily learn the process of coding, an essential part of software development.

How Can Far Can Your Skills Take You?

A joint study by the IDB and its partner **LinkedIn** tracks the worldwide shifts in high-demand job skills, provides new insights into the global labor market, and offers ideas to facilitate the adjustment of workforce development policies and programs. Drawn from information that is publicly available on LinkedIn profiles, the report provides new evidence on changes in the demand for skills and shifts in occupations for 10 G20 countries.

The report assessed the labor market in Argentina, Australia, Brazil, Chile, France, India, Mexico, South Africa, the United Kingdom, and the United States.

The analysis found that occupations requiring advanced digital skills are on the rise in all countries studied, while people-centric roles are also growing. It also revealed that countries where occupations are connected via digital networks may have a better chance of helping workers transition out of declining occupations.

The report and its underlying methodology have proven useful to a variety of stakeholders, particularly those seeking a more complete picture of the labor market or to make informed adjustments to workforce development policies and programs.



Bringing the Olympic Spirit to LAC: Harnessing the Power of Sports to Foster Skills in Youth

Building off its track record of using sports as a tool for development, in 2019 the IDB continued working with the **International Olympic Committee (IOC)** to implement *SPORTIC*, a regional effort to improve the lives of children and young people through sport. Financed by \$3 million from the IOC and IDB Lab, the program seeks to reach more than 7,500 adolescents in Argentina, Colombia, and Ecuador with a special focus on girls. Ultimately, it will use sports and digital training as vehicles for sharpening participants' 21st century skills and teaching the Olympic values of excellence, friendship, and respect.

In Argentina, the effort is underway in **Buenos Aires**, with a special focus on the low-income neighborhood *Barrio 31*, where the partners are working with the **Argentinian Olympic Committee** and the **local government** to build a recreational center for sports and to integrate sports activities into the extended school day. In Colombia, these efforts are being replicated in the cities of **Medellin** and **Quibdó**, where a collaboration with the **Colombian Olympic Committee** and **city governments** has begun developing digital training materials for teachers and coaches and building sports infrastructure. Finally, in Ecuador, the partners are working with the **Ecuadorian Olympic Committee** and **Quito's local government** to conduct workshops on sports as a tool for developing socio-emotional skills with diverse organizations, teachers, and students to lay the groundwork for the project.

In addition to these partners, the effort is being led regionally by **Fundación SES**, in collaboration with **Microempresas de Colombia** and **Fundación Esquel** in Ecuador.

With Japanese Support, Paralympic Sports Project Reaches New Heights

At the Lima 2019 *Parapan American Games*, **Agitos Foundation** and the IDB announced phase two of the *On Your Marks, Get Set, Inclusion* project. Since 2017, the first phase of this effort has worked to strengthen Paralympic sports infrastructure and foster the capacity of athletes with disabilities in vulnerable communities across Colombia, El Salvador, Nicaragua, and Peru. **Colombia** helped lead the initiative, which operates under the principle that Paralympic sports can be a tool for social inclusion.

In its second phase, the effort will now benefit Argentina, Chile, and the Dominican Republic as well, thanks to \$740,000 from the **Government of Japan** through the *Japan Special Fund for Poverty Reduction Program*.

Alongside the Mayor and the IDB's Country Representative in Uruguay, in 2019 IDB and **FC Bayern Munich's** basketball team hosted an event in Montevideo for 100 local boys and girls. The team also donated soccer and basketball equipment to a local recreation center and pledged to further explore Sports for Development programs.

With Fundación ONCE, Building Inclusive Labor Markets in LAC

In 2018, the IDB joined forces with **Fundación ONCE**, or the **Spanish Organization for the Blind**, to create economic, social, and cultural opportunities for people with different abilities. Considering that, in LAC, up to 90 percent of these individuals are unemployed, the partners are prioritizing measures that ensure their inclusion in IDB Group projects, as well as collaboration with the public and private sectors to foster inclusive labor markets. The partners continued expanding these efforts in 2019, channeling IDB funding and more than \$1 million in financing from *Fundación ONCE* to facilitate the integration of people with different abilities into the labor markets of the Dominican Republic and Ecuador.

With Philanthropic Partners, Transforming ECD in the Region

Since 2017, the *ECD Innovation Fund* has supported the design, implementation, and evaluation of innovative and scalable projects to improve early childhood development (ECD) among the region's most disadvantaged populations. Specifically, the fund targets children ages five and below and strives to enhance their cognitive, language, motor, and socio-emotional development.

Thanks to support from regional partners **FEMSA Foundation** and the **Open Society Foundations**, as well as the **Maria Cecilia Souto Vidigal Foundation** in Brazil, by December 2019 the fund had approved 14 projects for a total \$7.12 million in direct investment across seven countries. These efforts focus heavily on generating innovation and knowledge that can inform future efforts and replicate and/or scale successful solutions.

TO DATE, FUND MILESTONES INCLUDE:

- Analysis of the medium-term impacts of *creche* or daycare attendance in Rio de Janeiro, Brazil.
- Adaptation of a group curriculum for ECD in Boa Vista, Brazil, with 6,000 parents interviewed to provide a baseline for this project.
- A census of nearly 25,000 households in El Salvador to identify and understand children raised by their grandparents in skipped generation households, in which children's parents are often absent due to economic migration or violence.
- Data collection on the quality of 300 public childcare centers in Mexico on the development of the children using these services.
- Applications developed to monitor and enhance preschool quality and promote attendance in Uruguay, which will be used by 180 centers.



Bringing ECD to Rural Argentina

In 2019 the IDB joined forces with **Fundación Bunge y Born (FBB)**, a foundation dedicated to social innovation, to bring an early childhood development (ECD) program to rural Argentina. Specifically, FBB is providing its local knowledge and understanding of the conditions faced by rural families as a means of advancing this effort, which seeks to harness the IDB's work in behavioral economics to improve the lives of children below the age of five.

Developing Socially Responsible Capital Markets

A partnership between **Japan's Government Pension Investment Fund (GPIF)** and the IDB is promoting and developing socially responsible capital markets by exploring investment opportunities in IDB Social Bonds. Specifically, the partnership focuses on Education-Youth-Employment Bonds, or EYE Bonds, which foster human capital development from the classroom to the workplace.

Funds raised through EYE Bonds help promote effective teaching and learning for children and youth, giving them the skills needed to enter the labor market and contribute productively to society. The IDB issued its inaugural EYE Bond in 2014 and has since issued a total of \$2.2 billion in various currencies.



Strengthening Skills in Uruguay's Forestry Sector

To build up the capacity of Uruguay's agroforestry industry, in 2019 the IDB joined forces with the country's **Technical and Professional Education Council, Association for Forestry Producers, and National Institute for Employment and Vocational Training**. Together, the partners will develop pilot projects, while supporting the design and implementation of new curricula and pedagogical practices for agroforestry training and professional teacher development. The partnership receives additional support from **Häme University of Applied Sciences (HAMK)**, a multidisciplinary higher education institution from **Finland**.

Eight Years in, the *Salud Mesoamerica* Initiative Continues Improving Lives

Beyond improving health outcomes, this public-private partnership has demonstrated the effectiveness of results-based financing for unlocking development impact.

In 2019, the innovative *Salud Mesoamerica Initiative* (SMI) continued building on its historic track record to reduce inequities in maternal and child health in Mesoamerica. A partnership between the **Bill & Melinda Gates Foundation (BMGF)**, the **Carlos Slim Foundation, Governments of Canada, Spain, eight Mesoamerican countries, the state of Chiapas, Mexico**, and the IDB, SMI is funded by a unique results-based financing model (RBF) that shares costs between donors and beneficiary countries. It provides technical assistance to ministries of health to meet established goals and, once countries achieve 80 percent of those targets, they are provided an incentive equivalent to 50 percent of their initial contribution.

Since 2012, SMI has helped improve the health status of more than 1.8 million women and children under five years of age. SMI has also advanced the availability of critical supplies and services offered in more than 1,000 health facilities and hospitals. By 2019, progress has been noted in all participating countries, six of which had achieved established targets and obtained a cash incentive and all of which have approved health policies and increased funding allocations targeting low-income populations.

Beyond generating health progress, SMI has also helped prove that this incentive-based model accelerates the effective implementation of programs, especially when compared to traditional development funding. For instance, in El Salvador, SMI doubled the number of preventive visits previously achieved through conventional loans for comparable interventions. Moreover, SMI proved the effectiveness of non-financial incentives as well, as an experimental evaluation in El Salvador revealed that community health teams receiving in-kind incentives improved performance much faster than those which did not.

SMI is a \$176.14 million public-private partnership with \$131.54 million in donor funding that has leveraged \$44.60 million in domestic financing from participating beneficiary countries. Its three phases of operations have focused on the poorest 20 percent of the populations in Costa Rica, Panama, Honduras, Nicaragua, El Salvador, Belize, Guatemala, and the state of Chiapas, Mexico.

Partnering to End Malaria Once and For All

While Mesoamerican countries have made substantial inroads in malaria prevention over the past 15 years, progress has stagnated and, every year, nearly 80,000 people contract the disease while an estimated 50 million remain at risk.

In response, the IDB has created a public-private alliance, the *Regional Malaria Elimination Initiative* (RMEI), which works to eradicate the disease in Mesoamerica and the Dominican Republic. Thus far, with an almost equal mix of donor funds and leveraged contributions from domestic sources, RMEI has committed more than \$100 million to eliminate its transmission in the region by 2022 and consolidate the health systems' response to prevent the reintroduction of cases.

The defining elements of RMEI are its regional action approach, focus on quality improvement, and emphasis on building of a culture of learning, along with the use of strategic and operational technical assistance. It also applies the results-based financing model tested by the **Bill & Melinda Gates Foundation**, the **Carlos Slim Foundation**, and the IDB through the *Salud Mesoamerica Initiative*, meaning countries that achieve the established goals can earn part or all their performance tranche, which corresponds to 20 percent of the funds initially invested by the country.

This effort's founding partners include the **Governments of Central American countries, Colombia, the Dominican Republic, and Mexico**, the **Bill & Melinda Gates Foundation**, the **Carlos Slim Foundation**, and the **Global Fund to Fight AIDS, Tuberculosis and Malaria**. It also receives support from the Clinton Health Access Initiative, the Council of Ministers of Health of Central America, the Mesoamerica Integration and Development Project, and the Pan-American Health Organization.

Costa Rica, Belize, and El Salvador are close to eliminating malaria. As of November 2019, El Salvador had gone three years without any documented cases of native malaria transmission, thus starting its participation in RMEI with the goal of being certified by PAHO as malaria-free.



With PepsiCo Foundation, Driving Innovations in Child Nutrition

In 2019, the SPOON Project, developed by the IDB with support from **PepsiCo Foundation**, continued working to improve diet quality as a means of preventing undernutrition and the risk of obesity in 3,500 children aged 0–24 months. Applying a novel, comprehensive behavioral change strategy that includes enhanced child feeding practices and nutrient supplements, SPOON will also conduct rigorous evaluations to generate evidence that can inform public policy across developing countries.

Currently piloted in Colombia and Guatemala, the latter of which receives additional funding

from the **Government of Japan**, SPOON engages parents and the broader community through home visits and group or community gatherings. It also provides capacity building and support to health services in hard-to-reach rural areas.

To date, SPOON has engaged 80 communities and developed three tailor-made behavioral change strategies in Guatemala. Already, 974 children have received supplements, while more than 1,000 mothers and health workers have learned about nutrition, health, and women's empowerment.

“We try to put to practice everything they teach us. I’ve learned many beautiful and very important things. My baby is growing well, it’s growing healthy.”

*Juana Olmino Meza,
SPOON beneficiary, Guatemala*

In partnership with **EUROSociAL**, a cooperation program between Latin America and the **European Union** that seeks to improve social cohesion and institutional strengthening in Latin American countries, the IDB set out to produce a series of publications that study aging across diverse countries. The effort intends to deepen understanding of the region's aging population and its implications for development.

Making Sustainability Happen

In the spirit of the 2030 Agenda, protecting the planet is not an obstacle but rather a critical step toward ending poverty and improving the lives of people everywhere. For example, it has been proven time and again that the world not only has the capability to achieve net-zero carbon emissions, but that doing so can unlock multiple social and economic benefits. For this reason, the IDB is working to drive both socially inclusive and environmentally sustainable development. And in this quest, it recognizes that partnerships are essential.

With sustainability a core element of its work, the IDB is committed to rallying its partners to protect LAC's natural resources, address climate change head-on, and ensure social inclusion in the process.



At the COP25, IDB President Luis Alberto Moreno (center) gathers with French Development Agency CEO Rémy Rioux (left) and Brune Poirson, Secretary of State to the Minister for the Ecological and Inclusive Transition of France (right).

France Officially Becomes Natural Capital Lab's Founding Donor with €24 million

On the margins of the *United Nations Climate Change Conference (COP25)*, held under the presidency of Chile in Madrid, the IDB and the **Government of France** formally launched the *Natural Capital Lab*, a space where the public and private sectors can work together on the sustainable use and conservation of landscape and marine ecosystems.

First announced at the end of 2018, the Lab will incubate, accelerate, and scale sustainability solutions, while developing knowledge products, cutting-edge projects, and collaborations to drive the regional and international agenda on how to treat nature as an asset in the run-up to the *Biodiversity Conference of the Parties of 2020* and beyond.

At the COP 25, France's Secretary of State to the Minister for the Ecological and Inclusive Transition, Brune Poirson, and IDB President Luis Alberto Moreno signed the establishment of the initiative and the French contribution of €24 million, which makes France its founding donor.

By backing the *Natural Capital Lab*, France will help LAC countries advance innovative projects to fight deforestation, invest in nature-based solutions, facilitate the transition to climate-smart agriculture, and preserve and restore marine and land biodiversity. Its donation underscores the importance of natural capital in the COP 25 agenda and the need to develop new financing models and partnerships to tackle environmental risks and climate change. The IDB is in conversations with other donors interested in the fund.

Fighting Food Loss and Waste, Together

In 2019, the IDB-led *#SinDesperdicio* platform hit the ground running, designing three new projects to advance its mission of fighting food loss and waste (FLW) in the region. In Argentina, it joined forces with **Argentina's National Food Bank Network (REDBdA)** and the **Global Food Banking Network** to expand the capacity of food banks to rescue fruits and vegetables in pre- and post-harvest phases. In Colombia, a pilot project will tackle FLW at the municipal markets level. And in Mexico, a partnership with the **United Nations Food and Agriculture Organization (FAO)** is reducing post-harvest losses by improving the storage capacity of small grain producers.

In October, *#SinDesperdicio* hosted the first *Latin American Summit on Food Loss and Waste*, gathering more than 400 participants to discuss the importance of curbing FLW. More than 2,000 people across 24 countries accessed its livestream, which was promoted in collaboration with **Colombia's National Department for Planning** and **FAO**.

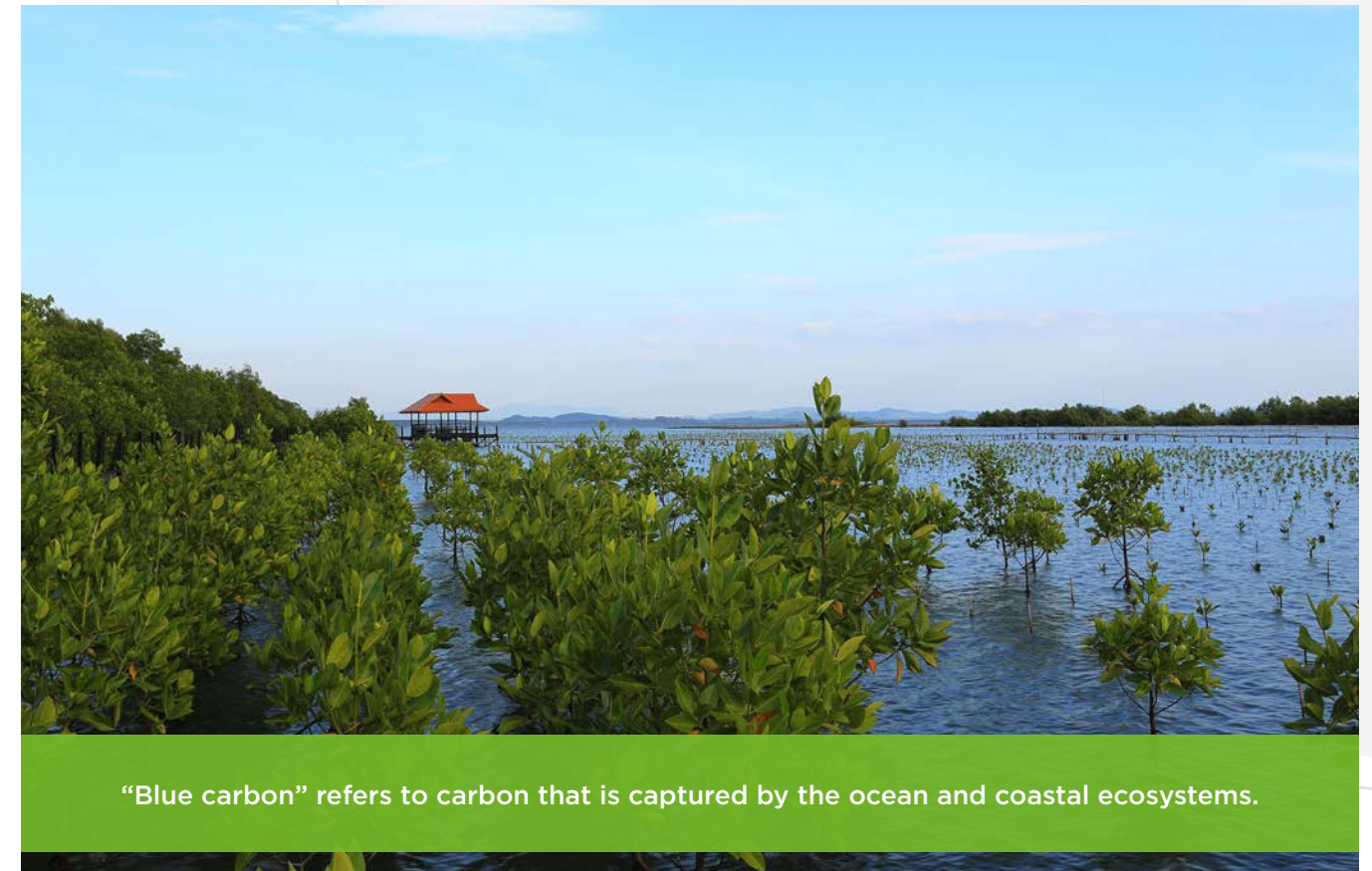
Finally, a contest was launched to identify innovative FLW solutions for Argentina's horticultural sector — or small scale production of fruits and vegetables — with the goal of fostering an entrepreneurship ecosystem around food waste. Of 168 proposals, 12 finalists were selected and two entrepreneurs received \$15,000 to implement their solutions. The contest was sponsored by **Argentina's Secretary of Agroindustry, IBM, and REDBdA**.

Launched in 2018, *#SinDesperdicio* is a platform of partners committed to slashing FLW in Latin America and the Caribbean, a region that wastes 127 million tons of food annually as 42 million of its citizens go hungry. Its four-pillar approach uses technology to address FLW, promotes relevant public policies, develops studies and market analyses, and promotes responsible behavior along the supply chain.

#SinDesperdicio Partners

- Corporate Partners: **Coca-Cola Latin America, Dow, Grupo Bimbo, Nestlé, Oxxo**
- Knowledge Partners: **FEMSA Foundation, IBM**
- Advisory Partners: the **Consumer Goods Forum**, the **Global Food Banking Network**, the **UN Food and Agriculture Organization**, **World Resources Institute**

In line with the *#SinDesperdicio* initiative, in 2019 the IDB and **Forética** teamed up to study best corporate practices for fighting FLW. The report presents the current state of this challenge globally and in the region, analyzing the role of the private sector and the opportunities arising from this challenge.



“Blue carbon” refers to carbon that is captured by the ocean and coastal ecosystems.

With the UK, Putting the Blue Carbon Fund to Work

As part of its sustainability-focused partnership with the **United Kingdom**, the IDB's newly established *Blue Carbon Fund* ramped up its activities in 2019. The fund uses blended finance to catalyze public and private investments in the “blue economy,” a term that refers to sustainable fisheries and aquaculture, coastal zone management, payment for ecosystem services, eco-tourism, and marine protected areas.

The fund's first project, approved by the IDB in early 2020, intends to restore blue carbon assets in Jamaica. With grant financing of up to \$2.45 million, it will restore mangrove ecosystems along the southern coast of Jamaica to viable or healthy conditions, with the goal of generating optimally functioning coastal forested ecosystems. The project is expected to enhance the sequestration capacity of the restored areas to store blue carbon, in addition to boosting climate resilience. The program will also focus on community involvement in restoration activities, as well as alternative livelihood activities.

Additional projects are in the pipeline in Panama, where the partners will work to protect and enhance coastal natural capital, as well as improve regional monitoring and reporting on blue carbon.

*The Blue Carbon Fund was infused with an initial contribution of £12.75 million from the **United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA)**.*

Norway Doubles Down on Efforts to Build a Sustainable Colombia

The **Norwegian Agency for Development Cooperation (NORAD)** has committed an additional \$11 million to the IDB-managed *Sustainable Colombia* initiative, which takes a systemic approach to addressing rural development, climate change, environmental sustainability, and social inequality in areas characterized by armed conflict. In line with the UN Sustainable Development Goals, this effort was developed in partnership with the **Government of Colombia**. It has received more than \$34 million in support from Norway and its fellow partners the **Governments of Sweden and Switzerland**.



The Green Climate Fund and the IDB: An Evolving Partnership

In 2019, the IDB continued expanding its relationship with the **Green Climate Fund (GCF)**. First accredited by the GCF in 2015, the Bank is now its fourth largest partner worldwide, and together the two are channeling millions to enhance the impact of climate change projects in the region, with a focus on vulnerable communities.

In 2019, the GCF Board of Directors and the IDB approved a new \$79 million operation for Honduras, which will improve water services by increasing the climate resilience of vulnerable coniferous forests. This project will foster a paradigm shift in forest management, moving it toward a model based on the active participation of local communities and the private sector. In addition, the effort will promote the diversification of livelihoods in rural areas and create enabling conditions to improve the governance and financial stability of the forestry sector.

Honduras ranks first on a list of the countries most affected by negative impacts from extreme climate-related events over the last two decades.

To Tackle Environmental Challenges, GEF and the IDB Approve New Projects

The **Global Environment Facility (GEF)**, created to tackle the world's most pressing environmental problems, continues working with the IDB Group to drive sustainability in LAC. In 2019, these partners approved a series of projects related to ecosystem services and water resource management, as well as the implementation of transparency measures to support the Paris Climate Agreement.

In Costa Rica, these efforts will channel \$3.5 million in IDB Group financing, a \$2.6 million GEF grant, and \$12.9 million leveraged in co-financing from other partners to improve biodiversity conservation in protected areas and enhance the sustainable management of landscape ecosystems. In Jamaica, a GEF

grant of \$1.3 million from the *Capacity-building Initiative for Transparency* (CBIT) will strengthen the country's transparency framework through the development of a Measuring, Reporting, and Verification (MRV) system, which will help implement its Nationally Determined Contributions (NDCs) under the Paris Climate Agreement. Finally, a regional project in the Caribbean will promote an integrated approach to water and wastewater management to enhance watershed and freshwater basin protection, as well as water conservation, efficiency, and reuse. With an \$8.5 million GEF grant implemented by the IDB Group and more than \$150 million in co-financing from partners, the project prioritizes rural and peri-urban areas.



Partners Unlock New Results on Inclusive Recycling

In 2019, the *Inclusive Regional Recycling Initiative* (IRR) remained the region's leading platform for inspiring and coordinating action, investment, and knowledge on inclusive recycling. Created in 2011 by the IDB, IDB Lab, and anchor partners **Coca-Cola Latin America, PepsiCo Latin America, the LAC Network of Recyclers, and Fundación Avina**, the IRR specifically works to foster inclusive recycling systems that are economically, environmentally, and socially sustainable. To this end, it supports the formalization of recyclers, works to improve their conditions, and drives the development of the circular economy in LAC.

As of the end of 2019, the IRR had taken action in 17 countries across the region, helped 15,000 recyclers transition from informality to formality, and helped collect more than 3 million tons of recycled material. Last year, it also had 11 innovation projects under development, generated 31 new knowledge products, and implemented 39 campaigns to position recyclers as agents of change. It also achieved exciting milestones in countries like El Salvador, where it supported the country's first inclusive recycling project and began promoting circular economy models. In Colombia, it encouraged the establishment of a circular economy country strategy. And in Mexico, IRR efforts to generate national dialogue on inclusive recycling resulted in a new national agreement on this topic.

SUSTAINABLE AGRICULTURE

With SoftBank, Deploying a High-Tech “Brain” to Boost Sustainable Agriculture

Latin America and the Caribbean has the potential to become the world’s breadbasket. But to get there, the region must boost productivity in a sustainable manner. To this end, efforts to increase yields must be accompanied by sustainable agricultural practices, novel technologies, and innovations that enable producers to maximize resources while minimizing their environmental footprint.

With this in mind, IDB Lab joined forces with the **International Center for Tropical Agriculture (CIAT)** and **SoftBank Corp** to improve the productivity and sustainability of rice farming in Colombia. Through a \$2 million IDB Lab project, the partners are implementing a new technological solution called *e-kakashi*, which combines the internet of things, artificial intelligence, big data, and cyber physical systems to transform agriculture into a real-time, data-driven science. *e-kakashi* collects and analyzes environmental and weather data and helps farmers create an optimal rice-producing environment.

In its first phase, the project seeks to prove the effectiveness of *e-kakashi* in Colombia’s rice fields, while a second phase will scale up the solution among smallholder farmers in Colombia and beyond. When applied, this technology is expected to address environmental problems such as unstable water supplies and greenhouse gas emissions. This is critical to the rice industry as rice paddies emit as much as 500 million tons of methane worldwide, accounting for roughly 20 percent of human-made emissions of this gas. The *e-kakashi* solution will track and calculate optimal water levels at each phase of plant growth, thereby enhancing productivity and reducing methane emissions in the process.

Financing for the project consists of a \$500,000 grant and a \$1.5 million equity investment, the latter of which will be made alongside SoftBank and other co-investors in the second phase of the effort.



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With Support from IDB Partners, *FONTAGRO* Cultivates Innovation in Farming

FONTAGRO, a cooperation mechanism between LAC countries and **Spain**, continued working in 2019 to advance its mission of promoting innovation in family farming, agricultural competitiveness, and food security. Last year, a key achievement was an expansion of *FONTAGRO*’s partnership with **New Zealand**, in which it pledged to co-finance three projects valued at \$1.6 million, working alongside agricultural innovation and research institutes in **Argentina, Chile, Costa Rica, the Dominican Republic, and Uruguay**. This effort builds on previous support from New Zealand in sustainable livestock systems and dairy farming in the Andean region, among other topics.

In addition, *FONTAGRO* representatives from Chile, Colombia, Costa Rica, and the Dominican Republic participated in the *Agrisrael 4.0* event. Organized by the **Government of Israel**, *FONTAGRO* received a special invitation to participate to explore the development of a technological innovation ecosystem that would boost agribusiness financing. In addition, *FONTAGRO* collaborated with the **Central American Program for the Improvement of Crops and Animals (PCCMCA)** to organize its 2019 annual meeting, in which it created a space for technological and scientific knowledge exchange to generate agricultural growth in Mesoamerica.

To date, *FONTAGRO* has mobilized \$105.5 million to generate innovations in family farming and signed 110 institutional agreements since 1998 with 186 partners.

The **United Nations’ Food and Agriculture Organization (FAO)** and the IDB renewed their partnership for a second time in 2019, pledging to jointly foster the development of agriculture investment projects and technical cooperation in LAC. This renewal will be valid for an additional five years, marking 15 years of collaboration in agricultural development between these organizations.

Tapping Israeli Expertise on Innovation in Agriculture

In September, the IDB and IDB Lab hosted Professor Yoram Kapulnik for a conversation on how innovation and technology have driven the development of modern agriculture in Israel. He is the director of the Agricultural Research Organization at the Volcani Center, the research arm of the **Israeli Ministry of Agriculture and Rural Development** and the primary force behind Israel's renowned agricultural achievements. Coordinated with the **Embassy of Israel**, the event was a part of ongoing knowledge sharing efforts in the Israel-IDB partnership.



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Investing in the World's Breadbasket, AgroLAC 2025 Boosts Agricultural Productivity Across LAC

Created to harness the agricultural potential of the LAC region and position it as the world's breadbasket, in 2019 the *AgroLAC 2025 Multidonor Trust Fund* remained active in its efforts to boost sustainable agricultural productivity throughout the region. Bringing together partners the **Colombian Presidential Agency for International Cooperation (APC)** and **Global Affairs Canada**, by the end of 2019 the total amount pledged to the fund reached approximately \$13 million. This includes support from **Dow**, which was also a longtime supporter of the Fund. Concretely, *AgroLAC 2025* works along three pillars to boost agricultural productivity, improve access to markets, and enhance natural resource management, with a special focus on the Central American region.

In 2019, *AgroLAC 2025* approved two operations for a total of \$1.9 million, which are now part of an active portfolio of 13 operations that have leveraged \$206.7 million in counterparty resources and loans from the IDB. Key projects include an effort to support animal health services in Paraguay, the enhancement of Argentina's National Institute of Agricultural Technology's research and innovation capacities, and an effort to leverage and support the work of the **Green Growth Compact** led by **The Nature Conservancy** to foster climate-smart and forest-friendly practices and technologies in the region.

CITIES

Latin America and the Caribbean is one of the most rapidly urbanizing regions in the world and, accordingly, multi-stakeholder partnerships have long been at the center of IDB efforts to ensure sustainable urban growth. This partnership-centric approach was core to the IDB's landmark *Emerging and Sustainable Cities Program (ESC)* since its creation in 2011. Recently, the IDB's experience with this program has guided the early years of the *Cities LAB* and *Cities Network*, two initiatives launched in 2017, which have sparked exciting and productive partnerships with diverse actors.



Making Sustainability Happen

Created in 2017, the IDB's *Cities LAB* is a platform for innovation and experimentation. Guided by a focus on citizen participation, it leads efforts to co-create and pilot novel urban development solutions. Its work is complemented by that of the *Cities Network*, a platform for knowledge sharing and relationship building at the municipal level. In just two years, the *Cities LAB* has supported four loans, 24 pilot projects, innovative practices, and continued policy dialogue in several countries, while the *Cities Network* has already reached more than 160 cities across the region.

Building Better Cities with Lessons from France

In partnership with the government of **France** through the *French Climate Fund for Latin America and the Caribbean*, a new project seeks to capture French best practices on local housing strategies as a pathway to sustainable, climate-friendly, and inclusive cities.

Working to improve housing supply in urban areas, the effort encourages local officials to align housing policies with decision making on transportation and land use, while promoting the design of affordable housing. At its core, this technical cooperation mobilizes almost

half a million dollars to study and learn from the French model to repopulate urban centers and build compact cities, leveraging existing infrastructure and housing while controlling urban sprawl.

The program has hit the ground running in three LAC cities, which have been paired with French counterparts to foster greater learning and knowledge sharing. These city partnerships are as follows: São Paulo with Lille, Manaus with Bordeaux, and Buenos Aires with Paris.

The IDB-managed *French Climate Fund* for LAC was established in 2018 with a \$5 million contribution from the **French Development Agency** to prioritize mitigation and urban resilience efforts.

Tapping Korea's Experience to Reimagine Public Spaces

Thanks to support from **Korea** through the *Korea Poverty Reduction Fund*, in 2019 a new program set out to encourage the sustainable design of public spaces in three cities — Montería, Montevideo, and Santo Domingo. In this effort, and in partnership with **UN Habitat** and the **Korea Research of Human Settlements (KRIHS)**, the IDB is using a specialized methodology to provide a baseline analysis of public spaces in these cities. It will then draw from the Korean urban development experience and best practices to provide recommendations for developing new spaces and redesigning existing ones.

Revitalizing Santiago de los Caballeros

In partnership with **Columbia University's Center for Resilient Cities and Landscapes (CRCL)**, **100 Resilient Cities (100RC)**, and the **Municipality of Santiago de los Caballeros** in the Dominican Republic, in 2019 the IDB began designing and implementing the *Vive el Yaque* project. Based on an in-depth evaluation of its vulnerabilities in the face of climate change and urban growth, this effort seeks to prepare Santiago de los Caballeros for the challenges of the 21st century by restoring the urban-environmental corridor along the city's Yaque River. Ultimately striving to make the urban core more resilient, sustainable, and inclusive, the effort also works to mitigate flood risk and promote social inclusion.

Three projects have been designed under the umbrella of the *Vive el Yaque* program. The first seeks to relocate vulnerable communities at risk for floods. The second reimagines the Bella Vista neighborhood's connection to the river by creating a natural park, protective levee, and urban drainage system. And the third will reinvigorate the city's central market by improving planning for urban growth and improving infrastructure.

Santiago de los Caballeros was part of the IDB's former *Emerging and Sustainable Cities Program* (ESC), which helped governments develop and execute city action plans. ESC identified and tackled leading roadblocks to sustainable growth in emerging cities, based on the three pillars of environmental and climate change sustainability, urban sustainability, and fiscal sustainability and governance.

Crowdsourcing Creative Ideas to Improve Life in Lima

To inspire novel solutions to urban development challenges, in 2019 the IDB teamed up with **Lima Cómo Vamos** and **Ocupa tu Calle** to organize the third *Urban Innovation Contest*. Launched at the *Placemaking Latin America Meeting* in the context of the *International Forum of Urban Interventions*, the contest posed two challenges to improve lives in the event's host city of Lima, Peru. The first called on participants to encourage the use of pedestrian streets in Lima's city center, while the second crowdsourced ideas to transform a public space in the transitioning neighborhood of Rimac.

One winning solution for each challenge was selected and piloted. The first applied a creative traveling device to encourage reading and storytelling in Lima's city center through audiovisual, creative, and interactive content. The second project, called G.A.M.E, created a recreational space in Rimac, installing low-cost gabion furniture to create an inviting, social atmosphere. According to interviews and evaluations, G.A.M.E was successful, with notable increases in the number of children playing in the space and a rise in both stationary activities and social gatherings.



A Nordic Mayors Forum Shares Lessons on Urban Management

As part of the IDB's *Cities Network* initiative, a three-day seminar entitled *The Urban Workshop: Learning from the Nordic Experience* took place in Copenhagen and Malmö to share knowledge related to environmental, economic, and social sustainability. It was organized with support from IDB partners like the **City of Copenhagen**, the **City of Malmö**, the **Confederation of Danish Industry**, and the **Nordic Development Fund**. Delegations from 15 cities with a combined population of approximately 18 million people attended.

The IDB joined forces with the **African Development Bank**, the **Asian Development Bank**, and the **European Bank for Reconstruction and Development** to analyze urbanization trends across emerging and developing economies. The resulting report highlights investments and policies needed to promote competitive, inclusive, equitable, and environmentally sustainable and climate-resilient cities — four factors that, together, make cities livable.

PARTNERSHIP
OPPORTUNITY**Austria and Switzerland Seed New Urban Development Fund**

In April 2019, the IDB launched the *Multi-donor Trust Fund for the Development of Sustainable Cities in LAC* as a funding platform for promoting sustainable, inclusive, and resilient urban development. The Fund received early support from the **Austrian Federal Ministry of Finance**, which committed €700,000 to the platform, followed by a commitment of a half million Swiss Francs from **Switzerland's State Secretariat for Economic Affairs (SECO)**. The support from these partners continues and complements the \$14.3 million *Emerging and Sustainable Cities Multi-donor Fund*, a trust fund also supported by **Japan**.

The Fund is open to new partners. Join today!



City Leaders Gather in Seville to Explore Urban Development Solutions

The **City of Seville** and the *IDB Cities Network* in 2019 hosted mayors from more than 30 cities and 15 countries for the fourth *Iberoamerican Mayors Forum*. The event focused on *Living Heritage*, an IDB program supported by **Spain** to help LAC cities conserve heritage as a vehicle for development.

IDB Links Higher Education with Efforts to Address Urban Challenges

To identify innovative urban projects and management models, in 2019 the IDB organized a new edition of the *IDB Cities Lab University Competition*. Developed in partnership with the **City of Buenos Aires** and the **Spanish Agency for International Development Cooperation**, this year's edition called for solutions to improve Buenos Aires' *25 de Mayo highway* and surrounding areas in the historic neighborhood of San Telmo. Specifically looking

for strategies to preserve the heritage of this space, the competition received 89 proposals from 54 universities across 16 LAC countries. The award ceremony was held in Seville at the *Iberoamerican Mayors Forum*, where three finalists presented their proposals and Argentina's *Universidad Nacional de Córdoba* was named the winner. The winning project is now being implemented as a Cities LAB pilot project.

Strengthening Institutions

It's a universal truth — strong institutions are the basis for strong economies, sustainable growth, and prosperous societies. They also draw their strength from achieving high levels of transparency and integrity across governments, business, and civil society, and the financial institutions that help make economies run. As envisioned in the Sustainable Development Goals, building effective, accountable, and inclusive institutions at all levels is critical to setting the stage for progress on other goals. These include measures such as improving the institutional capacity for tax collection, incorporating countries into international standards of transparency, reforming the civil service, and generating fiscal and economic reforms that foster the development of capital markets and business competitiveness.

The IDB has long worked with partners to channel the best tools and experience-based knowledge to governments and other institutions in the region, with an eye toward improving their abilities to serve citizens and lay a foundation for sustainable, inclusive development.

TRANSPARENCY

As *MapaInversiones* Evolves, Microsoft and the IDB Give Transparency a Boost

To promote trust among citizens and encourage transparency in government spending, **Microsoft** and the IDB expanded their joint initiative to enable citizens to track public sector investments.

Deploying technology to help empower citizens by facilitating their understanding of public expenditures and thereby advancing trust in public institutions.

individual projects at national, subnational, and local levels. Information for the platform is provided by the IDB, with Microsoft providing cloud computing support.

Platform development is now underway in Argentina, the Bahamas, Guatemala, and Trinidad and Tobago, soon clearing the way for those countries to become part of *MapaInversiones*.

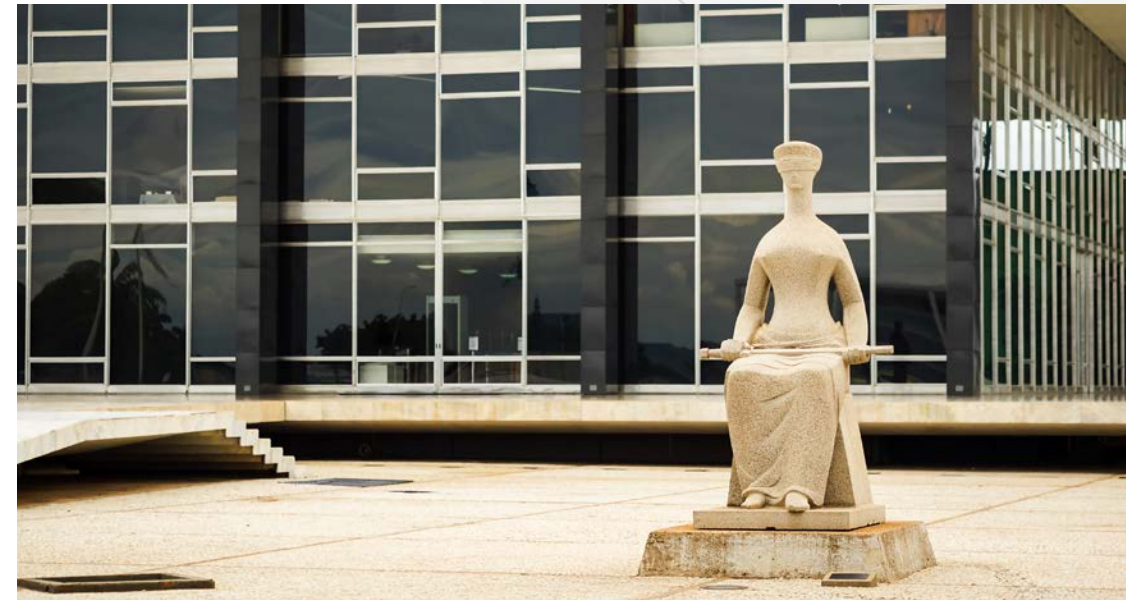
Across the board, *MapaInversiones* is being upgraded to feature new artificial intelligence and data analytics capabilities to gather insights and improve decision-making among policymakers, as well as enable businesses to improve their competitiveness through an open information environment.

Also in 2019, a new partnership with the **Gordon and Betty Moore Foundation** began working to enhance civil society engagement in Colombia and Peru. In coordination with the grantee **Transparencia por Colombia**, the partners are specifically targeting projects developed by the IDB that use geo-referential platforms to enhance transparency in public spending, with the ultimate goal of boosting citizen participation, providing governments quality information, and improving the overall business climate for investment in the region.

“*MapaInversiones* has helped build trust and transparency by providing citizens with information on public investments. Building upon its success so far, at Microsoft we are excited to expand our action plan with the IDB to bring this robust platform into more countries in the region.”

Anayda Frisneda, Public Sector General Manager for Microsoft Latin America.

Through the *MapaInversiones* platform, accessible via the internet, citizens can monitor in real time where and how governments invest. Previously launched in Colombia, Costa Rica, Paraguay, and Peru — and brought online in the Dominican Republic and Jamaica in 2019 — *MapaInversiones* provides underlying information on the funding and progress of



Norway: A Longstanding IDB Partner for Transparency

The Government of Norway comes through with another \$2.2 million for multi-donor fund.

Transparency is at the heart of efforts to establish a foundation for economic growth and social progress. That's why in 2007, the IDB joined with the **Government of Norway** to establish its multi-donor *Transparency Fund*, which is also supported by key partners the **Governments of Canada, Italy, Sweden, and Mastercard**.

Over the years, the *Transparency Fund* has supported diverse projects to advance institutional and regulatory reforms that enhance transparency and integrity, with a focus on innovation and technology and alignment with international standards. It has financed nearly 70 technical assistance projects in 26 countries worth more than \$24 million, which have led to 19 loan operations on transparency, integrity, and anti-corruption worth \$1.73 billion.

The projects have supported activities related to access to information, open government, and natural resource management. Among other results, these programs promoted fiscal and financial transparency reforms by helping IDB member countries implement OECD and Financial Action Task Force standards.

Through it all, Norway has been a critical partner — beginning with its initial \$5 million contribution to the fund in 2007, followed by additional donations in 2012, 2013, and 2018 amounting to approximately \$13.5 million. And, in 2019, Norway confirmed a new donation of \$2.2 million over the next three years.

In addition to its monetary contributions, Norway has provided a strategic vision for promoting transparency and integrity in areas including financial and fiscal transparency and the governance of public resources.



With Korean Partners, Enhancing Governance and Tax Administration in LAC

In 2019, a series of new and expanded partnerships with Korean entities helped strengthen governance and tax administration in LAC. Alongside the **Korean Ministry of the Interior and Safety**, the IDB will disseminate knowledge related to e-government, government innovation, disaster and safety management, and identity management and migration. In addition, the partners will train government agencies on the use of digital services to enhance efficiency.

At the same time, the **National Tax Service of the Republic of Korea** and the IDB pledged to collaborate in the context of tax administration, information protection, and data security. The collaboration kicked off with a workshop co-hosted by the partners to share Korea's experience developing a digitized tax system, bringing together tax officials from 12 LAC countries, IDB staff, academics, and private sector leaders.

A new partnership between the **Vienna University of Economics and Business** and the IDB began generating knowledge exchange on tax policy and administration. In this effort, the partners will work with the Global Tax Policy Center at the Institute for Austrian and International Tax Law to explore how digitalization can transform tax systems.

CITIZEN SECURITY

With the International Committee of the Red Cross, Improving Security and Justice

As part of a new partnership with the **International Committee of the Red Cross (ICRC)**, the IDB has supported an ICRC publication on the needs of and challenges faced by women deprived of liberty in El Salvador. This effort represents an important contribution to the development of gender- and human rights-based penitentiary policies in the country.

In addition, the ICRC has supported an IDB pilot project to enhance the rehabilitation of youth that have gone through the penal system in El Salvador. Specifically, ICRC has helped review the system's compliance with international frameworks and supported transportation and stipends for youth released from prison and their families.



Switzerland: A Key Partner in the Quest to Build a Safer Region

In 2019, the government of **Switzerland** remained a key IDB ally in the quest to build a safer region. Through \$1.8 million in support from the **Swiss Agency for Development and Cooperation (SDC)**, the partners are working to improve civic coexistence by enhancing quality of life in vulnerable neighborhoods. Through measures including expanded access to basic services and prevention infrastructure, the partners seek to reduce the incidence of violent crime, with a focus on fighting violence against women.

Strengthening the Capacity of Honduras' Police Force

Switzerland also provided essential support to a \$5.4 million IDB project to improve the institutional and operational management of Honduras' police, thereby enhancing the investigation of crimes and improving management at the local level. The effort contributed to the design of a new national police academy and curriculum, as well as a mentorship program.

Disseminating Citizen Security Knowledge through the IDB's MOOC Program

High rates of crime and violence are among the region's most pressing development challenges. Yet ensuring that governments develop effective citizen security policies relies on having a well-informed civil society that understands the issues at play.

With this in mind, in 2019 the IDB launched a massive open online course (MOOC) on citizen security. Financed in part by **Switzerland**, the MOOC shared knowledge and technical tools to enhance the design, implementation, and evaluation of programs to strengthen the criminal justice system and prevent crime and violence in the region. Offered in both English and Spanish, the course ultimately seeks to create awareness among public officials, academics, journalists, civil society, and the general public on the intersectoral nature of citizen security policies.

Made available on the open learning platform **edX** thanks in part to support from **Switzerland**, the MOOC was jointly designed by the IDB, the **Consortium of Chilean Universities**, **John Jay College of Criminal Justice in New York**, and **Santa Maria Law School (FADISMA)** in Brazil.

In Bolivia, Improving Efforts to Stop Violence Against Women

In Bolivia, the IDB and the **Swiss Agency for Development and Cooperation (SDC)**, through an SDC commitment of \$450,000, set out to enhance efforts that fight violence against women. The first component of this partnership is an analysis of government spending on this issue, which identified organizational and communicational challenges, as well as a need to define standards on violence against women to strengthen both prevention and response. The analysis included recommendations that the Bolivian government has already begun implementing. In addition, the effort included an innovative program for men that aims to shift their behaviors toward women as a preventive measure. This pilot program is of utmost importance to both the IDB and the region, as the effort will be thoroughly evaluated and potentially scaled up and used to inform other efforts to prevent violence against women.

Powering Businesses and Fostering Trade

The IDB has long recognized that business and trade are essential drivers of sustainable development. As such, in its 60 years in operation, the IDB has assumed a leading role in efforts to foster a business-friendly environment in its member countries, connect regional businesses with the tools they need to expand, encourage public-private dialogue, promote regional integration, and unlock new opportunities for growth in Latin America and the Caribbean. Yet despite its extensive track record in these areas, there is much work to be done to ensure LAC ramps up its competitiveness and enhances its potential to nurture innovation on the ground.

As such, in 2019 the IDB and its partners doubled down on collaborations that power businesses and foster commerce, thereby strengthening the region's position as a destination where investments, business growth, integration, and trade generate sustainable developments and tangible benefits for all.



Japan's SoftBank Nurtures a Startup Ecosystem in LAC

With a plan to share regional and technical knowledge, as well as co-investment opportunities for growth- and late-stage companies, the IDB Group and the Japanese firm **SoftBank Group International** in 2019 teamed up to develop the startup ecosystem in Latin America and the Caribbean.

In this partnership, the IDB Group will provide advice to SoftBank on environmental, social, and corporate governance practices, in addition to facilitating strategic connections between SoftBank Group and the IDB's trusted network of public and private sector stakeholders.

SoftBank Group's Latin America fund has already invested billions in some of the region's most promising startups, and its recently launched *Tech Hub* aims to help companies expand operations via joint ventures and strategic partnerships. For its part, the IDB Group has been supporting the startup and investor ecosystems in LAC and will continue encouraging their growth.

Together, the partners are relying on the power of technology to transform markets and achieve the Sustainable Development Goals as they work to foster the next generation of technology-enabled businesses. Working toward a consistent entry of international players in the region's markets, the partners will leverage financing, knowledge, and connections to enhance support to startups and the innovation ecosystem at large, with the ultimate goal of promoting inclusive growth.

"We share the IDB Group's vision for a more vibrant ecosystem for entrepreneurship across Latin America and the Caribbean. This strong partnership will promote better information sharing across the public and private sectors, advance important education initiatives, and lead to new investment opportunities for the region's most promising technology companies."

Marcelo Claire, CEO, SoftBank Group International



Compete Caribbean Unlocks Innovation, Inclusion, and More

In 2019, the *Compete Caribbean Partnership Facility (CCPF)* partnership continued working to boost productivity and innovation in firms and enhance the business and innovation climate in the Caribbean.

For example, CCPF is supporting feasibility studies to boost renewable energy and increase the reliability and climate resilience of the Bahamas' energy network, complementing a \$170 million effort to deploy renewable energy in the wake of Hurricane Dorian through the IDB's *Conditional Credit Line for Investment Projects (CCLIP)*.

In addition, CCPF is providing technical assistance to improve countries' business climates by digitizing government services, often in coordination with actors like **CARICOM** and the **World Bank**. In the Eastern Caribbean, it is working with the **Eastern Caribbean Central Bank** to advance this mission and is helping to establish a credit bureau, automate business registries, and strengthen various entities at the national level.

To promote productivity and innovation, CCPF joined forces with the **Development Bank of Jamaica** to strengthen the entrepreneurship and innovation ecosystem as part of a \$50 million CCLIP loan. It is also helping export-ready businesses adopt new technologies and strengthen the supply of technological extension services, thanks to \$833,000 from **Global Affairs Canada** and support from **Caribbean Exports** and the **Organization of American States**. In Belize, a groundbreaking collaboration with **Beltraide** is using business solutions to address the key determinants of youth involvement in crime, while a partnership with the **Caribbean Tourism Organization** developed a community-based tourism (CBT) toolkit and a competition for CBT entities that are eligible for technical assistance.

Lastly, a capacity building effort targeting Business Support Organizations in eight Caribbean countries identified and formulated cluster-potent strategies. This process involved 120 hours of training for 134 people, private sector consultation, the preparation of 16 Cluster Development Plans, and the selection of seven projects for implementation, among other measures.

*Working across 13 countries, CCPF brings together the IDB, the **United Kingdom's Department for International Development (DFID)**, the **Government of Canada**, and the **Caribbean Development Bank (CDB)** to stimulate the private sector in the Caribbean and promote economic inclusion.*

FinDev Canada and the IDB Group Support Businesses in LAC

The partnership between **Canada** and the IDB Group has consistently put sustainability and women's empowerment at the center of its agenda. Therefore, it's no surprise that a collaboration between **FinDev Canada** and the IDB Group will advance these priorities through investments in the private sector. In a Memorandum of Understanding pledging joint support to LAC businesses in pursuit of sustainable economic growth, the partners agreed to co-finance projects, co-invest in funds and businesses, provide technical assistance, promote public-private partnerships, and foster knowledge sharing with a focus on innovation, green growth, and women's economic empowerment. The new agreement was signed by the IDB, IDB Invest, and IDB Lab.

“The IDB Group has a solid track record ... and we look forward to sharing innovative approaches to private sector financing in the region. This partnership will help identify highly impactful private sector ventures that will improve the lives of thousands of people.”

Suzanne Gaboury, Chief Investment Officer, FinDev Canada

FinDev Canada is a subsidiary of **Export Development Canada** dedicated to providing financial services to the private sector in developing countries with the aim of combating poverty through economic growth.

With the EU, Driving Innovation in Trinidad & Tobago

Trinidad and Tobago has traditionally relied on oil and gas reserves to fuel economic performance. However, the recent fall in global energy prices and the contraction of the country's energy reserves has resulted in an economic downturn. In this context, the **European Union** and IDB Lab have teamed up on a \$9 million effort to support a more diversified and innovation-driven economy in Trinidad and Tobago as a means of stimulating economic growth and job creation.

Specifically, the partners will develop new markets, products, services, and business models to boost efficiency and competitiveness through three activities: an innovation challenge facility that provides funding and technical support to more than 1,500 SMEs and organizations in non-extractive industries; a pilot program to prove the importance of partnerships between universities and firms for driving innovation; and enhancing coordination in and the capacity of the local innovation ecosystem.

Through *ConnectAmericas*, Partners Rally to Help SMEs Grow

In 2019, the online platform *ConnectAmericas* continued driving the growth and exports of small and medium enterprises (SMEs) by connecting them with knowledge, financing, and contacts. Thanks in part to support from over 350 local partners, including chambers of commerce, in its sixth year of operation *ConnectAmericas*' registered users grew by 30 percent, or 1.7 million new users.

In addition, in 2019 it launched the Build the Americas (BTA) mobile app to increase competition in IDB-funded infrastructure tenders and boost the participation of local suppliers. By comparing the typical supply chain for projects with company profiles from *ConnectAmericas*, BTA generates a list of potential local partners, thereby allowing global infrastructure developers to connect with local firms and learn about projects long before tender publication. Also, through its partnership with **Mastercard**, *ConnectAmericas* has designed a new marketplace that will allow buyers to search for product profiles and contact sellers using a structured negotiation tool. Finally, alongside the **World Economic Forum**, *ConnectAmericas* is bringing together corporate partners to develop a Company Trustworthiness Score, which draws information multiple sources to address a critical obstacle encountered by exporting SMEs — limited information about the trustworthiness of new clients, suppliers, and partners.

ConnectAmericas' anchor partners include **Google, DHL, SeaLand, Facebook, Mastercard**, and the IDB, while **#100kChallenge** brings together partners **Airbnb, Coca-Cola, Danper, DHL, IBM, Facebook, Google, Mastercard, Microsoft, and PepsiCo**.



The #100kChallenge Gains Speed in 2019

As part of the *ConnectAmericas for Women* platform, since 2018 the #100kChallenge has worked toward the goal of coaching, connecting, and certifying more than 100,000 women entrepreneurs by 2021. And in 2019, it continued deploying innovative tools to this end. Alongside **Mastercard** and **INCAE Business School**, a virtual accelerator program is providing access to training, webinars, and a network of experts. At the same time, **Danper** provided purchasing announcements for women-owned companies, while **Google** and **IBM** facilitated online and on-site courses on design thinking and other topics. In addition, the initiative began developing a supplier's development program focused on women-led companies with **Coca-Cola**. And finally, **Airbnb** joined the #100kChallenge as a partner, pledging to teach women entrepreneurs how the digital economy and travel trends can generate business opportunities. To date, the #100kChallenge has coached and connected over 18,000 women entrepreneurs, while *ConnectAmericas for Women* has been used by more than 1.6 million women from 100 countries, 92,000 of which have registered.

WeXchange, a leading platform for connecting and supporting women entrepreneurs in LAC, held its 2019 annual forum under the banner of "Women STEMpreneurs creating global businesses." The event once again featured a competition in which women-led startups pitched ideas to investors. The forum, which took place in Paraguay, was organized alongside local partner **KOGA**.

IDB Lab founded *WeXchange* in 2013 to unleash the growth potential of women entrepreneurs. In 2020, its eighth edition forum will take place in Honduras.

The Korea-LAC Business Summit Strengthens Ties

Connection-building between Korean and LAC actors is a priority in the partnership with the **Government of Korea**, and these efforts place special emphasis on cultivating business ties. As such, in 2019 Korea and the IDB set out to expand engagement through the fifth Korea-LAC Business Summit. Held in Seoul and organized by the Export-Import Bank of Korea, the Korea Trade-Investment Promotion Agency, the Ministry of Strategy and Finance of Korea, and the IDB, the two-day event brought together more than 250 participants. It facilitated nearly 100 business matchmaking meetings, with the goal of promoting economic growth and integration, commercial ties, and trade and investment.



Fostering Business Connections at the China-LAC Business Summit in Panama

Efforts to promote business, trade, and investment across the Pacific have been a cornerstone of the **China-IDB** partnership, and within these efforts, the China-LAC Business Summit has been a landmark initiative. In 2019, the 13th edition of this event was held in Panama City, co-organized by the IDB and the **Chinese Council for the Promotion of International Trade**, the **Ministry of Commerce and Industry of Panama**, the **Tourism Authority of Panama**, and the **Chamber of Commerce, Industries and Agriculture of Panama**. The event brought together 1,300 participants from across China and LAC, representing 27 countries. It featured business matchmaking meetings, as well as discussions related to finance, infrastructure, commerce, and investment opportunities in Panama.

In 2019, the IDB joined forces with the **China International Contractors Association (CHINCA)** to organize a seminar on business opportunities in LAC, with a focus on sustainable infrastructure and procurement policies and procedures.

Driving Development Progress through Multi-donor Funds

In 2019, multi-donor trust funds remained a vital tool for driving development progress in line with the Sustainable Development Goals (SDGs). A series of IDB-managed funds that combine grant financing from diverse partners to target sector-specific development challenges, these funds are an answer to the SDG's call for greater collaboration.



The **AgroLAC 2025 Multi-donor Trust Fund** promotes sustainable agriculture as a means of enhancing food security and reducing poverty. The fund focuses on the three pillars of trade and access to markets, increased productivity, and agri-environmental planning. *Canada, Colombia, Dow.*



The **Multi-donor AquaFund** addresses water supply and sanitation challenges and LAC's coverage gap with the aim of guaranteeing universal access. *Austria, Spain, Switzerland (through its Agency for Development and Cooperation and State Secretariat for Economic Affairs), PepsiCo Foundation.*



The **Multi-donor Fund for Biodiversity and Ecosystem Services** harnesses the region's comparative advantage in these areas to advance development. Working to integrate biodiversity and ecosystem considerations across sectors, the fund also promotes policies to protect biodiversity in LAC. *Colombia.*



The **Multi-donor Fund for Citizen Security** promotes knowledge sharing and the use of data and strengthens the capacity of countries to manage and evaluate public policies to enhance citizen security in the region. *Canada, Switzerland.*



The **Compete Caribbean Partnership Facility** supports efforts to help firms in the Caribbean grow, innovate, and enter new sectors and markets, while nurturing a private sector ecosystem that is conducive to growth. *Canada, Caribbean Development Bank, United Kingdom.*



The **Multi-donor Disaster Prevention Trust Fund** helps countries manage risks related to natural hazards by reducing their vulnerability, and by preventing and mitigating disasters through prevention activities. *Canada, Japan, Korea, Spain.*



The **Early Childhood Development (ECD) Innovation Fund** seeks to improve the cognitive, language, motor, and socio-emotional outcomes of vulnerable children ages 0-5, with a focus on bringing ECD programs to scale and generating knowledge and innovation. *FEMSA Foundation, Open Society Foundations, Fundação Maria Cecília Souto Vidigal (in Brazil), Porticus (in Brazil and Colombia).*



The **Multi-donor Fund for the Development of Sustainable Cities** seeks to promote urban development which is sustainable, inclusive, and resilient. *Austria, Switzerland.*



The **Gender and Diversity Multi-donor Fund** drives equitable and culturally appropriate development by fostering gender equality, combating discrimination, and supporting development with identity. It specifically serves individuals disadvantaged by gender-based discrimination and inequality, indigenous peoples, and Afro-descendants. *Austria, Canada, Denmark, Norway, Sweden, United Kingdom.*



The **Malaria Elimination Blending Facility** finances the *Regional Malaria Elimination Initiative*, which helps Central American countries and the Dominican Republic finance and execute malaria elimination plans. *Bill & Melinda Gates Foundation, Carlos Slim Foundation, The Global Fund.*



The **Mesoamerican Health Facility** finances the *Salud Mesoamerica Initiative*, which seeks to improve the coverage and quality of reproductive, maternal, newborn, and child healthcare. *Bill & Melinda Gates Foundation, the Carlos Slim Foundation, and the Government of Canada.*



The **NDC Pipeline Accelerator Multi-donor Trust Fund** enhances the planning, design, and preparation of marketable infrastructure projects and aligns public and private investments with countries' Nationally Determined Contributions (NDCs) to the Paris Climate Agreement. *The Netherlands, Nordic Development Fund, Sweden.*



The **Regional Infrastructure Integration Multi-donor Fund** implements the Bank's integration strategy through technical assistance and the preparation of projects in the areas of "software," or regulations and policy frameworks, and "hardware" or physical integration. *Canada, Chile, Colombia, Mexico.*



The **Sustainable Colombia Facility** offers a holistic approach to addressing post-conflict and sustainable development challenges in Colombia, placing special emphasis on rural development, climate change, environmental sustainability, deforestation, and social inequality. *Norway, Sweden, Switzerland.*



The **Sustainable Energy and Climate Change (SECCI) Multi-donor Trust Fund** expands investment in renewable energy and energy efficient technologies, increasing access to international carbon finance, and mainstreaming climate considerations across sectors. *Austria, Finland, Germany, Italy, Japan, Spain, Switzerland, United Kingdom.*



The **Transparency Fund** strengthens the institutional capacity of the Bank's borrowing member countries to design and implement transparency and access to information policies, mechanisms, and practices to prevent and control corruption. *Canada, Italy, Norway, Sweden, Mastercard.*

Financials

A key part of the IDB’s partnership work is the management of financial resources. And in 2019, these efforts expanded their focus on emerging challenges and opportunities. For instance, in light of the region’s unprecedented migration crisis, the IDB laid the financial foundation for innovative programming through the Board of Governor’s approval of \$100 million in grants to complement IDB loans supporting both migrants and host communities and governments. These efforts were carried out with an eye to helping countries turn the challenge of migration into an opportunity for development. This same paradigm guided the Bank’s work in climate change, an area that continues benefiting enormously from partner contributions. Throughout 2019, funds supported expanded investment in renewable energy and energy efficiency technologies, increased access to international carbon finance, and the mainstreaming of climate change adaptation measures throughout the region. Importantly, partners continued playing a central role in covering the additional costs associated with support mechanisms that ensure projects are designed and executed sustainably.

Turning challenges into opportunities requires broadening the playing field and engaging non-traditional actors. The IDB remained cognizant of this in 2019 as it continued utilizing IDB funds to facilitate new and innovative engagement with the private sector. In this effort, the IDB Group further promoted IDB Invest as a critical partner with financing amounting to \$221 million, \$217 million of which corresponded to loans and guarantees. The IDB also allocated resources from its Ordinary Capital to technical cooperation (TC) operations focused on supporting growth agendas through the private sector, specifically through TC operations intended to address financial constraints, to manage environmental and social risks in high-impact and high-growth sectors, and to boost the productivity of micro, small, and medium enterprises.

The following pages provide a snapshot of these partner contributions along country and partner lines.

2019 Concessional & Grant Financing Approvals by Instrument Type
(in US\$ millions)

Instrument Type	Amount
Externally Funded Contractual (EFC)	4.61
Guarantee (GUA)	2.13
Investment Grant (IGR)	83.52
Reimbursable Donor Financing - Loans (LON)	305.79
Technical Cooperation (TCP)	238.18
Total	\$634.23

2019 Concessional & Grant Financing Approvals by Fund Type
(in US\$ millions)

Fund Type	Amount
Single Donor Trust Fund (SDF)	355.45
Multi-Donor Trust Fund (MDF)	50.45
Project Specific Grant (PSG)	54.09
Financial Intermediary Fund (FIF)	64.19
OC Strategic Development Programs	110.05
Total	\$634.23

2019 Approvals by Beneficiary Country
(in US\$ millions)

Country	Amount
Argentina	4.94
Barbados	17.43
Bahamas	1.40
Belize	2.68
Bolivia	6.38
Brazil	90.99
Chile	3.57
Colombia	68.96
Costa Rica	6.75
Dominican Republic	6.01
Ecuador	12.44
El Salvador	15.34
Guatemala	2.92
Guyana	2.50
Haiti	19.71
Honduras	79.95
Jamaica	15.88
Mexico	4.12
Nicaragua	33.57
Peru	52.07
Panama	6.60
Paraguay	54.89
Regional	115.42
Suriname	2.75
Trinidad and Tobago	1.06
Uruguay	3.43
Venezuela	2.44
Total	\$634.23

2019 Credited Contributions to Donor Trust Funds by Donor Country and Partner Institution
(in US\$ millions)

Donor Country	Partner	Amount
Austria	Federal Ministry of Finance	0.78
Canada	Global Affairs Canada	75.83
China	The People's Bank of China	149.04
Colombia	Ministerio de Relaciones Exteriores	3.69
Germany	KFW Bank Group	1.11
	Federal Ministry for Economic Cooperation and Development	5.54
Japan	Japan International Cooperation Agency	0.09
	Ministry of Finance	12.33
Korea, Republic of	Ministry of Economy and Finance	55.68
Mexico	Fundación FEMSA	1.00
	Fundación Carlos Slim	5.00
Multilateral Organization	The World Bank	89.35
Norway	Norwegian Ministry of Foreign Affairs	1.10
	Norwegian Agency for Development Cooperation	11.34
Spain	Agencia Española de Cooperación Internacional para el Desarrollo	0.57
	Ministerio de Economía y Competitividad de España	4.21
Sweden	Swedish International Development Agency	1.02
	Ministry of Foreign Affairs of Sweden	1.37
Switzerland	State Secretariat for Economic Affairs	1.51
	Swiss Agency for Development and Cooperation	2.36
United Kingdom	Department for International Development	5.34
	Department of Environment, Food and Rural Affairs	15.96
United States of America	PepsiCo Foundation	0.40
Total		\$444.64

The World Bank: as trustee for the CIFs (CTF, SCX), GEF (FMM,LDC,SCC), AFF, CBT, FCP, FGI, GAF, GIF, GRN, HRF and WEF funds.

Excludes return to donors.

2019 Credited Contributions to PSGs by Donor Country and Partner Institution (in US\$ millions)		
Donor Country	Partner	Amount
Argentina	Goldcorp Inc.	1.00
Austria	Ministry of Finance	0.09
	Ministry of Finance	0.21
Belgium	Sofinex	0.60
	World Savings and Retail Banking Institute	0.02
Brazil	Fundação Maria Cecília Souto Vidigal	0.42
Canada	Global Affairs Canada	4.62
China	State Administration of Foreign Exchange (SAFE)	0.13
Colombia	Cámara de Comercio de Bogotá	0.01
	COMFAMA	0.03
	Davivienda	0.03
Dominican Republic	Asociación La Nacional de Ahorros y Préstamos	0.01
	Banco Ademi, S.A.	0.02
	Banco de Ahorro y Crédito ADOPEM, S.A.	0.08
	Banco de Reservas de la República Dominicana	0.25
	Banco Múltiple BHD León S.A.	0.01
	Fundación Reservas del País, Inc.	0.02
	Inicia, LTD.	0.02
	European Commission	3.01
Germany	BFIO	0.20
Ireland	Accenture	0.01
Italy	Ministry of Economy and Finance	1.67
Korea, Republic of	Korean Research Institute for Human Settlements	0.10
	Ministry of Personnel Management	0.43
	Ministry of Strategy and Finance	0.24
Mexico	Bimbo	0.03
	Fundación FEMSA	0.16
Multilateral Organization	International Fund for Agricultural Development	1.00
New Zealand	Ministry for Primary Industries	0.07
Spain	Agencia Española de Cooperación Internacional para el Desarrollo	0.10
Sweden	Ministry of Foreign Affairs	1.00
Switzerland	Nestlé S.A.	0.03
	State Secretariat for Economic Affairs	8.40
	Stiftung Auxilium	0.34
	Swiss Agency for Development and Cooperation	5.08
United Kingdom	Department for International Development	1.18
United States of America	Amazon Web Services	0.03
	Citi Inclusive Finance	0.02
	Google	0.15
	MGO	0.56
	Microsoft	0.05
	PepsiCo Foundation	0.90
	The Coca-Cola Company	0.03
	Visa	0.02
Uruguay	Instituto Nacional de Empleo y Formación Profesional	0.20
Total		\$32.52

2019 PARTNERS

African Development Bank	DHL	Green Climate Fund
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	Dow	Grupo Bimbo
Asian Infrastructure Investment Bank	Earth Institute at Columbia University	Hyperledger
Airbnb	Ecuador, Government of	IE Business School
Alastria Consortium	Ecuadorian Olympic Committee	Institute for the Development of Social Investment - Brazil (IDIS)
Amazon	Education Above All	Instituto de Crédito Oficial
Ambev	European Bank for Reconstruction and Development	Instituto Nacional de Empleo y Formación Profesional de Uruguay
Argentinian Olympic Committee	European Commission	International Bank for Reconstruction and Development
Asian Development Bank	European Investment Bank	International Civil Aviation Organization
Austria, Government of	everis NTT Data	International Committee of the Red Cross
Banco Ademi S.A.	Export-Import Bank of Korea	International Development Research Center
Banco do Nordeste do Brasil S.A.	Facebook	International Finance Corporation
Bancoldex	Financiera de Desarrollo Nacional	International Monetary Fund
Bank of Tokyo-Mitsubishi UFJ	FinDev Canada	International Olympic Committee
Bill & Melinda Gates Foundation	Finnvera	International Union for Conservation of Nature
BlackRock Inc.	Fondo Financiero para el Desarrollo de la Cuenca del Plata	Israel, Government of
Brazilian Development Bank (BNDES)	Food and Agriculture Organization of the United Nations	Italy, Government of
Brazil, Government of	Forge	Japan Bank for International Cooperation
Brazilian Institute of Geography and Statistics (IBGE)	France, Government of	Japan Government Pension Investment Fund
Buenos Aires, City of	French Development Agency (AFD)	Japan International Cooperation Agency
C Minds	Fundação Maria Cecília Souto Vidigal	Japan, Government of
Canada, Government of	Fundació F.C. Barcelona	KFW Bank Group
Caribbean Development Bank	Fundación Bunge y Born (FBB)	Korea Airports Corporation
Carlos Slim Foundation	Fundación FEMSA	Korea Exchange (KRX)
China Development Bank	Fundación ONCE	Korea Research Institute for Human Settlements
China, Government of	Fundación Real Madrid	Korea, Government of
Citigroup	Fundación Scholas Ocurrentes	Laboratoria
Climate Bonds Initiative	Fundación SES	LinkedIn
Colombia, Government of	Fundo de Garantia do Tempo de Serviço (FGTS)	Massachusetts Institute of Technology
Colombian Olympic Committee	Grupo de Fundaciones y Empresas - Argentina (GDPE)	Mastercard
Concordia	Germany, Government of	Medellin, City of
ConsenSys	Global Affairs Canada	Microsoft
Consumer Goods Forum	Global Environment Facility	Nestlé
Corporación Andina de Fomento (CAF)	Global Food Banking Network	New Development Bank
Corporación Interamericana para el Financiamiento de Infraestructura	Global Infrastructure Facility	
Council of the Americas	Google	
Danper	Gordon and Betty Moore Foundation	
Denmark, Government of	GRAMMY Music Education Coalition	

Nordic Development Fund
Norway, Government of
Norwegian Agency for Development Cooperation (NORAD)
Open Society Foundations
Oxxo
Pacific Investment Management Company
People's Bank Of China
PepsiCo
PepsiCo Foundation
Porticus
Proparco
Quibdó, City of
Quito, City of
Refinitiv
RSK
S-Network Global Indexes
Santander Universidades
SeaLand
Shanghai University of Finance and Economics

SKT Telecom
Sociedad de Productores Florestales
Sofinex
SoftBank Group
SoftBank Innovation Fund
Spain, Government of
Stockholm International Water Institute
Sustainable Development Solutions Network (SDSN)
Sustainable Energy for All (SEforALL)
Sweden, Government of
Swiss Agency for Development and Cooperation (SDC)
Swiss State Secretariat for Economic Affairs (SECO)
Switzerland, Government of
Telefónica
Tent Partnership for Refugees
The Coca-Cola Company
The Nature Conservancy
Think Equal

Tsinghua University
U.S. Agency for International Development (USAID)
U.S. International Development Finance Corporation (DFC)
United Kingdom, Government of the
United Kingdom's Department for International Development (DFID)
United States, Government of the
Universidad de la Coruña
Universidad de los Andes
Universidad de Oviedo
Vienna University of Economics and Business
Visa Inc.
Waseda University
Women Entrepreneurs Finance Initiative (We-Fi)
World Bank
World Economic Forum
World Resources Institute

This list may include entities that signed agreements with the IDB Group, actively engaged the IDB Group in ongoing projects, and/or made a commitment to an IDB Group project, fund, or program during 2019. It does not include all those organizations with which the IDB has an ongoing institutional partnership, or other private sector partnership arrangements (including the A/B Loan program). Governments featured on this list may encompass the diverse ministries and government entities with which the Bank collaborated throughout the year.

The IDB Group refers collectively to the IDB, its private sector entity IDB Invest, and its innovation laboratory IDB Lab.

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