Impact Report
2026

IDB Group

Impact Report
2026

GENERAL COORDINATION
Erin Bautista
Francisco Jose Joel Castro y Ortiz
Andrea Gergely
Norah Sullivan
Maria Claudia Ventocilla

ART DIRECTION
Carlos A. Bernal Barrera
Andrés Gómez-Peña
Alejandra Rodríguez Lozano
Paula Sáenz Umaña

PHOTOGRAPHY
© Inter-American Development Bank and Inter-American Investment Corporation
Photo Credits: Page 23 Grupo Elcatex; Page 24 Desarrollo Vial al Mar S.A.S.- Devit; Page 30 Colombia Móvil S.A. (Tigo).

Portions of this document were drafted with the assistance of Microsoft Copilot, then reviewed and edited by the authors.

Impact Report
2026

Acknowledgments

The 2026 Impact Report is a joint report of the IDB Group. Its preparation was carried out by the Office of Strategic Planning and Development Effectiveness of the IDB, the Office of Development Effectiveness of IDB Invest, and the Scalability, Knowledge, and Impact Unit of IDB Lab under the leadership of Francesca Castellani, Oscar Mitnik, Alessandro Maffioli, and Yuri Soares. Alexandre Meira da Rosa provided strategic input and guidance.

Erin Bautista, Francisco José Joel Castro-y-Ortiz, Andrea Gergely, Norah Sullivan and Maria Claudia Ventocilla led the production of this report. Carlos Alberto Bernal Barrera, Andrés Gómez-Peña, Alejandra Rodriguez Lozano, and Paula Sáenz Umaña led the creative direction of the report.

Pablo Bachelet, Shakirah Cossens, Loreto Setien and Virginia Snyder provided strategic guidance for Chapter 2. Viviane Azevedo, Maria Carmen Fernandez Diez, Lucas Figal Garone, Maria Paula Gerardino, and Patricia Yañez-Pagans provided strategic guidance for Chapter 3.

This publication would not have been possible without valuable contributions from:

Emmanuel Abuelafia, Camilo Acosta Mejia, Maria Caridad Araujo, Natalia Ariza, Rosangela Bando, Magdalena Barafani, Juanita Bernal, Pedro Blas, Diana Bocarejo, Edgar Cabañas, Alejandra Caldo, Laura Casas Rojas, Paula Castillo Martinez, Paula Castillo Vera, Mattia Chiapello, Gyoung Joo Choe, Mariana Coello Paz, Gustavo Crespi, Ana Cuesta, Carmine Paolo de Salvo, Juan José Durante, Isabela Echeverry, Maria Victoria Fazio, German Ferreyra, Annabella Gaggero, Luz Angela Garcia, Marieke Goettsch, Edwin Goni Pacchioni, Katelyn Hepworth, Ruth Houliston, Celeste Izquierdo, Carlos Alberto Jacome Montenegro, Mateo Jiménez, Raúl Jimenez, Mariano Lafuente, Juan Luis Landaeta, Mikael Larsson, Tomas Lisazo, Adriana Lozano, Victoria Luca, Ana Carolina Lustosa, Diego Margot, Edwin Mejía, Laura Carolina Meza, Andrea Monje, Brandon Mora, Emma Näslund-Hadley, Anna Nill, Pablo Jose Ordoñez Morales, Romina Nicaretta, Claudio Osorio, Anderson Ospino Rojas, Enrique Palacios, Maryline Penedo, Alfonso Perez, Natalia Perez Fontela, Gaston Pierri, Vania Pizano, Miguel Porrua, Federico Prieto, Alejandro Rasteletti, Joanne Riley, Marco Rios-Luna, Alejandro Riquelme, Leticia Riquelme, Lorena Rodriguez, Rafael Rodriguez-Balza, Benjamin Roseth, Graciana Rucci, Ana Santiago, Agustina Schijman, Maja Schling, Valentina Sequi, Marcos Siqueira, Mariana Sobral, Manuel Urquidi, Arturo Vergara, Cristina Villalba, Harold Villalba, Alejandra Villota, Jason Wilks, Simon Zalimben, David Zepeda, Hongrui Zhang, and Francisco Zegarra.

Content

Message from the President

This second edition of the IDB Group Impact Report reflects how we are strengthening our capacity to deliver greater impact for Latin America and the Caribbean.

Between 2024 and 2025, our operations supported 36 million people in accessing quality health and nutrition services, while 12 million gained new or improved access to safely managed drinking water and sanitation and 1.9 million people benefitted from quality early childhood development, schooling and education programs and other skills development services. Our support benefitted 5.7 million MSMEs, while 11 million people benefited from expanded broadband connectivity. Together, these results reflect not only the breadth of our work, but a growing capacity to deliver integrated solutions that address the region's most pressing and interconnected challenges.

These outcomes are supported by continued progress in effectiveness. A majority of completed projects are achieving satisfactory development results—68% for IDB and 70% for IDB Invest. We deployed $19.9 billion in third-party financing and strengthened public-private collaboration. And 80% of our stakeholders recognize such coordination as effective.

This report showcases examples of how our support is achieving long-lasting development results, including by moving beyond isolated interventions. More programmatic approaches—including initiatives such as LAC Crece and Amazonia Forever—can help countries address complex challenges more effectively through financing, technical support, and long-term engagement.

This year's report places a particular focus on productive development and innovation through the private sector. Strengthening productivity, expanding private investment, and supporting entrepreneurship will be essential for unlocking higher growth, creating better jobs, and reducing poverty and inequality across the region. The report highlights how instruments and approaches such as IDB Invest's originate-to-share model are helping mobilize private capital and expand investment in strategic sectors across Latin America and the Caribbean.

The Impact Report reflects our commitment to results, accountability, and continuous learning. By measuring outcomes, deepening partnerships, and applying the lessons of experience, we aim to deliver results today, while building a stronger foundation for sustainable and inclusive development across the region.

Ilan Goldfajn

President
IDB Group
July 2026

Executive Summary

This second edition of the IDB Group Impact Report builds on our renewed approach to reporting on development results. As part of the IDB Group's broader reporting ecosystem, the Impact Report presents 2025 results and provides a dedicated platform to reflect on the long-term development results delivered with IDB Group support across various contexts. It complements internal accountability discussions, while responding to the growing demand from external stakeholders for credible, outcome-oriented evidence on development effectiveness and lessons learned that can strengthen future development efforts in Latin America and the Caribbean (LAC).

Across the region, IDB Group operations continue to deliver tangible results. The IDB Group's Impact Framework tracks Group-wide contributions to development and performance against targets aligned with our strategy. Between 2024 and 2025, 12 million people gained new or improved access to safely managed drinking water and/or sanitation, 1.2 million farmers received improved access to agricultural services and investments, 1.9 million people benefited from early childhood development, schooling and educational programs, and other skills development services, and 11 million people benefited from new access to broadband services. These and other results presented in this report reflect the breadth of the IDB Group's engagement across the public and private sectors to address complex development challenges.

The IDB Group was on track in 2025 with regard to the majority of its Performance Targets. Our achievement of development results at completion reached 68% for IDB, compared to its 75% target, and 70% for IDB Invest, above its 65% target. The IDB, IDB Invest, and IDB Lab were broadly on track against several core priorities at entry, including sustainable economic growth, resilience, and alignment with country strategies. While both IDB and IDB Invest exceeded targets for mitigation of environmental and social risks, the share of active projects with satisfactory performance was 76% for IDB, (vs. an ≥82% target), 56% for IDB Invest (vs. ≥70% target), and 69% for IDB Lab (vs. ≥70% target). The IDB Group sustained record levels of mobilization in 2025, mobilizing a total of $19.9 billion in direct third-party financing from 2024 to 2025. Stakeholder feedback regarding public-private synergies and knowledge relevance were also positive and above target. Several indicators measuring corporate foundations were also on track, including IDB's cost to portfolio ratio, employee engagement score, and corporate carbon footprint.

Amid an uncertain global outlook, LAC faces a critical need to close long-standing productivity gaps relative to other regions while managing fiscal vulnerabilities. Sustained improvements in productivity are essential to expand fiscal space, create quality jobs, and deliver durable reductions in poverty and inequality. The private sector plays an instrumental role in driving growth, creating jobs, and reducing poverty when supported by public sector reforms to create enabling conditions. At the same time, the region is uniquely positioned to meet rising international demand for critical minerals. Underpinning these challenges, institutional capacity and rule of law remain critical enablers of development outcomes across the region.

The IDB Group is undergoing a transformation to expand its scale and impact, strengthening its financial capacity to potentially reach $500 billion over the next decade and enhancing associated portfolio supervision capabilities. The IDB modernized its investment and policy-based financing instruments for enhanced agility and outcome orientation, while IDB Invest is strengthening its capacity to mobilize resources through its originate-to-share business model, and IDB Lab is adapting its financial toolkit to better address market gaps and expand development impact in smaller markets. In addition, the IDB Group is strengthening its development effectiveness architecture across all three entities to systematically design, implement, monitor, and learn from operations to maximize development results, embedding clear theories of change, a stronger focus on outcomes, and enhanced accountability across the project cycle.

The report illustrates how the IDB Group organizes its engagement around a set of operational focus areas tailored to country-specific development challenges. Drawing on case studies across LAC, it shows how the IDB, IDB Invest, and IDB Lab translate these focus areas into measurable results through complementary public- and private-sector instruments. Case examples—from expanding access to affordable diabetes care in Mexico to increasing road infrastructure investment in Colombia—illustrate how the IDB Group is delivering impact, including through programmatic approaches that move beyond stand-alone operations by creating a structured continuum of policy, investment, and knowledge interventions aligned with long-term objectives. The analysis emphasizes the interconnected nature of development, highlighting the role of strong institutions, sound policies, and private-sector engagement in enabling productivity, growth, and inclusion. It also underscores how cross-cutting considerations—such as resilience, governance, and sustainability—can be embedded in project design and implementation to strengthen long-term results.

Finally, the Impact Report presents a deep dive into results under the operational focus area of Productive Development and Innovation through the Private Sector. It highlights development impact achieved in terms of employment, productivity growth, and market integration through support across a wide range of sectors, instruments, and public and private interventions. The analysis draws on results from IDB Project Completion Reports and IDB Invest Expanded Supervision Reports validated by the independent Office of Evaluation and Oversight, and results from IDB Lab projects. It also features insights and lessons from impact evaluations.

Acronyms

DELTA	Development Effectiveness, Learning, Tracking, and Assessment Tool
ESO	Entrepreneurship Support Organization
GDP	Gross Domestic Product
GEF	Global Environment Facility
GWh	Gigawatt hour
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IDB Group	Inter-American Development Bank Group (IDB, IDB Invest, IDB Lab)
LAC	Latin America and the Caribbean
MDB	Multilateral Development Bank
MSME	Micro, small, and medium enterprise
$MtCO_2e$	Metric tons of carbon dioxide equivalent
MW	Mega Watts
NDB	National Development Bank
NPS	Net Promoter Score
OVE	Office of Evaluation and Oversight
PCR	Project Completion Report
PMR	Progress Monitoring Report
PPP	Public-Private Partnership
PROSAP	Provincial Agricultural Services Program (Argentina)
SG	Sovereign Guaranteed
SME	Small and Medium Enterprise
TA	Technical Assistance
TC	Technical Cooperation
VC	Venture Capital
XSR	Expanded Supervision Report

Note: All dollar amounts are in U.S. dollars, unless otherwise noted.

Provincial Agricultural Services Program - PROSAP II, Argentina

Introduction

This second edition of the Impact Report further advances how the IDB Group reports on development results. Situated within its broader reporting ecosystem, it presents 2025 results, synthesizes evidence on longer-term outcomes, and distills lessons from operations across diverse country and sector contexts. The report supports internal learning while offering transparent, outcome-oriented insights to external audiences on what has worked and how these lessons can inform future development efforts in Latin America and the Caribbean (LAC).

Amid heightened global uncertainty, LAC faces a critical challenge: closing long-standing productivity gaps relative to other regions within a context of limited fiscal space. Despite relatively low unemployment and steady output growth, productivity gains have lagged due to structural constraints in human capital, infrastructure, competition, and institutional capacity. Without sustained improvements, growth is expected to remain around its long-term average of 2%, insufficient to reduce income disparities or improve living standards (Ayres, J. & Juvenal, L. 2026). Productivity growth is also essential to expand fiscal space, generate quality jobs, and reduce poverty and inequality. Demographic trends, including a slowing expansion of the working-age population, further heighten this urgency.

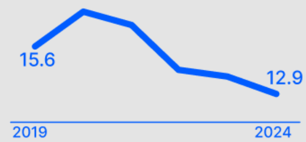
Social vulnerabilities remain widespread. In 2024, about 8% of the population lived in extreme poverty and 25% in poverty, [1] while one quarter faced moderate or severe food insecurity. Informal employment remained high at approximately 55%, underscoring persistent challenges in job quality and access to social protection. Figure I.1 provides a snapshot of the region's progress on the key development indicators forming part of our Mission Scorecard.

[1] These estimates are based on the World Bank's lower middle income poverty line for extreme poverty and upper middle income poverty line for poverty, using 2021 purchasing power parity estimates. Using the Impact Framework thresholds of $3.65 per day 2017 PPP and $6.85 per day 2017 PPP, the extreme poverty rate is 13% and the poverty rate is 30% for 2024. Progress on these and other indicators can be found on the Mission Scorecard website.

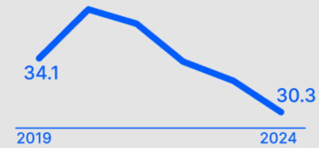
Figure I.1 2025 Mission Scorecard

Reduce Poverty and Inequality

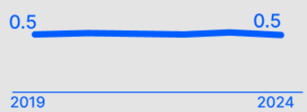
12.9%
people living in extreme poverty ($3.65 per day PPP) (%)



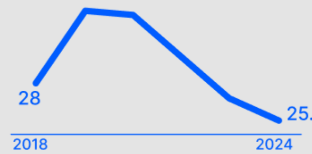
30.3%
people living in poverty ($6.85 per day PPP)



0.5
Gini coefficient (0–1 scale) (0 = absolute equality 1 = absolute inequality)



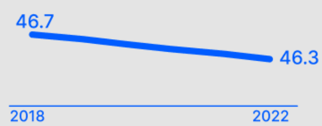
25.2%
people facing food insecurity



0.75
Global Gender Gap Index (A score of 1 indicates full gender parity)

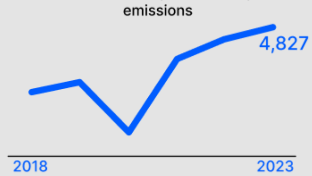
Address Climate Change

46.3%
forest area as a proportion of total land area



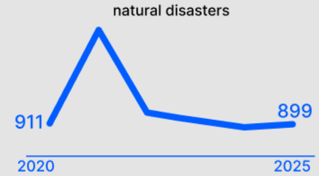
1.6 billion
hectares of key ecosystems

4,827
$MtCO_2e$ in total greenhouse gas emissions



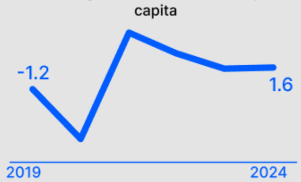
$15.4 billion
reported economic losses from natural disasters

899
reported human losses from natural disasters

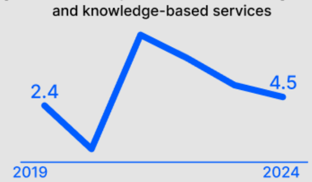


Bolster Sustainable Regional Growth

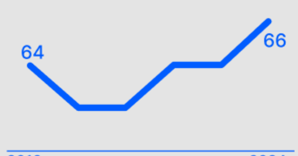
1.6%
annual growth rate of real GDP per capita



4.5%
growth rate in exports of differentiated goods and knowledge-based services

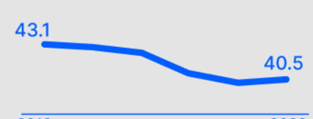


66%
employment to population ratio



55%
proportion of informal employment in total employment

40.5
government effectiveness (average LAC percentile)



Fiscal conditions add to these constraints. Elevated public debt and higher global interest rates have increased borrowing costs and limited fiscal space, restricting governments' capacity to respond to shocks. Rebuilding fiscal buffers is essential to maintaining macroeconomic stability. At the same time, weak institutional capacity continues to be a binding constraint, highlighting that closing productivity and fiscal gaps requires stronger state effectiveness to design, implement, and sustain reforms (IDB 2026c).

Despite these challenges, LAC is well positioned to seize emerging opportunities to boost productivity and reshape its growth trajectory. The region's substantial reserves of critical minerals offer potential to meet rising global demand while strengthening linkages to advanced manufacturing and technology value chains. Demographic change, particularly population aging—with nearly 30% over age 60 projected by 2060—underscores both adaptation needs and opportunities to leverage older workers' contributions (ECLAC 2023). Additionally, the private sector holds significant potential to drive productivity-led growth and job creation, provided that reforms create an enabling environment for investment, innovation, and firm-level productivity.

For more information, see the [2026 Latin American and Caribbean Macroeconomic Report: Resilience and Growth Prospects in a Shifting Global Economy]()

This report is structured as follows:

CHAPTER 1

Chapter 1 provides 2025 Performance Highlights. It outlines how the IDB Group is transforming itself to deliver greater scale and impact and provides an overview of progress against the Impact Framework Performance Targets.

CHAPTER 2

Chapter 2 presents case studies across the IDB Group's operational focus areas. It highlights results from 2024–2025 from projects under execution and illustrates how IDB Group–supported interventions have contributed to the achievement of impactful development results across diverse countries, contexts, and sectors.

CHAPTER 3

Chapter 3 presents this year's *Spotlight*, taking a deep dive into IDB Group support for Productive Development and Innovation through the Private Sector. It builds on the series launched with the 2025 Impact Report and focuses on one of the seven operational focus areas of IDBStrategy+, providing an overview of development outcomes and longer-term impacts achieved across a range of sectors and interventions as well as lessons learned.

CHAPTER 1

Performance Highlights

Figure 1.1 2025 IDB Group Performance Highlights

Above datapoints are for 2025, except for $19.9 billion direct third-party financing deployed, which is cumulative for 2024-2025. For full details and additional indicators, see Appendix 1 or the Performance Targets website.

Provincial Agricultural Services Program - PROSAP II, Argentina

Performance Targets

The IDB Group is committed to results-oriented management, setting ambitious targets and monitoring progress toward their achievement. The IDB Group Impact Framework translates the objectives of IDBStrategy+ into measurable results to guide institutional performance and enhance accountability. Figure 1.1 presents selected highlights from the Performance Targets component of the Impact Framework.

The IDB Group's Performance Targets guide the IDB, IDB Invest, and IDB Lab with targets for results delivery, support for key priorities, and other critical elements of performance and contributions to development. There are a total of 49 targets and each year their progress is classified as "on track," "on watch," or "off track." For 2025, 69% of Performance Targets were on track. [2] Collectively, these targets capture performance across multiple dimensions of the IDB Group's approach under IDBStrategy+, including strategic selectivity and alignment, effective instruments and mobilization, knowledge, public-private synergies, impact orientation, and corporate foundations.

The full set of Impact Framework indicators and latest progress may be found in Appendix 1. Additional details, including breakdowns by country and project, where applicable, as well as the Methodology Note for each indicator,[3] are available on the Impact Framework website. The website also includes the Impact Framework Technical Guidance Note, which outlines, among other content, the traffic light methodology used to classify progress.

Explore the Impact Framework website

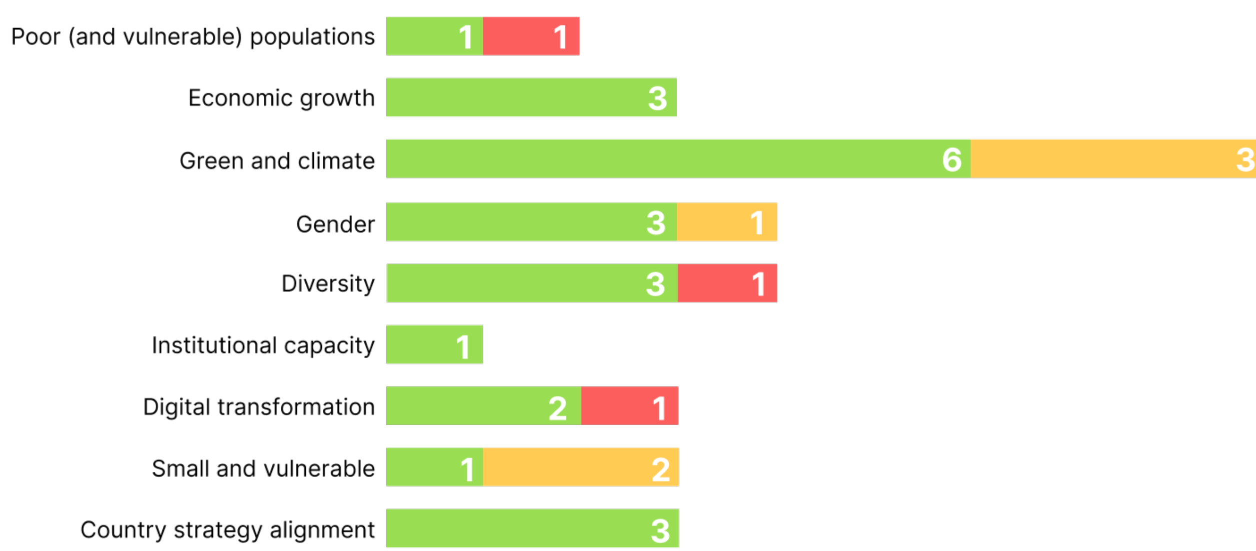
[2] This figure is based on the overall progress toward the Impact Framework targets. For targets corresponding to 2030, this is based on 2025 progress. For targets corresponding to 2024-2030, this is based on cumulative progress for 2024-2025.
[3] Each Methodology Note contains detailed content on how the indicator is defined and calculated, including the data source, calculation method, limitations, and other methodological considerations.

Strategic Selectivity and Alignment

The alignment of new projects with IDBStrategy+ priority areas remained strong in 2025, with gains in support to digital transformation for IDB, IDB Invest, and IDB Lab. In 2025, the IDB, IDB Invest, and IDB Lab were broadly on track against several core priorities at entry, including sustainable economic growth, digital transformation, and alignment with country strategies. IDB approvals supporting sustainable growth reached 78% (≥75% target) and IDB Invest commitments reached 91% for 2025 and 93% overall for 2024-2025 (above its ≥80% target). For its part, 75% of IDB Lab approvals supported economic growth compared to a ≥70% target. In terms of support for digital transformation, IDB and IDB Lab were above target in 2025, at 47% and 52%, respectively. IDB Invest reached 13%, showing progress from 9% in 2024 and slightly below its 2024-2030 target of 18%. New commitments to track support for poor and vulnerable populations continued to mature. In 2025, 32% of IDB projects supported poor populations, while 27% of IDB Invest commitments and 72% of IDB Lab approvals targeted poor and vulnerable populations. IDB is scaling up toward its 50% target for 2025-2030, IDB Invest remains in "monitor" status as it refines tracking in corporate transactions, and IDB Lab exceeded its 60% 2024-2030 target.

The majority of strategic alignment indicators related to the cross-cutting issues of IDBStrategy+ were also on track. While some climate targets lagged, the indicators *projects building climate resilience*, *projects supporting gender equality*, and *projects supporting diversity* were on track for all three IDB Group entities. New IDB approvals supporting institutional capacity and rule of law reached 85% in 2025 and 77% over the 2024-2025 period, exceeding its 70% target. Figure 1.2 displays the number of "on track," "on watch," and "off track" targets related to Strategic Selectivity and Alignment, by topic.

Figure 1.2 Status of Strategic Selectivity and Alignment Targets



Note: Each number shown in the above graph reflects the number of Strategic Selectivity and Alignment targets corresponding to each dimension that were On Track (shown in green), On Watch (shown in yellow), or Off Track (shown in red) overall for 2025. For full details, see Appendix 1 or the Performance Targets website.

Effective Instruments and Mobilization

$19.9 billion

direct third-party financing deployed, 2024-2025

The IDB Group sustained record levels of mobilization in 2025. Across 2024 and 2025, the Group mobilized $19.9 billion in direct third-party financing, [4] supported primarily by an expanded and innovative use of guarantees, IDB Invest's originate-to-share approach, public-private partnerships, and structured co-financing, keeping the indicator on track toward 2024–2030 ambition, and demonstrating early results from the IDBStrategy+ reforms. Likewise, performance on other third-party financing exceeded expectations, [5] surpassing its target for the Impact Framework period with $2.6 billion combined over 2024 and 2025. These results reinforce the IDB Group's evolving role not only as a provider of financing, but as an enabler for mobilizing private capital, knowledge, and public-private partnerships to address the region's development challenges with greater scale, efficiency, and impact.

Knowledge

Stakeholder feedback is positive regarding the IDB Group's relevance as a provider of knowledge. The Net Promoter Score for the IDB Group as a provider of relevant knowledge reached 53 in 2025, exceeding its 2030 target of 50 and increasing from 46 in 2024. This positive perception is consistent with broader efforts to strengthen how knowledge is produced, governed, and used across the institution, and is echoed in external assessments and recognitions, including the International Knowledge Management Award granted to the IDB Group. In 2025, the IDB Group produced over 700 knowledge products, which were accessed more than five million times globally, and continued to be highly influential, with IDB authors accumulating over 34,000 academic citations and IDB work being cited in more than 1,500 policy documents worldwide. The IDB Group also produced its first annual Knowledge Report for 2025 (IDB Group 2026a), highlighting how its research, advisory work, and learning products support policy improvements, operational effectiveness, and development outcomes.

[4] Direct third-party financing is aligned to the harmonized MDB mobilization methodology. For more information, see the Methodology Note.
[5] Other third-party financing is the sum of all public and private funding (including in-kind) from third parties to support the region's priority areas of development that is not committed to an IDB lending project. It includes funds from public donors, bilateral and multilateral institutions. It also includes private funds from private companies, philanthropies, foundations, and private donors. For more information see the Methodology Note.

Public-private Synergies

For 2025, 80% of respondents to the External Feedback System considered the IDB Group to be effective in fostering public-private synergies. The IDB Group progressed in implementing the IDB Group Synergies reform, advancing alignment across IDB, IDB Invest, and IDB Lab at the strategic, operational, and organizational levels. The adoption of a Group Strategic Framework and the updated Framework for Country Strategy and Programming processes strengthened public–private collaboration, leading to an increase in the number of synergy opportunities identified in early stages of programming and a better articulation of synergies intent and Group collaboration. In parallel, the implementation of organizational adjustments, a new Culture Declaration and Leadership Standards, and development of pilot indicators reinforced coordination across the Group, increasing the number of material and significant collaborations identified during the supervision of active operations.

80%
stakeholders consider the IDB Group to be effective in fostering public-private synergies

Corporate Foundations

Several Corporate Foundations targets are on track. As in 2024, the IDB's cost to portfolio ratio and the IDB Group's corporate carbon footprint were both on track regarding their targets. In addition, the employee engagement score in 2025 moved from on watch to on track. Executive, managerial, and leadership roles held by women remained at 42% compared to the 50% target for 2030. IDB Lab's cost to assets under management reached 4.8%, slightly above its target of ≤ 4.4%.

Impact Orientation

Portfolio performance during execution showed varied results. As of year-end 2025, 76% of active IDB projects were classified as satisfactory (vs. an ≥82% target), showing a decline from 2024. This decline is largely associated with evolving political dynamics in the region, including shifts in sectoral priorities and institutional restructuring. Budgetary constraints also played a role in slowing the pace of execution in 2025, particularly for projects that began implementation in 2024 or later. In the case of technical cooperation operations, 79% were rated satisfactory, above the 75% target. For IDB Invest, 56% of operations in supervision were classified as fully satisfactory in 2025, similar to the 57% in 2024 and below the 70% target. This is mainly due to challenges facing operations in the corporate segment, including macroeconomic conditions, sector-specific market shocks, adverse weather events, and political or social disruptions. Additionally, 26% of operations were classified as "alert" and 13% as "problem." [6] For IDB Lab,

[6] IDB Invest updates the DELTA score annually based on results achieved against targets and classifies each operation as "satisfactory," "alert," or "problem" based on deviations from the approval score. An "alert" classification means that the operation has the potential to achieve its targets, but closer supervision is recommended. For greater transparency and consistency throughout the project cycle, the "alert" category is now divided by operations that are leaning towards either a positive or negative final evaluation, in line with the XSR rating system, helping IDB Invest more efficiently target when to take corrective actions. A "problem" classification signals that the project is at high risk of not reaching its development goals. Five percent of operations were classified as "lacking sufficient or clear data." These classifications are not necessarily related to the financial performance of the operation.

69% of operations in its active portfolio were classified as satisfactory, matching 2024 performance but remaining slightly below the 70% target.[7] The entities of the IDB Group are implementing enhanced portfolio review routines and data systems to accelerate course-corrections during implementation in 2026. For example, IDB Invest reinforced its protocol for corrective actions by prioritizing efforts that can meaningfully improve impact and strengthening cross-department coordination for a more unified response (see Box 1.1 later in this chapter). Performance related to environmental and social standards was strong, with both IDB and IDB Invest performing above target at 95% and 100% respectively.

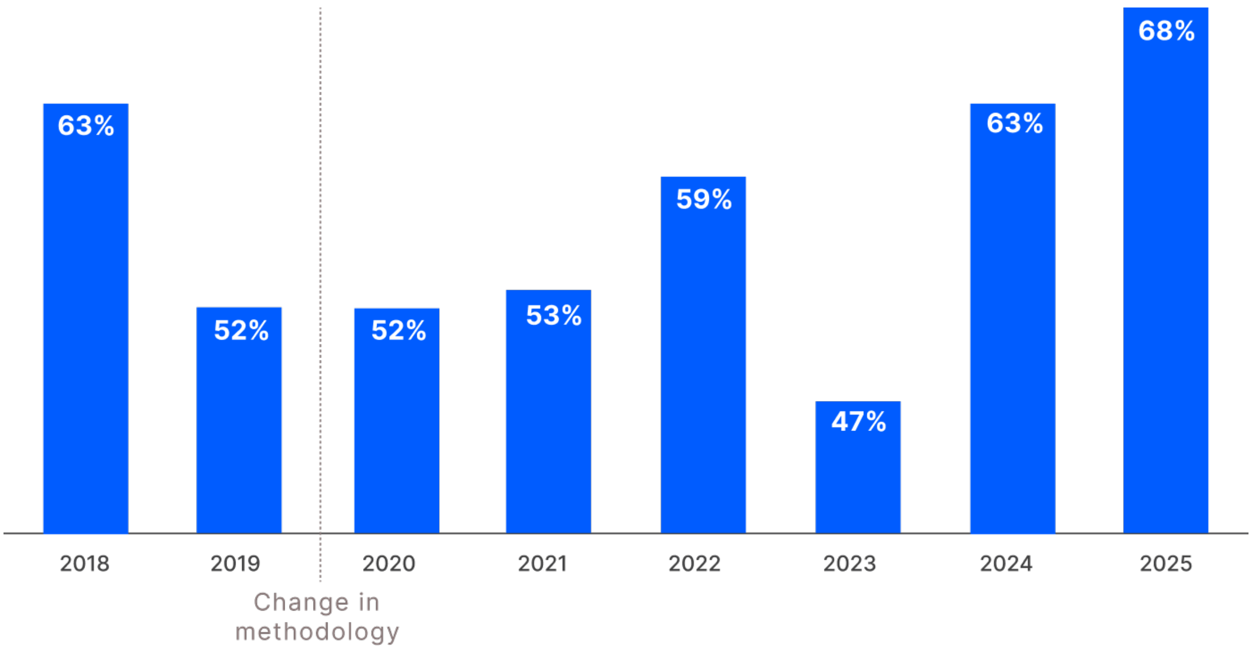
68%

of IDB projects achieved satisfactory development results at completion

Performance at completion for IDB improved from the prior year. This indicator is based on the independent validation of Project Completion Reports (PCRs) by the Office of Evaluation and Oversight (OVE).[8] In 2025, 68% of IDB PCRs received positive ratings, an improvement from the 63% observed in 2024.[9] The three-year moving average of overall project performance showed a sustained increase from 56% to 59% between 2024 and 2025, reflecting improvements in relevance, effectiveness, sustainability, and, particularly efficiency. Nevertheless, effectiveness continues to be the main constraint hindering stronger overall performance. Variations in performance are driven by both external factors affecting results and internal aspects of project design and execution. Figure 1.3 shows the annual performance for the indicator *projects with satisfactory development results at completion*. For further analysis of overall project performance, please refer to Acosta et al. (2024), Alvarez et al. (2021), IDB Group (2021), IDB Group (2022), IDB Group (2024), and Sembler et al. (2025).

[7] Since 2024, IDB Lab's methodology for assessing project performance has incorporated progress toward impact results and project risk, alongside financial performance. In 2025, refinements to the methodology further reinforced the importance of impact reporting and results monitoring. The evaluation was also expanded to include non-reimbursable ecosystem-building operations, broadening the indicator's coverage while maintaining overall performance levels.
[8] The determination of whether a project satisfactorily delivered results is based on a weighted average of sub-ratings across four core criteria of the PCRs and XSRs: relevance, effectiveness, efficiency, and sustainability. See the Methodology Note for this indicator for more information.
[9] Methodological differences across MDBs mean these indicators are not directly comparable across institutions. For more details, please refer to the Infoguide Project Evaluation at IDB and IDB Invest.

Figure 1.3 IDB Projects with Satisfactory Development Results at Completion



Note: While the core criteria of relevance, effectiveness, efficiency and sustainability have remained constant over the period shown above, the methodology for PCR ratings changed in 2020 from the previous methodology. For more details on the methodologies used and validation process, see the annual OVE reviews of PCRs and XSRs.

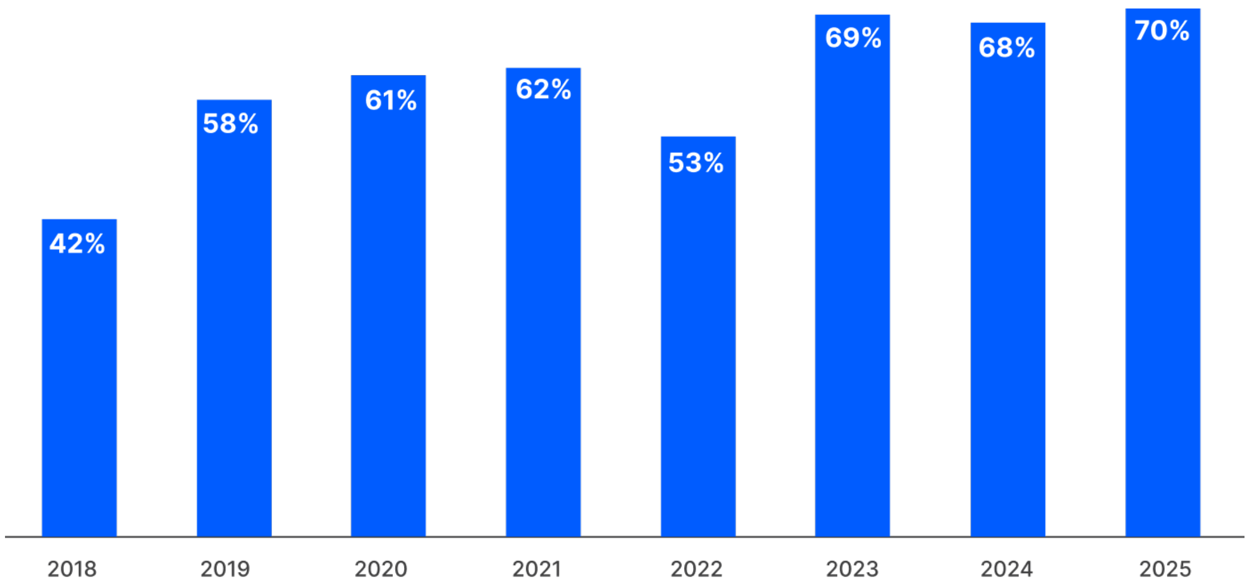
70%
of IDB Invest projects achieved satisfactory development results at completion

Performance at completion for IDB Invest surpassed the target for the third consecutive year. This indicator is based on the independent validation of Expanded Supervision Reports (XSRs) by OVE. In 2025, 70% of XSRs received an overall positive rating, up from 68% in 2024, and exceeding the 65% target (Figure 1.4). The three-year moving average of overall project performance increased from 63% in 2024 to 69% in 2025, mainly due to notable improvements in efficiency and relatively stable performance in relevance and sustainability, while effectiveness remained the lowest-rated category. It is worth noting that 48% of XSRs (21 of 44 XSRs) in 2025 were rated as "partly unsatisfactory" for effectiveness[10]—meaning that they did deliver some impact despite not achieving all of their development objectives— with 67% (14 of 21 XSRs) achieving at least half of their development indicators. In terms of business segments, improved performance overall was primarily driven by infrastructure and energy operations, all rated positively in 2025,

[10] Since there is no "partly satisfactory" category for effectiveness, the "partly unsatisfactory" category captures many projects that are partly effective even if they do not fully achieve all of their development objectives.

reversing three years of decline, thanks to strong results among energy and road projects. [11] Operations in the corporate segment also performed well with 69% of XSRs rated positively, mainly due to the post-pandemic recovery of key sectors such as tourism, solid sponsors, and well-structured financing, despite facing challenging weather and macroeconomic conditions. Operations with financial institutions were 62% positive, below the 76% average observed over the previous two years, reflecting their high sensitivity to volatile external conditions. [12]

Figure 1.4 IDB Invest Projects with Satisfactory Development Results at Completion



[11] The positive performance of the Infrastructure and Energy segment should be interpreted with caution, given the small sample size of only seven XSRs.

[12] IDB Lab does not have a target for this indicator in the Impact Framework. A separate assessment of effectiveness found that 38% of projects (23 of 60) evaluated through supervision cycles between 2023 and 2025 met or exceeded their development objectives, compared with 43% in the previous reporting period. Because the indicator is based on a moving three-year assessment window, the latest result reflects a substantially smaller sample of evaluated projects following the exit of a large cohort of projects assessed in 2022. Consistent with previous findings, results reflect IDB Lab's higher-risk innovation mandate, which can generate significant impact when successful. Non-reimbursable operations performed somewhat better than reimbursable operations (42% versus 34%), with particularly strong results among projects focused on climate (65%), gender (59%), and poor and vulnerable populations (54%). Regardless of effectiveness ratings, most projects successfully reached their intended target populations, particularly among operations targeting MSMEs (84%) and climate (77%). These findings are based on IDB Lab's effectiveness assessment methodology and are independently conducted by IDB Invest; they have not been validated by OVE.

Delivering Greater Scale and Impact

The IDB Group is undergoing a transformation to expand its scale and impact, strengthening its financial capacity and portfolio supervision capability to potentially reach $500 billion over the next decade. A set of reforms aims to balance the IDB Group's financial strength with timely and practical support to countries by adapting instruments, country strategy frameworks , and processes to respond to evolving priorities with agility while maintaining a clear focus on long-term development impact. Notably, the IDB modernized its investment and policy-based financing instruments for enhanced agility and outcome orientation, [13] while IDB Invest is strengthening its capacity to mobilize resources through its originate-to-share business model, and IDB Lab is adapting its financial toolkit to better address market gaps and expand development impact in smaller markets.

The IDB Group is strengthening its development effectiveness architecture across the three entities. These changes aim to systematically design, implement, monitor, and learn from operations to maximize development results, embedding clear theories of change, a forward-looking focus on outcomes, and stronger accountability and systematic learning across the project cycle. Together with the remaining reforms, these efforts are reinforcing the IDB Group's financial, operational, and organizational foundations, enabling the institution to act with greater agility, scale, and effectiveness in support of development outcomes across the region.

For IDB, the new Development Effectiveness Policy Framework (DEPF) aims to strengthen results management across the project cycle placing greater emphasis on forward-looking, results-oriented supervision. To support this shift, the IDB Project Risk Management Framework was revised to strengthen its alignment with the DEPF, and risk management tools are being enhanced to operate in tandem with the new end-to-end results management tool, sgDELTA. Together, these changes seek to improve the integration of risk and results information, generating actionable insights that support results-oriented decision making, adaptive supervision, and portfolio-level learning. Box 1.1 provides an overview of how project risk management practices contribute to IDB's renewed vision on impact delivery.

[13] Updated lending instruments are strengthening the IDB's capacity to deliver impact at scale. Under the Unified Investment Policy, the IDB can respond more rapidly to shocks, scale proven interventions, adapt results-based instruments to various contexts, and mobilize private investment. Similarly, under its new Policy-Based Financing framework, the IDB is also strengthening the quality and impact of its policy-based financing to address complex development challenges.

Box 1.1 – Bolstering Impact through a Renewed Approach to Risk Management

Development projects operate in complex and uncertain environments, where unaddressed risks can undermine their ability to deliver meaningful and sustainable impact. Political changes, capacity constraints, technical challenges, or external shocks can disrupt implementation and weaken the link between planned activities and intended results.

Addressing risks early and continuously throughout implementation is therefore critical. For example, in an infrastructure project operating in a flood prone area, early identification of climate and procurement risks can inform adjustments to technical designs and procurement strategies. These measures may help prevent construction delays and cost overruns, while ensuring that services are ultimately delivered to beneficiaries as planned.

The Project Risk Management Framework is IDB's main instrument for managing risks that may jeopardize the achievement of project results. It establishes a common approach for identifying, prioritizing, and responding to risks stemming from three primary sources: the execution context, the capacity of implementing institutions, and the project's technical and operational design. Under the Framework, risks are managed through a consistent and continuous process spanning the entire project lifecycle—from preparation through implementation and closing—in close coordination with other elements of the Bank's project supervision ecosystem, including those related to the Environmental and Social Policy Framework.

The Project Risk Management Framework was recently updated to strengthen its alignment with the Development Effectiveness Policy Framework, incorporating standardized risk taxonomies, improved assessment methodologies, and clearer roles and responsibilities across the project lifecycle. Looking ahead, the Bank seeks to further position project risk management as a key enabler of impact delivery. Enhancements planned for 2027 will upgrade the Framework's methodology through more systematic identification and rating of key project risks—particularly those related to procurement and integrity—improving signals to decision makers and supporting more proactive, results-oriented supervision.

A strengthened risk framework will be a strategic enabler of more proactive portfolio management, allowing the institution to identify emerging risks earlier, sharpen day-to-day decision-making, and strengthen operational dialogue with country counterparts during portfolio reviews. By enabling earlier and more timely interventions, it would help protect implementation progress and results. More broadly, a robust risk framework is critical as it is not only a supervision tool, but also a core instrument for safeguarding development impact, strengthening institutional agility, and supporting delivery in increasingly complex operating environments.

At IDB Invest, the identification and management of risks that could affect a project's expected impact are embedded in the DELTA Impact Rating System, which assesses impact potential ex-ante and tracks performance against targets throughout implementation. In the forthcoming updated DELTA tool, impact risk will be made more explicit, aligning with IDB Invest's bolder risk approach, final evaluation guidelines, and peer development finance institution practices.

This will entail a Sustainable Impact Risk assessment, which evaluates the likelihood that realized impact may differ from expectations, complementing the broader set of impact risks already assessed across the institution (including macroeconomic, market, credit, construction, environmental, social, corporate governance, legal, and integrity risks, among others). Assessing the probability and severity of additional impact risks strengthens mitigation planning and provides valuable insights for active portfolio management.

Likewise, during supervision, IDB Invest monitors the portfolio to identify operations that are off track and may need additional support to reach their development objectives. Following its protocol for corrective actions, interventions may include more frequent engagement with clients, closer tracking of milestones and development indicators, and stronger coordination across investment, risk, portfolio, environmental and social, and development effectiveness teams. Depending on the severity of challenges an operation is facing, some projects may have to be restructured and adapted—under well-established criteria and governance—to remain relevant and capable of delivering impact.

For its part, IDB Invest is also strengthening its management of development effectiveness throughout the project cycle by further reinforcing its end-to-end Impact Management Framework. This includes renewing the Development Effectiveness, Learning, Tracking, and Assessment (DELTA) Impact Rating System to strengthen how impact is assessed both at entry and during supervision to capture key drivers of impact performance to inform portfolio decision-making. IDB Invest has also consolidated its approach to additionality in the Updated Additionality Framework and renewed its Sustainable Portfolio Approach to balance its dual mandate of impact and financial sustainability throughout the project cycle. [14]

IDB Lab is strengthening its development effectiveness by improving how results are measured, managed, and used across its portfolio. It is advancing the implementation of the Innovation Results Framework, with results now reported against a prioritized set of indicators and ongoing efforts to enhance the aggregation and consistency of outcome data. In parallel, the rollout of the Impact Enhancement Program is supporting clients in strengthening impact management and measurement practices, contributing to improved data quality and greater potential for scaling impact. In addition, IDB Lab has revamped its supervision flag system to incorporate dimensions related to impact progress and risk management, enabling a more comprehensive monitoring of portfolio performance.

[14] See the Updated Additionality Framework for more details. The renewed Sustainable Portfolio Approach is being pilot tested in 2026.

CHAPTER 2

Delivering Tangible Results for Latin America and the Caribbean

Figure 2.1 Key IDB Group Portfolio Results, 2024-2025

Social Protection and Human Capital Development

36 million people
receiving quality health and nutrition services

1.9 million people
benefiting from quality early childhood development, schooling and educational programs, and other skills development services

1.3 million people
benefiting from social safety net programs

430,000 households
benefiting from housing and urban development solutions

Sustainable, Resilient, and Inclusive Infrastructure

37,000 GWh
electricity generated from renewable sources

730,000 people
with new or improved access to energy

12 million people
with new or improved access to safely managed drinking water and/or sanitation

96 million people
with enhanced access to sustainable transportation infrastructure or services

11 million people
with new access to broadband services

Productive Development and Innovation through the Private Sector

120,000 direct jobs
created

5.7 million MSMEs
benefiting from financial and/or non-financial support

1.2 million farmers
with improved access to agricultural services and investments for climate adaptation and mitigation

Regional Integration

1,900 firms
supported on international trade, tourism, and direct investment activities

16 million tons
cargo handled in ports, airports, and railway

601 GWh/yr
electricity exchanged between countries

Biodiversity, Natural Capital and Climate Action

1.9 million people
with enhanced resilience and financial protection against climate disasters and shocks

48 million annual tons CO_2
equivalent emissions avoided

26 million hectares
under sustainable management

$4.6 billion
in physical assets secured by investments in climate adaptation

23 countries
with improved disaster risk management and/ or climate change governance

Gender Equality and Inclusion of Diverse Population Groups

4.6 million people
benefited by enhanced gender equality or inclusion of diverse population groups

2.4 million women-led MSMEs
benefiting from financial and/ or non-financial support

11 countries
with strengthened gender equality and diversity policy and institutional frameworks

Institutional Capacity, Rule of Law, and Citizen Security

12,000 people
with enhanced resilience or capabilities to prevent and respond to crime and violence

175 agencies
and private sector organizations with strengthened digital capacity

167 agencies
with strengthened, transparent, and accountable domestic resource mobilization, expenditure management, and policy management

---

Results are based on results delivered in 2024 and 2025 by projects in execution and have been rounded. For full details and additional indicators, see Appendix 1 or the Portfolio Results website.

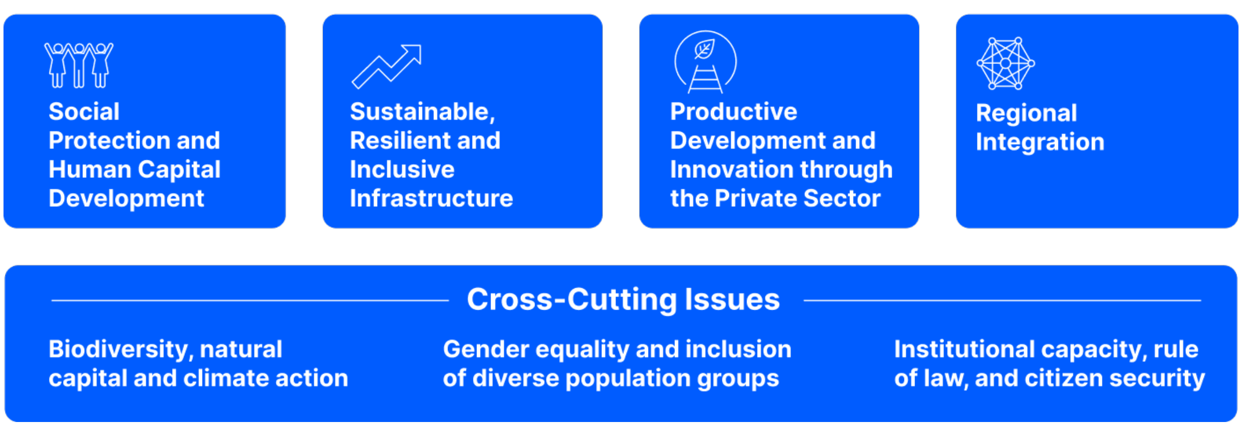
Introduction

Across the region, IDB Group operations continue to deliver tangible results. Between 2024 and 2025, 12 million people gained new or improved access to safely managed drinking water and/or sanitation, 1.2 million farmers received improved access to agricultural services and investments, 1.9 million people benefited from early childhood development, schooling and educational programs, and other skills development services, and 11 million people benefited from new access to broadband services.

While the previous chapter focused on IDB Group performance against key targets, this chapter shifts attention to tangible results delivered in the region. Figure 2.1 above provides highlights of cumulative Portfolio Results for 2024-2025. These and other results presented throughout this report reflect the breadth of the IDB Group's engagement across the public and private sector to address complex development challenges.

Guided by IDBStrategy+, the IDB Group channels its operational work through seven mutually reinforcing focus areas (Figure 2.2) tailored to country-specific development challenges. Drawing on a variety of sources including PCRs, XSRs, IDB Lab projects' progress reports and final evaluations, and impact evaluations of IDB Group projects, this chapter presents case studies demonstrating how the IDB, IDB Invest, and IDB Lab translate these focus areas into measurable results across LAC. Drawing on a range of financial and operational instruments, the examples illustrate scaled solutions that expand opportunities, enhance productivity and integration, and address evolving regional challenges. This chapter also shows how in some contexts, programmatic approaches help articulate support at a regional level by addressing development constraints in an integrated, sequenced, and sustained manner (see Box 2.1).

Figure 2.2 IDBStrategy+ Operational Focus Areas



Box 2.1 Programmatic Approach for Greater Scale and Impact

Programmatic approaches are a central element of the IDB Group's delivery model under IDBStrategy+ and a key pillar of its renewed emphasis on strategic selectivity. Defined as coherent, multi-year sets of interventions aligned around shared development objectives, they integrate financing, knowledge, and technical assistance to address complex challenges in a sustained and coordinated way. This approach responds to the limitations of fragmented, project-based models and reflects a broader shift across multilateral development banks toward long-term, systemic engagement. By fostering deeper country dialogue, aligning with national priorities, and strengthening synergies across interventions and institutions, programmatic approaches enable more durable, scalable, and transformative development impact.

A key feature of programmatic approaches is the focus on synergies and complementarities across interventions and across the public and private sector. This often implies sequencing interlinked operations—such as programmatic policy-based loans, multi-phase investment programs, or facilities like Conditional Credit Lines for Investment Projects (CCLIPs)—that build on prior reforms and learning. They combine complementary instruments, including loans, guarantees, technical cooperation, and analytical work, under a unified framework with clear objectives and results indicators. These approaches also integrate upstream and downstream interventions, where policy reforms, institutional strengthening, and pilot initiatives create the conditions for scaling investments. Strong coordination across the IDB, IDB Invest, and IDB Lab ensures a continuum of public and private sector solutions, while an emphasis on monitoring, evaluation, and adaptability supports sustained progress over time.

Programmatic approaches are now a core requirement in the IDB Group's Country Strategy Guidelines, which require more focused, coherent, and results-oriented engagement at the country level. They guide the design of country programs by promoting selectivity, longer time horizons, and stronger alignment across operations, while also strengthening partnerships and building robust pipelines of high-impact interventions. At the same time, they underpin initiatives with a programmatic focus—such as LAC Crece and Amazonia Forever, both discussed later in this chapter—which serve as platforms to coordinate policy, mobilize investment, and address shared challenges across countries. Together, these country-level and regional applications enable the IDB Group to operate more strategically, reduce fragmentation, and deliver greater development impact at scale.

Social Protection and Human Capital Development

Strengthening social protection and human capital remains essential for building resilient and inclusive societies in LAC. The IDB Group promotes a lifecycle approach to social protection that emphasizes adaptive and efficient systems capable of responding to both short-term shocks—such as pandemics and disasters triggered by natural hazards—and long-term structural trends, including migration pressures, aging populations, and evolving labor markets. The strategy prioritizes integrated, multisectoral, and data-driven solutions that improve the quality and efficiency of education, health, and early childhood development services, while supporting tax and labor policies that promote equity and expand formal employment.

The IDB Group's portfolio in this area is diverse, combining public-sector engagement with private-sector financing and innovation. The IDB supports governments in strengthening social safety nets, advancing policy reforms, improving education and health services, and modernizing public social infrastructure—such as schools, hospitals and primary care networks—while expanding workforce skills aligned with changing labor demands. IDB Invest also supports social infrastructure projects and private-sector models that improve the coverage, efficiency, and quality of education and health services. IDB Lab further contributes through investments in edtech and healthtech startups (see Case Study below), piloting technology-driven solutions that expand access for poor and vulnerable populations and build digital capabilities essential for future employment. These efforts contribute to productivity, employability, and inclusive growth, particularly as labor markets evolve with technological and demographic change. Expanding access to quality training, apprenticeships, and on-the-job learning helps workers transition into formal employment and strengthens competitiveness. Regional initiatives such as IDB Cares further reinforce this agenda by scaling care services, creating jobs, and enabling greater labor force participation—especially among women—while supporting long-term, inclusive growth (see Box 2.2).

Box 2.2 IDB Cares: Building the Care Economy for Inclusive Growth

IDB Cares is the IDB Group's regional initiative to strengthen the "care economy" in LAC by expanding access to quality care services while promoting growth, productivity, and gender equity. It focuses on building comprehensive care systems through increased financing, technical assistance, and knowledge, targeting childcare, eldercare, and support for people with disabilities.

The initiative addresses critical regional gaps, including limited service coverage, heavy reliance on unpaid care work—mostly by women—and rapidly rising demand due to population aging. IDB Cares works across three pillars: improving system governance and financing, expanding service provision and workforce capacity, and promoting shared responsibility for care.

While still scaling, early results include mobilizing financing for care infrastructure and services, supporting policy reforms and capacity building, and fostering innovation through partnerships and knowledge platforms that connect governments, private actors, and practitioners.

CASE STUDY

Expanding Access to Affordable Diabetes Care in Mexico through Innovative Health Delivery Models

Mexico faces a growing diabetes crisis, with high prevalence, rising costs, and uneven access to early detection and effective disease management. IDB Lab supported Clínicas del Azúcar (CdA), an innovative provider offering affordable, integrated, and data-driven diabetes care through a network of accessible “one-stop” clinics. Through sequenced support, including grants, technical assistance, and a loan, IDB Lab played a catalytic role in helping CdA scale, expand geographically, and strengthen its technology-enabled model. Today, CdA serves more than 500,000 patient visits annually, with over 70% of its patients coming from low-income populations, significantly expanding access to quality diabetes care for underserved groups while achieving strong disease control outcomes through a cost-effective and scalable model.

63%

of patients achieved controlled blood glucose (A1C <7.5%) after 6 months

500k+

patients served annually accross 50+ clinics

Sustainable, Resilient, and Inclusive Infrastructure

Infrastructure is fundamental for reliable access to essential services and inclusive, sustainable growth, yet LAC countries continue to face persistent gaps in availability, maintenance, quality and reliability of services. These challenges are intensifying as demand rises for energy, transport, water, and logistics systems—particularly to support the region’s expanding mining sector and its role in global supply chains. At the same time, high exposure to extreme weather increasingly threatens infrastructure and vulnerable populations. Addressing these issues requires upgrading existing systems, strengthening maintenance and design standards, and embedding resilience through risk-informed planning, cost-effective solutions, and increased public and private investment.

The IDB Group supports countries in building sustainable, resilient, and inclusive infrastructure across energy, transport, water and sanitation, social infrastructure, and digital services, including infrastructure that enables rural productivity, responsible mining development, and regional value chains. The IDB focuses on access, governance, affordability, and incorporating risk-informed considerations into infrastructure planning and execution. IDB Invest complements these efforts by financing and structuring private-sector infrastructure projects, mobilizing private capital through innovative financial instruments and blended finance, and providing advisory services to strengthen project impact and sustainability. IDB Lab supports digital services and technology-enabled business models that expand access to infrastructure-related services for underserved and last-mile populations. IDB's integrated approach is illustrated by Argentina's PROSAP program, which demonstrates how coordinated investments in rural infrastructure, irrigation, connectivity, and institutional strengthening can drive agricultural productivity and resilience at scale (see Case Study below).

CASE STUDY

Increasing Agricultural Productivity and Resilience in Argentina

Argentina's diverse regions face overlapping constraints—limited irrigation, poor roads, weak logistics, and scarce energy—that hinder agricultural productivity and resilience, especially for small producers. Through PROSAP, the IDB has supported long-term, integrated investments in infrastructure and institutions over three decades. Irrigation upgrades increased yields (up to 386 kg/ha over time), boosted output by up to 53%, and reduced climate vulnerability. Complementary investments in roads, electrification, and capacity building improved market access and strengthened value chains. The program shows that sustained, coordinated interventions can deliver lasting productivity gains, enhance resilience, and transform regional agricultural economies.

31 to 53%
increase in agricultural output

+386 kg
per hectare per year
peak additional yield after 5 years

Productive Development and Innovation through the Private Sector

Productivity growth is essential for income convergence and inclusive, sustainable development in LAC. Yet firms—especially MSMEs and informal enterprises—face persistent constraints, including limited access to finance, low technology adoption, weak managerial and innovation capabilities, and insufficient competitive pressures. Productive Development and Innovation through the Private Sector is a core pillar of IDBStrategy+, promoting an integrated, data-driven approach to strengthen markets, support entrepreneurship, and enable firms to adopt innovative and climate-smart practices across sectors such as agribusiness, manufacturing, digital services, tourism, and sustainable value chains.

The IDB Group advances these goals through complementary tools. IDB Invest supports private-sector growth by financing financial intermediaries that provide credit to MSMEs, while also supporting firms directly to invest in scale up, improve productivity, adopt new technologies, and strengthen value chains. IDB Lab invests in early-stage, tech-enabled ventures that expand market access and efficiency for underserved populations. In parallel, the IDB works with governments to improve the enabling environment for innovation and competitiveness. The manufacturing sector remains critical for translating productivity gains into jobs and exports, as illustrated by IDB Invest's support to a textile firm in Honduras to scale operations, boost competitiveness, and generate employment (see Case Study below).

CASE STUDY

Scaling Manufacturing to Drive Jobs and Exports in Honduras

Over the past decade, Honduras has strengthened its position as a competitive global apparel exporter, with textiles driving jobs, exports, and productive development. IDB Invest supported Grupo Elcatex to scale production through a new vertically integrated facility, increasing capacity and expanding into synthetic fabrics. This growth supported an average of over 12,000 formal, permanent jobs from 2020-2024—exceeding targets—and boosted exports, with the company accounting for 17% of national textile exports in 2024. Local sourcing also rose significantly, supporting MSMEs. Despite shocks such as the pandemic and hurricanes, the project demonstrated how long-term financing can sustain industrial expansion, enhance resilience, and shift resources toward more productive activities, strengthening the country's manufacturing base.

84% increase
in formal employment

17%
share of total Honduran textile exports in 2024

2x growth
in purchases from MSME suppliers

Regional Integration

Regional integration is a key driver of productivity, competitiveness, and shared prosperity in LAC by expanding market size and enabling participation in global value chains. However, barriers such as fragmented regulations, high trade costs, and gaps in cross-border infrastructure continue to limit progress, especially as supply chain risks grow. Addressing these challenges requires coordinated approaches that align trade, logistics, and regulatory frameworks with resilient infrastructure to reduce business costs, strengthen energy security, and support inclusive growth.

The IDB Group promotes integration through complementary public- and private-sector instruments that enhance physical, digital, and productive connectivity. The IDB supports cross-border infrastructure, trade facilitation, and regulatory harmonization, while advancing regional flagship programs that mobilize investment and technical assistance. IDB Invest strengthens value chains, trade finance, and infrastructure financing, and IDB Lab backs scalable, technology-driven solutions across borders. Together, these efforts help countries coordinate policies, attract investment, and deepen economic ties, as illustrated by Colombia's experience using reforms and public-private partnerships (PPP) to expand road infrastructure and regional connectivity (see Case Study below).

For additional information about IDB Group regional programs and initiatives, visit this website.For additional information about IDB Group regional

CASE STUDY

Connecting Colombia through Road PPPs

Colombia has become a leading market for infrastructure PPPs in LAC. Over three decades, sequenced IDB support helped strengthen regulations, institutions, and public sector capacity, enabling large-scale private infrastructure investment by IDB Invest and others. Landmark reforms—including the 2012 PPP Law and creation of key agencies—laid the foundation for the country's fourth and fifth generation road concession programs. IDB Invest is the leading investor, supporting nine concessions to date. These investments have built or upgraded more than 1,200 km of roads, benefitting over 30 million people through reduced travel times, improved safety, and greater connectivity, and are expected to generate an estimated $9.3 billion in net economic benefits. This experience demonstrates how programmatic approaches can drive large-scale infrastructure development and economic gains.

30 million
people benefitted

$9.3 billion
in estimated net economic benefits for society

+1,200km
of roads built/upgraded

Cross-Cutting Issues

Addressing cross-cutting issues is essential to achieving effective and sustainable development outcomes. Challenges such as limited institutional capacity, weak governance, social exclusion, and environmental vulnerability often cut across sectors and constrain the impact of individual investments. Without deliberate attention to these dimensions, projects risk underperformance or short-lived results.

The IDB Group integrates cross-cutting considerations across its operations to strengthen development outcomes and ensure that investments respond effectively to local needs and constraints. Projects are designed to expand access to economic opportunities and essential services, improve the effectiveness and accountability of public institutions, and support the sound management of natural and physical assets. Attention to institutional capacity, governance, and citizen security helps ensure that resources are used efficiently and that policies and programs deliver tangible results for communities. At the same time, long-term sustainability considerations guide investments to safeguard productive landscapes and reduce vulnerabilities to environmental and economic shocks. This integrated approach is illustrated in Panama's Ngäbe-Buglé Comarca, where transport investments combined engineering standards with community-informed design to reflect local mobility patterns, environmental conditions, and governance realities, resulting in more accessible, durable, and widely used infrastructure (see IDB Case Study below).

CASE STUDY

User-Centered Infrastructure to Support Connectivity and Service Access in Panama's Ngäbe-Buglé Comarca

In Panama's Ngäbe-Buglé Comarca, severe mobility constraints—especially during the long rainy season—have historically limited access to essential services and economic opportunities. With IDB support, a road improvement project adopted a context-specific approach, combining infrastructure upgrades with community engagement to ensure designs reflected local travel patterns, cultural practices, and environmental conditions. Tailored features such as pedestrian paths, horseback access, climate-resilient shelters, and bilingual signage improved year-round usability and durability. The project reduced travel times by 82% and transport costs by 63%, while improving access to healthcare and education, demonstrating how culturally informed infrastructure can enhance inclusion, service delivery, and long-term resilience.

82% reduction in travel time

63% reduction in transportation costs

Moving Forward and Scaling Ambition

The IDB Group is scaling its ambitions through two major initiatives that embody this integrated approach. LAC Crece is coordinating reforms and mobilizing private investment across key sectors to unlock productivity, growth, and jobs. Amazonia Forever is demonstrating that sustainable development and environmental stewardship are not competing goals but mutually reinforcing ones, channeling finance and innovation toward a region whose future is inseparable from the health of its forests, communities, and ecosystems. Together, they represent the IDB Group's strategic commitment to a LAC that grows faster and more sustainably.

Sustainable Horticulture Regional Expansion, Peru.

LAC Crece

The IDB Group's Initiative to Accelerate Private Sector-Led Growth

In March 2026, the IDB Group launched the LAC Crece initiative, aimed at accelerating private sector-led growth through greater coordination of reforms, sovereign financing, and private investment. The initiative stems from a central premise: sustained growth and poverty reduction increasingly depend on the capacity to mobilize private investment toward key productive sectors.

Driving productivity across the region

LAC Crece organizes interventions around a focused set of priorities with high potential impact on growth and private investment mobilization, aligned with both the IDB Group's Country Strategies and the national priorities of each country. It integrates sovereign financing and technical assistance with private capital mobilization led by IDB Invest.

In 2026, LAC Crece was consolidated in El Salvador, where the program is currently being implemented, with projects and reforms focused on macroeconomic stability, housing and urban development, tourism, financing for MSMEs, competitiveness, and investment attraction. In Bolivia, an agenda is being developed to attract investment in sectors such as agribusiness, mining, energy, and tourism. In the Dominican Republic and Ecuador, the IDB Group is working with authorities to develop growth agendas that aim to integrate priority and cross-cutting sectors, with an emphasis on mobilizing private investment, productivity, and institutional strengthening.

A platform for sequenced and strategic actions

Looking ahead, LAC Crece represents a strategic commitment by the IDB Group to reposition productive growth at the heart of the IDB Group's agenda. Through stronger coordination between reforms, financing, and private investment mobilization, the initiative is strengthening the conditions for more dynamic and resilient growth, by turning existing knowledge about development constraints into sequenced, prioritized, and financed actions that expand economic opportunities.

Generic image of Amazon from IDB repository.

AMAZONIA FOREVER

Amazonia Forever is catalyzing regional action by mobilizing finance and innovation at scale. Through the program, the IDB Group is bringing together public and private partners to unlock blended finance solutions, develop new instruments such as Amazonia Bonds and guarantees, and channel resources toward projects that promote sustainable livelihoods, resilient infrastructure, and forest conservation. By aligning financial innovation with territorial priorities, Amazonia Forever is helping to create a pipeline of investable opportunities that respond to the region's unique challenges and potential.

In Brazil, innovative financing mechanisms are expanding access to credit for MSMEs, while political risk guarantees are mobilizing private capital for large-scale reforestation and conservation efforts. New blended finance initiatives are addressing structural barriers such as currency volatility to create a more stable environment for long-term investment. In Peru, targeted financial instruments are helping scale up bio-businesses that sustainably use natural capital, creating pathways for long-term economic growth while aligning profitability with environmental stewardship. At the regional level, Amazonia Bonds Issuance Guidelines — developed in partnership with the World Bank — are establishing clear criteria for project selection, environmental and social risk management, and impact measurement, positioning Amazonia Bonds as a credible, standardized instrument in global capital markets.

Strengthening regional collaboration

By bringing together governments, development partners, civil society, and the private sector, the program is helping to break down silos and enable more aligned responses to complex regional challenges. The Amazonia Network of Ministers of Finance and Planning is advancing a common agenda to scale financing and innovation across countries, while the Amazonia Finance Network is mobilizing private financial institutions to support sustainable investment. The Green Coalition of public development banks is reinforcing the role of public finance in expanding access to funding for sustainable economic activities.

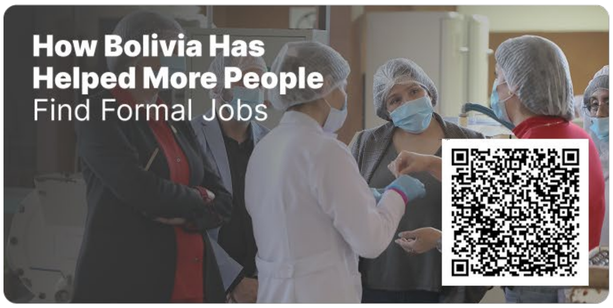
The program is also strengthening networks of policy, research, and innovation that place local knowledge at the center of the regional agenda. The BioAmazonia Research and Innovation Network is expanding access to finance and technical support for Indigenous Peoples, Afro-descendant communities, and traditional populations. The Pan Amazon Bioeconomy Network is advancing a shared vision for a locally driven bioeconomy, while the Amazonía para la Vida Fund — developed in partnership with COICA — is channeling resources directly to Indigenous and traditional communities, strengthening their economic autonomy and territorial stewardship. The AmazoniaForever360+ platform complements these efforts by transforming complex territorial data into accessible, actionable insights, enabling policymakers and partners to support more informed, coordinated development strategies across the region.

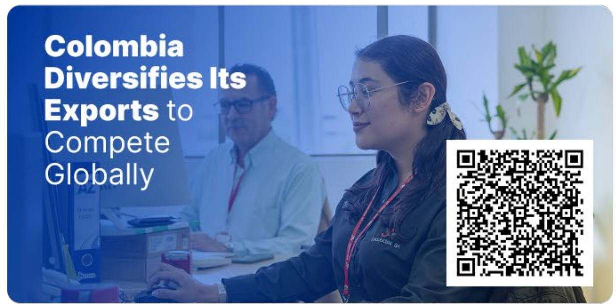
Promoting impact on the ground

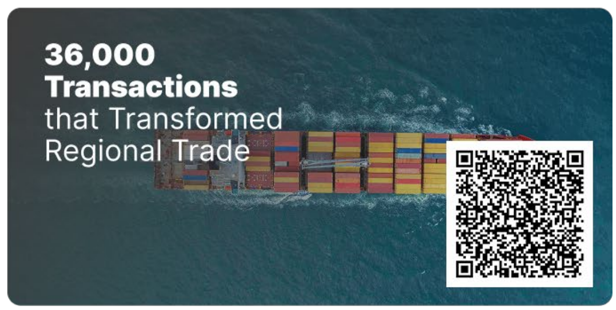
The impact of Amazonia Forever is being realized through tangible transformations that connect communities, innovation, and policy. In Colombia, community-led restoration initiatives are rebuilding native seed systems and generating sustainable livelihoods. In Ecuador, solar-powered river transport is redefining mobility and energy access. Across Bolivia, Brazil, and Peru, a coordinated initiative is strengthening the Amazonia nut value chain as a driver of forest conservation. In Suriname, investments are expanding access to renewable energy, potable water, and telecommunications, while in Guyana, efforts are improving health outcomes and expanding access to quality healthcare services in remote areas. Together, these efforts are laying the foundation for a more sustainable, inclusive, and resilient Amazonia.

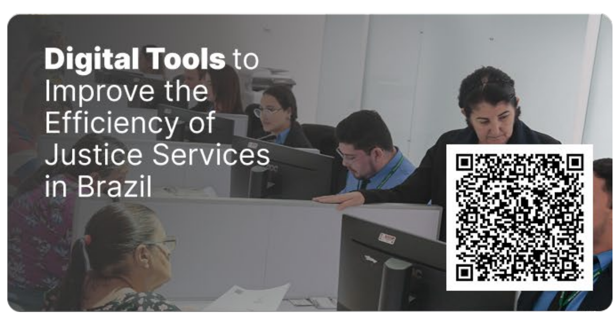
IDB GROUP ADDITIONAL CASE STUDIES

Bring the impact closer—scan the QR to uncover real stories, real results.









CHAPTER 3

Spotlight on Productive Development and Innovation through the Private Sector

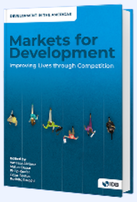
Impact Report 2026

Promoting Innovation, Entrepreneurship Human Capital, and Research, Uruguay.

Growth in Latin America and the Caribbean

Supporting LAC's productive fabric, deepening its integration into regional and global value chains, and unlocking investment and innovation are essential to accelerating growth, creating quality jobs, and reducing poverty. Despite notable economic, social, and institutional progress, the region has grown at an average annual rate of just 1.8% over the past 60 years, about half its potential (IDB Group 2026b). In this context, strengthening productive development and innovation through the private sector is a strategic imperative for inclusive growth.

The region faces important structural challenges, compounded by regulatory burdens, infrastructure gaps, and macroeconomic volatility that limit investment and firm growth. LAC economies exhibit a dual structure, where many small, low-productivity, and informal firms coexist with a small group of large, highly productive ones (Figal Garone et al. 2026). In between, there is a "missing middle", as relatively few firms grow into medium-sized enterprises. Low technology adoption, skills gaps, and fragile links between firms, research institutions, and markets further inhibit competitiveness. Limited competition and high market concentration weaken growth, suppress wages, raise prices, and keep firms small and informal. According to the 2025 Development in the Americas Report, strengthening competition could boost the region's GDP by an estimated 11% and reduce inequality by 6% (Alviarez et al. 2025).



For more information, see the 2025 Development in the Americas Report: Markets for Development: Improving Lives through Competition

At the same time, LAC has strong growth potential in sectors such as agriculture, manufacturing, and tourism. Together, agriculture and manufacturing account for around 27% of employment and 19% of GDP (Salazar et al. 2025; UNIDO 2025) and tourism could add 2.1 million jobs by 2034 (WTTC 2024). Agriculture accounts for almost a quarter of LAC exports (Salazar et al. 2025) and LAC is the world's largest net exporter of agrifood products, making it central to global food supply (IFPRI 2023), while manufactured goods represent 63% of merchandise exports (UNIDO 2025). Shifting global supply chains and technological innovation can revitalize the industrial base, while the region's natural and cultural assets position it to capture growing tourism demand. However, major constraints persist. Agricultural productivity growth slowed to 0.9% annually from 2010-2020 (Salazar et al. 2025). Manufacturing remains concentrated in low-tech industries, with its share of regional GDP steadily declining over the last 25 years (UNIDO 2025) and large productivity gaps across firms (Figal Garone et al. 2020), and tourism faces low competitiveness, vulnerability to shocks, and investment barriers (IDB 2020).

Boosting **productivity**, **investment**, and **innovation** is key to accelerate growth and reduce inequality in Latin America and the Caribbean.

These barriers are especially high for MSMEs, which make up most businesses in the region. The region's MSME financing gap is estimated at $1 trillion, the second largest globally (SME Finance Forum 2025). Adequate financing is critical for alleviating liquidity constraints, enabling investment, and facilitating innovation. It also helps generate jobs: on average, an additional $1 million in credit to MSMEs in LAC is associated with the creation of four permanent jobs per year, equivalent to about 8% employment growth (Camilletti et al. 2026). In parallel, the explosion of digital innovation is reshaping the region's financing landscape, with fintechs reducing barriers to MSME lending.

Meanwhile, artificial intelligence and digitalization are transforming how firms operate and compete but adoption is uneven. Gaps in digital infrastructure, affordability, skills, and institutional readiness limit uptake, especially for MSMEs. Trade constraints further limit growth. Regional integration remains shallow, with fragmented trade agreements and regulatory divergence restraining scale and diversification.

The IDB Group is tackling these challenges in complementary ways. [15] The IDB works with governments to strengthen policies and institutions to enhance productivity and innovation. IDB Invest works through the private sector to boost productivity, technology adoption, job creation, and supply chains. IDB Lab fosters entrepreneurship and invests in tech-driven startups. Drawing on decades of experience, this chapter shows how the IDB Group has helped strengthen the region's productive capacity through improved job quality, productivity, and market integration, as well as by expanding access to finance for MSMEs and strengthening the enabling environment. It also distills lessons on how to bolster the region's productive ecosystem, stemming from operational experience and impact evaluations.

[15] See the IDBStrategy+ Approach Document for Bolstering Sustainable Regional Growth for more information.

Flavors of Ecuador: Food Tech for Innovation in the Food Chain.

Delivering Impact

While economic growth is necessary, it is not sufficient to improve development outcomes. The IDB Group supports the private sector in transitioning toward higher value-added, productivity-driven growth models that generate higher-quality and more productive jobs and foster greater economic integration and sustainable development. These outcomes are reinforced by supporting complementary policies in education, innovation, competition, and institutional strengthening.

This section highlights how the IDB Group has delivered impact in three critical areas: higher quality and more productive jobs, productivity growth, and expanded exports and market integration. It also demonstrates how IDB Group interventions have contributed to key enablers of jobs, productivity, and global competitiveness by increasing access to finance for MSMEs and improving the enabling environment for productive development and innovation.

The examples presented here are based on a review of 102 IDB Project Completion Reports (PCRs) and 165 IDB Invest Expanded Supervision Reports (XSRs) completed from 2020-2025 and validated by the IDB Group's independent Office of Evaluation and Oversight (OVE), as well as the IDB Lab portfolio. This includes projects in sectors critical for enhancing productive development: agriculture, manufacturing, tourism, trade, technology, and finance. See Appendix 2 for the list of PCRs included in the analysis. [16]

[16] Project numbers for the IDB Invest projects referenced in this chapter are not included due to client confidentiality.

Higher-quality, more productive jobs

Ultimately, one of the end goals of enhancing productive development through the private sector is to create higher-quality, more productive jobs to improve people's lives and livelihoods. The results highlighted below are from the agriculture, manufacturing, and tourism sectors and were achieved by strengthening productive activities, supporting investments in firm expansion and process innovation, and enabling sector recovery during the pandemic, when safeguarding jobs and livelihoods was especially critical.

Agriculture is an important source of livelihoods in rural areas, making access to credit, markets, and technology adoption for farmers essential for improving incomes and the viability of farm-based employment. For example, in Haiti, an IDB-supported technology transfer program (HA-L1059) benefitting 19,000 small farmers with technical assistance, input subsidies, and agroforestry support led to a 47% increase in farm-level profitability. In the Dominican Republic, an IDB Lab project (DR-L1133; DR-T1182) supported approximately 750 small and medium-sized ranchers and contributed to income increases of around 40%, alongside improvements in productivity and market access through strengthened dairy processing capacity.

Private-sector agribusinesses are also important job creators. IDB Invest financing for agribusiness projects that expand production, boost productivity, and sustain and scale operations has supported more than 60,000 formal, permanent jobs. For instance, a regional project with a leading food and agribusiness group in Central America and the Dominican Republic helped safeguard nearly 30,000 full-time jobs during the pandemic while creating 3,250 new formal jobs between 2020 and 2023. In Ecuador, the expansion of a client's industrial production and sales led to a 25% increase in formal employment from 2017-2022.

60,000
formal, permanent jobs supported through agribusinesses

Manufacturing is another key source of employment in the region. Ten IDB Invest projects across seven sub-sectors in six countries supported nearly 18,000 direct jobs. For example, in Brazil, two projects supporting the development of pulp mills created more than 2,000 jobs in this capital-intensive and export-oriented industry In Honduras, the expansion of a textile company increased formal employment from 7,331 jobs in 2019 to 13,425 in 2024, nearly doubling the project's target.

Tourism operations have also contributed to employment gains. In Brazil's state of Ceará, with IDB support (BR-L1204), expanded tourism products contributed to the creation of 5,000 formal jobs, while in El Salvador (ES-L1066) improved tourism infrastructure and services generated 800 new formal jobs in La Libertad and Usulután. During the post-pandemic recovery, private sector financing through IDB Invest enabled a hotel group in the Dominican Republic and Jamaica to recover employment faster than expected, creating more than 3,000 formal jobs from 2021-2023.

These job gains reflect the productive potential unlocked by IDB Group support. However, sustaining and scaling high-quality employment is closely tied to productivity improvements that allow firms and farms to innovate, grow, and remain competitive.

Productivity growth

A core objective of IDB Group interventions is to boost firm and farm productivity by facilitating the adoption of sustainable technologies, modern infrastructure, and enhanced operational practices. Productivity gains typically take time to materialize and as a result, are most reliably captured through long-term impact evaluations. Intermediate results measured during project implementation and shortly after completion are also meaningful, as they lay the foundations for productivity gains that emerge over time. The following examples highlight IDB Group contributions to increased productivity across the value chain from small producers to anchor firms. Many of the examples relate to agriculture, reflecting the sector's strong representation in the project sample for IDB, IDB Invest, and IDB Lab.

Irrigation projects have contributed to substantial agricultural productivity gains for thousands of farmers. In an IDB projects in Bolivia (BO-L1084), impact evaluation results show that agricultural productivity increased by 32% among 7,000 farmers benefiting from improved irrigation systems and governance. In Ecuador (EC-L1121), an impact evaluation confirmed that yields rose by 33% among 2,300 rural families thanks to rehabilitated irrigation systems and new aspersion sprinklers.

32% increase
in productivity for farmers due to improved irrigation systems in Bolivia

Farmers have also become more productive through the adoption of new and improved technologies and practices. In Peru, an IDB-funded agricultural innovation program benefiting 290,000 farmers increased technology adoption by 160%, translating into higher incomes for producers of potatoes (17%), coffee (33%), and cocoa (45%) (PE-L1125). In Mexico, an impact evaluation of an IDB Invest-supported pilot program with a food company shows that by providing small-scale beekeepers with a combination of basic inputs, training, and, most importantly, queen bees, they increased their hives by 24%, honey production by 33%, and yields by 11% compared to the control group. IDB Lab projects have had similar results. In Guatemala (GU-M1059), coffee producers increased average productivity from 5 to 13 quintals per hectare along with the expansion of climate-smart practices, while in Ecuador, uptake of precision agriculture technologies (RG-T3136) enabled small cocoa producers to increase yields by over 70%. However, scaling these project-level gains requires broader diffusion of innovative agtech solutions through mechanisms such as venture capital to support early-stage firms (see Box 3.1).

Box 3.1: From Capital to Impact: How Venture Funds are Transforming Agtech in Latin America and the Caribbean

The venture capital (VC) ecosystem in LAC remains small but increasingly relevant as a driver of innovation. Following the 2022 market correction, annual investment has stabilized at around $4–5 billion, with greater focus on efficiency and sustainable growth (LAVCA 2026). However agriculture receives only 1% of funding, despite its central role in food security, climate resilience, and economic inclusion.

Within this context, IDB Lab uses VC as a catalytic tool to support early-stage agtech innovation to drive impact at scale. Through $8 million in anchor investments in funds such as AgVentures II by SP Ventures (RG-Q0052, RG-Q0057) and Opportunity Fund I by The Yield Lab LATAM (RG-Q0079, RG-Q0112), complemented by $11 million from the Global Environment Facility (GEF), IDB Lab has helped capitalize two specialized funds of approximately $60 million and $45 million, respectively.

Through these funds, IDB Lab has indirect exposure to a portfolio of more than 40 agtech startups across LAC, addressing key bottlenecks in productivity, finance, and supply chains using data-driven technologies. Additionally, IDB Lab's Impact Enhancement Program supports portfolio companies in improving productivity and scaling the use of AI and other digital tools. Many firms are scaling rapidly, with 68% showing strong growth and average annual revenue increases of about 70%, alongside more inclusive leadership trends. For the full story, see this IDB Lab blogpost.

At the firm level, agribusinesses and manufacturing companies have translated investments into measurable productivity gains through efficiency improvements and process innovations. In Central America and the Dominican Republic, a leading agribusiness supported by IDB Invest increased its overall production efficiency by 6% between 2020 and 2023, five times its target, thanks to investments in process innovations. In Ecuador, another agribusiness improved operational efficiency through logistics productivity measures, including expanded storage capacity and process innovations such as digitalized supply-and-demand planning, resulting in 100% on-time and in-full delivery during implementation, compared to a baseline average of 87%. Likewise, in Mexico, IDB Invest financed the construction and equipment of a new production plant that converts scrap metal into high-quality aluminum alloys used in the automotive, metalworking, and home appliance industries. The more efficient facility significantly increased the company's total factor productivity, which surpassed the 2019 baseline by 44% in 2023, indicating productivity is likely to continue as production in the new plant ramps up.

Overall, these results show how IDB Group support translates investments in technology, infrastructure, and operational improvements into measurable productivity gains across sectors. In turn, these gains enable firms and producers to scale production, meet market requirements, and compete more effectively, laying the groundwork for increased exports and market integration.

Increased exports and market integration

By expanding exports and strengthening supply chains, the IDB Group supports regional competitiveness, foreign exchange generation, and enhanced trade opportunities for LAC companies. Stronger integration of MSMEs into agricultural and industrial supply chains is critical for improving access to markets, standards, technology, and finance, while enabling anchor companies to build more reliable, efficient, and resilient supply networks. In parallel, trade facilitation support for export promotion, customs and border modernization, streamlining and digitalization of trade and investment processes, and policy reforms helps reduce trade costs and enhance competitiveness, supporting sustained export growth and deeper market integration. These benefits extend beyond firms into broader gains for countries and citizens, including job creation, price stability, and economic resilience.

Through operational consolidation, industrial upgrades, and capacity expansion, agribusiness projects have increased export volumes and sales. With IDB Invest support, a leading agricultural input distributor in Paraguay expanded its grain aggregation and export operations, more than doubling the value of grain exports from $151 million to $308 million between 2017 and 2021. In Peru, an IDB Invest-supported agro-exporter made significant investments in agricultural and industrial processes to increase production for export. Overall exports of products such as canned artichokes, asparagus, and peppers increased from 2,610 full container loads in 2013 to an average of 3,959 over 2014-2021, driven by the development of new crop fields and higher yields for more profitable products such as blueberries and avocados.

In manufacturing, the expansion of large-scale, export-oriented production in the pulp sector has contributed to global competitiveness. In Brazil, through IDB Invest's first greenfield pulp project, total exports reached 3.9 million tons from 2016-2019, representing $1.9 billion in export sales. Its second pulp plant project exported an average of 333,000 tons of dissolved wood pulp—used in the production of textile fibers—during its first two years of operation, generating average annual export revenues of $253 million. This reflects a strong ramp-up phase for a large industrial project, with output nearing initial targets and improving further as the plant reached full capacity.

186% increase
in average annual exports for small producers after shift to higher-value alpaca yarn production in Peru

Integrating MSMEs and small producers into agriculture and manufacturing supply chains helps deepen connections to local, regional, and global markets. A regional IDB Invest project with a refrigerated-foods company nearly doubled the number of domestic MSMEs in its supply chain from 2020-2023, exceeding its target for average MSME purchases by nearly $20 million. The project also offered short-term credit to MSME suppliers through reverse factoring; while uptake among MSMEs was lower than expected, participating suppliers accessed financing at interest rates 80% below the market benchmark. Similarly, in Ecuador, an IDB Invest project with a textile manufacturer increased sales to MSME customers by an average of 32% per year in real terms between 2020 and 2024, while purchases from domestic cotton suppliers exceeded expectations.

Targeted IDB Lab interventions for small producers have also expanded market access. A project with a cooperative in Peru (PE-L1249; PE-T1422) supported a shift to higher-value alpaca yarn production, driving average annual export growth by 186% while improving market access for 800 small producers in remote highland areas. In Guatemala (GU-M1059), coffee producers accessed new markets through quality upgrading and improved commercialization, although new export contracts reached only half of expected levels, reflecting ongoing constraints in market linkages.

Complementing private sector operations, support to the public sector has helped improve the agility, efficiency, and competitiveness of trade processes. Through export promotion, customs and border modernization, trade digitalization, and policy reforms, IDB projects have reduced trade costs and facilitated export growth. In Uruguay, policy reforms improved the country's position in global competitiveness rankings from 74th to 63rd, while reducing export cycle times by 43% and trade management costs by 36% (UR-L1106). A complementary project reduced the time and cost of required export procedures for dairy and meat exporters by 40% and 52%, respectively (UR-L1135). In Nicaragua, broad digitalization of export processes reduced border crossing times by 66% and export processing costs by 23% (NI-L1083).

Ultimately, as firms strengthen their supply chains, gain access to export markets, and benefit from trade facilitation, they are better positioned to sustain and expand operations and create jobs. They also benefit from critical enabling factors such as increased access to finance and more conducive regulatory frameworks and enabling environments, as discussed in the next section.

Global Credit Program for Promoting the Sustainability and Economic Recovery, Panama.

Enabling Impact

This section examines the IDB Group's impact through two primary channels: expanding MSME access to finance to drive job creation and strengthening the institutional environment for innovation and productive development.

Improved access to finance for MSMEs

Access to financing is a critical enabler of productivity growth, job creation, market integration, and resilience for MSMEs. Working across the financial ecosystem, the IDB Group combines public- and private-sector interventions—channeling financing through public development banks and private financial intermediaries—to expand the availability of adequate financial products and services for MSMEs, alongside policy and regulatory reforms. Financing is often coupled with technical assistance to help build the capacity of financial intermediaries and strengthen their ability to serve this segment. As highlighted below, IDB Group–supported operations have significantly increased financing volumes for MSMEs, improved loan terms, and strengthened the resilience of firms during periods of economic stress.

MSMEs across the region have improved access to financing through different channels. In Chile, IDB support to non-bank financial intermediaries such as factoring companies enabled 380,323 MSMEs to access financing, with the outstanding factoring portfolio increasing by $218.9 million (CH-L1098). In Jamaica, MSMEs received an additional $24.8 million in medium- and long-term financing through a guarantee program covering 1,382 loans, while average loan maturities increased from 48 to 61 months (JA-L1075). These efforts have been complemented by financing through private financial intermediaries. Overall, through the 95 IDB Invest projects with financial institutions evaluated since 2020, over 2.2 million MSMEs have benefitted from financial support. For example, in Brazil, IDB Invest partnered with a bank strategically focused on expanding lending to medium-sized firms. Portfolio growth exceeded targets: from 2019-2023, the outstanding volume of loans to medium-sized firms grew at an average annual rate of 43%, reaching BRL 3,180 million, and the number of outstanding loans grew more than sixfold, from 690 to 4,400. Shifting focus to microenterprises, through an IDB Invest project in Guatemala, access to microcredit expanded sharply, with the number of loans increasing from 144,413 in 2019 to 776,474 in 2024, while maintaining portfolio quality; loans past due over 90 days remained below 1%.

Expanding MSME access to finance and strengthening enabling conditions are **key to unlocking growth, jobs, and resilience.**

Expanding access to finance for rural MSMEs has involved targeted interventions and innovative financial instruments. Through an IDB project in Mexico (ME-L1170), over 30,000 small farms and rural businesses—many first-time borrowers— accessed loans for productive investments and technology packages, contributing to a $5.2 billion increase in rural lending and $21.6 million in productive investments in highly marginalized areas. An impact evaluation related to this project showed that access to credit helps smaller firms overcome liquidity and collateral barriers, enabling operational continuity and growth (Aparicio et al. 2021). Complementing these efforts, innovative financing approaches are also helping rural firms build capabilities and grow. A regional IDB Lab initiative (RG-G1018; RG-G1019; RG-T3282) delivered 39 loans to early-stage enterprises in rural areas, supporting firms that generated $48 million in revenues and $41 million in payments to 9,320 smallholder suppliers, while more than half increased revenues with average growth of 41%. In addition, two regional IDB Invest operations supporting agribusiness SMEs across seven countries also delivered: the number of outstanding loans increased from 1,127 in 2017 to 1,490 in 2023, and average maturities increased from 68 to 73 months, suggesting that loan conditions improved despite adverse external conditions.

Impact Evaluation Insight

Addressing Credit Market Failures: IDB's Support Through National Development Banks

- Beyond providing credit and guarantees, IDB operations seek to address market failures that constrain financial intermediation. National development banks (NDBs) play a central role by providing longer-term financing, reducing borrowing costs, and assuming risks that private lenders are unwilling to bear.

- Impact evaluations across countries show that NDB credit expands access to finance and supports firm and producer growth, although effects vary. In Brazil, firms receiving NDB-supported loans increased employment by 24% (De Negri et al. 2011). In Colombia, these loans increased investment by 70%, employment by 11%, and productivity by around 10% (Eslava et al. 2011).

- In rural Mexico, NDB credit increased paid labor, encouraged annual crop production, improved business practices, and supported greater cattle ownership and hired labor (Aparicio et al. 2021). In Argentina, an NDB program raised firms' likelihood of investing, with particularly strong effects among small, agricultural, and industrial firms, while also increasing labor productivity and employment (Bueso-Merriam et al. 2016).

- Among Colombian coffee producers, access to NDB-linked credit expanded coffee cultivation, promoted plantation renewal, and significantly improved quality of life (Echavarria et al. 2017).

32% increase

in revenues and 27% increase in employment among MSMEs receiving credit in El Salvador

Improved access to finance has also translated into stronger business outcomes for MSMEs, including higher survival rates, employment, sales, and exports. In Argentina, IDB medium- and long-term financing combined with business development services led to a 15% increase in employment among beneficiary MSMEs (AR-L1130). In El Salvador (ES-L1075), an IDB project that provided technical assistance and non-reimbursable co-financing to MSMEs to boost their competitiveness, saw a 32% increase in beneficiary firms' revenues and a 27% increase in employment. In Ecuador, through IDB Lab-supported programs (EC-Q0002; EC-T1353) following the 2016 earthquake, more than 7,200 MSMEs received technical assistance, nearly 9,800 accessed microcredit, and more than 3,000 entered new markets. Firms increased employment by 20%, and those achieving sales growth above 30% exceeded targets by over 2.5 times. Finally, IDB Invest impact evaluations have also found that access to credit leads to positive business outcomes for MSMEs, including increased employment and sales (see Impact Evaluation Insight box below).

During the COVID-19 crisis, IDB Group interventions played a critical role in sustaining MSME liquidity, employment, wages, and firm survival. In Ecuador, emergency financing channeled through first- and second-tier institutions expanded MSME liquidity on a large scale, with outstanding portfolios increasing by $963 million and $146 million, respectively (EC-L1269). In Uruguay, IDB guarantees backed productive MSME investments, with the guaranteed portfolio growing by $325 million, from $46 million at program start (UR-L1171). At the same time, private-sector operations helped protect MSMEs, including an IDB Invest-supported bank in Ecuador that nearly tripled the number of outstanding microenterprise loans from 2020-2023 while also increasing financing volumes by an average of 39% per year and doubling the microenterprise share of the bank's portfolio.

Pandemic-era operations also supported stronger MSME resilience and business outcomes. In Brazil, an IDB project (BR-L1557) increased the productive MSME loan portfolio from $75 million to $98 million, with 83% allocated to long-term lending (loan maturities of 60 months or more), while short-term MSME lending to support liquidity rose from $5.3 million to $8.3 million. As a result, beneficiary MSMEs experienced a 3.4-percentage-point increase in survival rates. As economies recovered from the pandemic, export performance also rebounded for agribusiness SMEs financed through a regional IDB Invest project, which reached $282 million in export sales in 2023, exceeding pre-pandemic levels.

Taken together, these results highlight how well-targeted financing and technical assistance can help bring more MSMEs into the formal financial system so they can grow, create jobs, and survive economic shocks. Similarly, conducive regulatory frameworks are also critical for business growth and competitiveness. The following section examines how IDB-supported reforms and enabling conditions reduce costs, strengthen incentives, and support private investment and innovation.

Impact Evaluation Insight

How does Access to Credit Affect MSME Employment and Sales? Evidence from Five IDB Invest Impact Evaluations

- Based on data from over 21,000 firms in 30 countries, IDB Invest finds a positive link between credit access and employment: each $1 million in MSME financing is associated with 4 jobs created per year (8% growth). Effects are strongest for smaller, fast-growing firms, especially when credit is recent, used for fixed assets, and provided in more competitive banking environments (Camilletti et al. 2026).

- Evidence from Colombia shows MSMEs with credit were 5 percentage points more likely to maintain or expand employment and 7 percentage points more likely to grow after the pandemic, particularly women-led firms (Barafani et al. 2025).

- In Mexico, MSME suppliers using reverse factoring– a form of supply chain finance– increased sales by 27% compared to non-users, mainly by expanding their customer base, particularly among regular users of the instrument (Figal Garone et al. 2026).

- In Mexico, the sales growth of firms receiving loans from the fintech Konfío was 19% higher than similar firms rejected for financing; among women-owned firms the difference was 42% (Arraiz 2023).

- In Argentina, MSMEs using the Mercado Libre e-commerce platform and accessing loans through Mercado Crédito had 30% higher sales than similar firms without credit (Figal Garone et al. 2021).

Improved regulatory frameworks and enabling conditions

To strengthen the region's enabling conditions for productive development, the IDB Group focuses efforts on multiple fronts, including improving regulatory and institutional frameworks, building firm innovation capabilities, strengthening entrepreneurial ecosystems, and expanding digital connectivity. Beyond regulatory simplification, enhancing broader institutional capacity—including efficient public procurement, transparent budget management, and effective oversight and enforcement—is particularly important for shaping the business environment. [17] The results that follow illustrate how complementary IDB Group approaches are translating into measurable improvements in regulatory frameworks and broader enabling conditions.

51% increase
in new business registrations annually thanks to policy reforms in Suriname

Across the region, regulatory and institutional reforms are delivering measurable results. In Colombia (CO-L1254), an IDB project supporting institutional framework reforms to promote innovation, business productivity, and entrepreneurship helped reduce the cost of registering a new business from 14% to 8.3% of GDP per capita. In the Dominican Republic (DR-L1121), stronger productive development and innovation policies led to a significant reduction in the minimum capital requirement to start a business from 36.5% of GDP per capita to 0.1%. In Suriname (SU-L1043; SU-L1049), policies to improve the business climate reduced the number of procedures required to open a business from 13 to 8, and the time required to register a property fell from 106 to 46 days. The number of new firms registered annually increased from 592 to 892. In Panama (PN-L1117), support to the National Innovation System doubled both scientific papers published by beneficiary researchers and the number of researchers in R&D per million inhabitants, reaching 286 per million—still below the regional average of 668 in 2023 (UNESCO Institute for Statistics 2026).

Addressing structural gaps in entrepreneurial ecosystems that limit the growth and scalability of early-stage firms is also key for promoting innovation. These constraints include limited access to capabilities, networks, and structured support services, particularly for small and growing businesses operating in underserved segments. IDB Lab addresses these gaps by strengthening Entrepreneurial Support Organizations (ESOs), such as incubators, accelerators, and universities, tailoring support to ecosystem maturity. From 2021-2025, it supported 58 projects ($85 million) to strengthen 245 ESOs, reaching nearly 5,000 startups. Results show that stronger ESOs translate into improved firm performance, inclusion outcomes, and ecosystem capabilities, helping bridge the gap between early-stage innovation and scalable, productive enterprises. For example, the Green Hub (RG-T4138) has strengthened 26 ESOs and accelerated 150+ climate-tech startups, resulting in higher sales for half of ventures, market expansion for over a third, and revenue gains of up to 63% in some cases, while also improving ESO governance, monitoring, innovation, and market-building capabilities. For the full story, see this IDB Lab blogpost.

[17] Evidence shows that weak institutional capacity costs the region an estimated 4.6% of GDP through inefficient public spending alone, while fragmented management systems and low compliance enforcement erode investor confidence and limit the impact of productive development policies (IDB 2025).

Finally, digital connectivity is a key enabler of productive development and innovation. Expanding broadband coverage and quality through private sector investment—reinforced by public policies and institutional reforms—is essential to improving business performance, access to services, and digital transformation (see Box 3.3). Through IDB Invest–supported mobile and fixed broadband investments, millions of people have gained faster and more reliable connectivity. In Argentina, a telecom operator added 2.6 million new 4G subscribers, expanded coverage from 87% to 98% of the population, and significantly improved download speeds. In Bolivia, a telecom investment accelerated 4G rollout, increasing coverage to 86% of the population and reaching 7.3 million subscribers, nearly double expectations. Another operation expanded mobile and fixed broadband across nine countries, reaching nearly 15 million new 4G users and more than 1.6 million new home connections. Private investments are reinforced by IDB-supported digital reforms, including in Paraguay, where a policy-based loan (PR-L1163) strengthened digital governance and implementation of the National ICT Plan. This led to gains for the country in global digital policy and e-government indicators, including a rise in the ITU G5 Benchmark Index— which measures the maturity of national digital governance and policies— from a score of 38.6 in 2021 to 42.7 in 2023.

Box 3.3. Broadband and Data Infrastructure for Productive Development

Evidence from Peru shows that broadband expansion boosts business performance and access to credit (Cusato Novelli and Castillo Mezarina 2023). From 2014-2020, Peru rolled out its national broadband fiber-optic network, connecting 180 of 196 provincial capitals and complemented by private network expansion and rapid mobile broadband growth. An IDB-IDB Invest analysis of nearly 22,000 formal firms finds that five years after broadband arrival, total credit per firm increased by 38%, the number of firm-bank relationships increased by 20%, and the number of loans per firm-bank relationship increased by 5%, indicating deeper and more diversified access to finance. Benefits were strongest for smaller firms with limited credit histories. While credit effects took time to materialize, firm performance improved earlier, with sales peaking around three years after broadband adoption. This sequencing reflects how firms first strengthen performance through digital adoption before becoming more attractive to lenders. (Also see the DEBrief and blog).

The expansion of data infrastructure also spurs the digital economy. An IDB study estimates the socioeconomic impacts of digital infrastructure, based on the premise that advanced data infrastructure stimulates digitalization in a country, resulting in significant contributions to GDP growth, labor productivity, job creation, digital industries, and innovation (Katz and Jung 2025). The analysis simulates these effects, finding that the deployment of a new public cloud zone is associated with a 1.024% increase in GDP, a 1.292% rise in innovation (measured by patent applications), a 0.695% increase in wages, and a 0.312 percentage-point reduction in unemployment. Similarly, the deployment of a data center is linked to a 0.088% increase in GDP, while the installation of 10,000 additional servers is associated with GDP growth of 0.041%.

Together, these findings show that broadband networks, cloud services, and data centers act as complementary assets, amplifying the productivity impacts of digital connectivity across the economy.

Flavors of Ecuador: Food Tech for Innovation in the Food Chain.

Lessons Learned and Promising Practices

Reflecting on lessons learned is essential to strengthening the design, implementation, and effectiveness of future interventions. Across the IDB Group, the IDB, IDB Invest, and IDB Lab have established mechanisms to systematically capture and apply lessons throughout the project cycle, including during supervision, at project closure, and through rigorous impact evaluations and sector studies. During supervision, project teams typically assess the factors influencing the delivery of expected outputs, while project completion provides an opportunity to take stock of progress toward longer-term outcomes. In parallel, impact evaluations and analytical studies contribute to the broader evidence base on what works—and what does not—across countries and sectors. Together, these efforts generate operational, strategic, and sector-level insights that help enhance the effectiveness and long-term sustainability of interventions.

Evidence demonstrates that meaningful gains in productivity, firm growth, employment quality, exports, and investment can be delivered. However, these gains are neither automatic nor uniform. Across agriculture, trade, finance, technology, and investment promotion, outcomes are shaped less by individual project components and more by how effectively programs align market incentives, institutional capabilities, and policy coherence. In addition, interventions are most successful when they explicitly recognize heterogeneity among firms and producers, address binding constraints directly, and embed flexibility, learning, and sustainability into their design, conditions that are critical for achieving durable and replicable productivity and innovation outcomes (Crespi et al. 2024). This section provides an overview of key lessons drawn primarily from IDB Performance Completion Reports (PCRs), IDB Invest Expanded Supervision Reports (XSRs), IDB Lab project evaluations, and rigorous impact evaluations.

The following lessons focus on how agricultural productivity gains depend on producers' capacity to adopt and internalize new practices over time, while building resilient supply chains increasingly requires preparing for weather-related risks.

Because rural institutions differ widely in their capacity to absorb new practices, innovation often extends well beyond the project lifecycle, making adoption failure a central risk to long-term impact. This finding is consistent with evidence from productive development policies showing that returns to productivity-enhancing investments depend on firms' and producers' ability to adopt and internalize new practices over time, rather than on access to assets and information alone (Crespi et al. 2024). As illustrated in Argentina's PROSAP III and IV (AR-L1120; AR-L1198), heterogeneous technical and managerial capacities among rural organizations required differentiated support and prolonged accompaniment to consolidate irrigation and productivity gains. Programs that combined physical investments with adaptive technical assistance, participatory learning mechanisms, and governance strengthening were more successful in sustaining productivity gains than those focused primarily on infrastructure or input delivery. Future programs should explicitly treat adoption of technologies and practices as a core development outcome, tailoring pathways to specific beneficiary capacities and value chain contexts.

Similarly, high uptake of new technologies does not automatically lead to productivity gains. In an IDB Lab project in Costa Rica (CR-L1136; CR-T1189), blackberry producers adopted modern farming techniques including agtech monitoring and traceability systems and in-vitro plant reproduction technologies supported through technical assistance and financing. However, productivity and income gains fell short of expectations because the in-vitro plant material did not yield the expected results under local conditions. This highlights the importance of adapting technologies to local contexts and providing sustained technical support to translate adoption into lasting productivity improvements.

In addition to sustaining productivity improvements, strengthening supply chain resilience is also essential. Agribusiness projects should thoroughly assess weather-related risks and ensure that clients have adequate mitigation strategies in place to protect their supply chains, especially small producers. For instance, as extreme weather shocks become more frequent and severe, relying on the client's financial strength to support small suppliers can be an effective buffer. For example, hit by a severe drought, the solid financial management of an IDB Invest client in the dairy sector in Uruguay allowed it to make extraordinary payments to smallholder farmers, helping them withstand the shock. In contrast, in Argentina, another agribusiness project faced a severe drought early during implementation and was not able to grow purchases from suppliers as planned.

The next two lessons focus on the role of institutional capacity, incentives, and implementation dynamics in shaping the effectiveness of innovation policies and trade facilitation reforms.

Innovation outcomes depend more on institutional capabilities, incentives, and governance than on technological sophistication. Innovation policies are most effective when they strengthen institutions' ability to manage uncertainty, learn, and adapt—rather than when they focus narrowly on subsidizing technology or R&D inputs. This lesson is illustrated by Chile's Integrated Foreign Trade System – SICEX (CH-L1061), where early design gaps—such as the absence of a clear roadmap for mandatory adoption—limited effectiveness despite advanced technology. Over time, modular design adjustments and phased implementation proved critical to improving uptake. Therefore, future digital and innovation interventions should frame digital transformation as a process of institutional reform, prioritize iterative and adaptive design approaches, and favor modular, interoperable solutions that strengthen ownership and long-term sustainability, consistent with the evidence on technology extension and innovation governance (Crespi et al. 2024). Consistent with this, support to ecosystem intermediaries can play a critical role in translating innovation efforts into firm-level outcomes. For example, under the IDB Lab Green Hub initiative (RG-T4138), strengthening incubators and accelerators helped participating startups improve performance, with 49% increasing sales and several expanding into new markets.

Trade facilitation reforms are more durable when aligned with political economy dynamics and firm behavior. Evidence summarized in What Works indicates that digital trade facilitation tools—such as single windows and integrated border systems—only deliver sustained gains when adoption incentives, inter-agency coordination, and sequencing are explicitly addressed. Programs such as SICEX (CH-L1061) and Border Integration Programs (NI-L1083) illustrate how delays often reflected institutional and regulatory constraints rather than technical shortcomings. Flexible, modular designs combined with early political economy diagnostics proved more resilient to leadership changes and regulatory delays. Consequently, future trade facilitation interventions should incorporate political economy analysis as a core design input and adopt adaptable implementation structures that support sustained adoption (Crespi et al. 2024).

Drawing on evidence from IDB export promotion and investment attraction initiatives and IDB Invest and IDB Lab private sector operations, the following lessons highlight the conditions under which firms successfully enter and scale in international markets.

Export promotion is most effective when grounded in specific market opportunities and firm-level constraints. Trade and investment promotion policies have their strongest effects when they target firms facing acute information barriers and when support is tailored through a sequenced, programmatic approach. This is reflected in Argentina's Export Promotion Program (AR-L1092) and Uruguay's Program to Support Global Export Services (UR-L1060), where early engagement with private actors and tailored services enabled programs to address concrete constraints within priority sectors. Export outcomes were amplified when promotion was sequenced alongside innovation, skills, and investment support. Future export promotion efforts should therefore be anchored in rigorous market diagnostics and integrated into broader competitiveness strategies, consistent with the evidence on bundled export promotion services (Crespi et al. 2024).

IDB Invest and IDB Lab experience at the firm level echoes this evidence, showing that export outcomes among agribusinesses were strongest when expectations were aligned with firm capacity and market entry pathways and when firms were able to adapt export strategies in line with shifting market demand. For example, in Peru, an agro-exporter increased exports as planned, adjusting its product mix according to market conditions and the profitability of different crops. However, in a project with a strong domestic company in Ecuador, it took longer than expected to establish the client as an exporter, signaling the need to consider longer ramp-up periods for new exporters. Similarly, in an IDB Lab project in Guatemala (GU-M1059), improvements in coffee quality and productivity were not fully matched by export outcomes, as the number of new export contracts reached only about half of expected levels. This underscores that production upgrades alone are insufficient, and that targeted commercialization support and sustained engagement with buyers are critical to translating firm-level improvements into export growth.

Investment attraction succeeds where credible policy frameworks, capable institutions, and continuity across political cycles reinforce investor confidence. Investment promotion increases the likelihood that multinational firms establish operations when information barriers are high, but that sustained development impact depends on complementary policies—such as aftercare, skills development, and supplier linkages. Lessons from Uruguay's Strategic International Positioning Programs (UR-L1076; UR-L1106) and Haiti's Private Sector Development through Investment Promotion (HA-L1078) underscore that investment promotion is most effective when treated as a long-term state function rather than a stand-alone project. Country branding efforts are most successful when insulated from political cycles and embedded in credible policy frameworks, reinforcing investor confidence and long-term impact (Crespi et al. 2024).

Finally, this last set of lessons focuses on how expanding access to finance for priority segments such as MSMEs not only depends on the choice of financial instruments, but also on the choice of partner, sustained partnerships, and the timing and execution of technical assistance.

Access to finance interventions perform best when financial instruments are tailored to institutional maturity and market conditions and linked to productive development objectives. Credit interventions tend to have stronger impacts when they address specific market failures—such as information asymmetries or coordination failures. Across impact evaluations, access to credit was shown to unlock previously constrained productive potential. Firms and producers expanded employment, sales, and investment once financing became available (see Impact Evaluation Insight above). These results validate the assumption of widespread credit rationing in LAC and underscore the importance of public financial interventions in addressing market failures. In addition, when integrating financial policies into broader productive development strategies—rather than deployed in isolation—strengthens additionality. Accordingly, future interventions should prioritize instrument fit, integrate finance with reform objectives, and ensure that monitoring and evaluation arrangements are proportionate to the scale, risk, and objectives of the intervention (Crespi et al. 2024).

Partnering with specialized financial institutions and building long-term partnerships with committed clients to support their strategic evolution over time are effective ways to expand access to finance for priority segments. Specialized financial institutions often serve populations that traditional banks overlook due to high transaction costs, information asymmetries, and perceived risks. For example, IDB Invest has supported specialized financial intermediaries in Guatemala and Peru to expand access to microcredit, with success driven by the clients' well-established strategies for reaching this segment. Similarly, IDB Invest's experience with expanding SME financing in the agribusiness sector shows that selecting regional financial intermediaries with strong sector expertise, close proximity to SME clients, prudent origination strategies, and diversified portfolios across countries and crops is critical to sustaining SME financing during systemic shocks such as the pandemic. Likewise, IDB Invest experience has shown that sustained engagement with more traditional banks helps them reach priority segments over time. For example, IDB Invest's decade-long partnership with a non-banking financial institution in Chile through multiple transactions and technical assistance has allowed the client to enhance its SME lending strategy with industry-leading practices, helping to ease its recent transition to becoming a digital bank.

The effectiveness of technical assistance depends not only on its design, but also on its timing, the sequencing of IDB and IDB Invest support, and ownership within client organizations. IDB Group experience shows that upstream technical assistance is particularly critical for preparing financial institution clients before thematic bond issuances, as sustainability strategies, eligibility criteria, and reporting frameworks are often underdeveloped at project origination. The sequencing of IDB's upstream support and IDB Invest's subsequent transaction-level engagement has proven instrumental in building client capacity. For instance, IDB-supported technical assistance (RG-T3368; RG-X1244; RG-T3554)—including developing a robust methodological framework for project selection, evaluation, monitoring, and disclosure—laid the groundwork for the Development Bank of Minas Gerais in Brazil to subsequently issue its first international sustainable bond with IDB Invest, which otherwise would not have been feasible. Similarly, upstream support from IDB Invest helped a bank in Costa Rica develop its first sustainable bond framework, facilitating future successful bond placements. By contrast, a similar IDB Invest transaction in Uruguay, where technical assistance was delivered during the project, proved less effective, in part due to an internal reorganization of the bank's sustainability area. Earlier delivery could have allowed time for the client to internalize the knowledge before bond issuance.

More broadly, when technical assistance coincides with major organizational transitions or external shocks, limited client bandwidth can reduce engagement. This was the case in an IDB Invest project in El Salvador where support provided by IDB Lab to help the client develop digital solutions for SMEs occurred during a bank merger, leading to delays and scope adjustments despite successful delivery of activities. Clear client ownership is equally important. In an IDB Invest project with a bank in Guatemala, the absence of a dedicated focal point to oversee the technical assistance to enhance the digitalization of SMEs weakened follow-through and slowed implementation although activities were delivered as planned. Together, appropriate timing, well-sequenced IDB Group support, and strong client ownership are critical to translating technical assistance into lasting development impact.

Reflections

The results presented in this chapter show that IDB Group interventions are generating meaningful gains in employment, productivity, and market integration by expanding access to finance, strengthening innovation capabilities, and improving the enabling environment for firms. Yet these gains are uneven and insufficient to close the region's persistent productivity gap. This calls for sustained, long-term efforts to address binding constraints at scale and deepen institutional and market reforms. In this context, IDB Group initiatives such as LAC Crece can play a catalytic role by sequencing, prioritizing, and financing public actions to help unlock private investment and accelerate productive transformation across the region. Scaling these efforts is essential for translating project-level gains into broad-based productivity growth, stronger job creation, and deeper integration into regional and global markets.

References

Impact Report
2026

References

Acosta Mejía, Camilo, Cambra Carrizo, Gina Itzel, Martinez-Carrasco, José, Cerda, Maikol, Kang, Minji, Villalba, Harold, Yépez, Consuelo. *Unveiling the IDB's Project Executing Units: Performance Indicators, Results-Based Management, and Demand for Knowledge.* June 2024. http://dx.doi.org/10.18235/0013040.

Álvarez, C., Corral, L., Cuesta, A., Martinez-Carrasco, J., Montiel, C., & Yepez, C. (2021). Project Completion Report Analysis: Factors Behind Project Success and Effectiveness. Technical Note No IDB-TN-02135. Washington, DC: Inter-American Development Bank. Available: https://publications.iadb.org/en/project-completion-report-analysis-factors-behind-project-success-and-effectiveness

Alviarez, Vanessa, Matías Busso, Philip Keefer, Cezar Santos, and Rodolfo Stucchi, eds. 2025. *Markets for Development: Improving Lives through Competition*. https://doi.org/10.18235/0013850

Aparicio, Gabriela, Fernando De Olloqui, María Carmen Fernández Díez, María Paula Gerardino, Oscar A. Mitnik, and Sebastián Vargas Macedo. 2021. *Liquidity or Capital? The Impacts of Easing Credit Constraints in Rural Mexico*. IDB Working Paper No. IDB-WP-1209. Washington, DC: Inter-American Development Bank.

Arraiz, Irani. 2023. *Boosting Business Growth while Leveling the Credit Playing Field for Women MSMEs in Mexico*. Washington, DC: IDB Invest. https://idbinvest.org/en/publications/debrief-boosting-business-growth-while-leveling-credit-playing-field-women-msmes

Ayres, João, and Luciana Juvenal 2026. *2026 Latin American and Caribbean Macroeconomic Report: Resilience and Growth Prospects in a Shifting Global Economy*. https://doi.org/10.18235/0013959

Barafani, Magdelena, Stefano Pereira, and Patricia Yañez-Pagans. 2025. *Firm Resilience to Shocks and the Role of Credit Access in Colombia*. Washington, DC: IDB Invest and FinDev Canada. https://idbinvest.org/en/publications/firm-resilience-shocks-and-role-credit-access-colombia

Bueso-Merriam, Jacqueline, Francisco Demichelis, María Carmen Fernández Díez, David Giuliodori, Alejandro Rodríguez, and Rodolfo Stucchi. 2016. *The Impact of the Lending Program for the Productive Development and Employment Generation of the San Juan Province*. Working paper.

Camilletti, Celina, Lucas Figal Garone, Victoria Luca, and Rodolfo Stucchi. 2026. *Access to Credit and Employment Growth for MSMEs: Evidence from Latin America and the Caribbean*. Washington, DC: IDB Invest. https://doi.org/10.18235/0013954

Clemente, Alejandra, Martín González Rozada, Alejandro Támola, and María Carmen Fernández Díez 2023. *The Impact of Credit Programs on the Post-Pandemic Reactivation of the Fabric of Production and Employment: The Case of Argentina*. https://doi.org/10.18235/0005122

Comisión Económica para América Latina y el Caribe (CEPAL). 2023. *Panorama del envejecimiento y tendencias demográficas en América Latina y el Caribe*. Santiago: CEPAL. https://www.cepal.org/en/node/58225

Crespi, Gustavo, María Paula Gerardino, Edwin A. Goñi Pacchioni, Oscar A. Mitnik, Rodolfo Stucchi, and Christian Volpe Martincus. 2024. *What Works to Improve Lives?: What Works to Foster Productive Sector Development*. https://doi.org/10.18235/0012887

Cusato Novelli, Antonio and José Luis Castillo Mezarina. 2023. *Access to Credit and the Expansion of Broadband Internet in Peru*. Washington, DC: Inter-American Development Bank and IDB Invest. https://idbinvest.org/en/publications/access-credit-and-expansion-broadband-internet-peru

De Negri, João Alberto, Alessandro Maffioli, César Rodríguez, and Gonzalo Vázquez 2012. *The Impact of Public Credit Programs on Brazilian Firms*. https://doi.org/10.18235/0011357

Echavarría, Juan José, Mauricio Villamizar-Villegas, and Daniela McAllister. 2017. *Impacto del crédito sobre los productores de café en Colombia*. Working paper.

Eslava, Marcela, Alessandro Maffioli, and Marcela Meléndez. 2011. *Second-Tier Government Banks and Firm Performance: Micro-Evidence from Colombia*. IDB Working Paper No. IDB-WP-294. Washington, DC: Inter-American Development Bank.

Figal Garone, Lucas, Paula A. López Villalba, Alessandro Maffioli, and Christian A. Ruzzier. 2020. *Firm Productivity in Latin America and the Caribbean*. Washington, DC: IDB Invest. https://idbinvest.org/en/publications/firm-level-productivity-latin-america-and-caribbean

Figal Garone, Lucas, David Giuliodori, María Laura Lanzalot, Alejandro Rodríguez, and Rodolfo Stucchi. 2021. *Can Credit Boost E-commerce among MSMEs?* Washington, DC: IDB Invest. https://idbinvest.org/en/publications/debrief-can-digital-credit-boost-e-commerce-among-msmes

Figal Garone, Lucas, Victoria Luca, Rodolfo Stucchi, and José Tessada. 2026. *The Impact of Reverse Factoring on MSMEs: Firm-level Evidence from Mexico.* Washington, DC: IDB Invest. http://dx.doi.org/10.18235/0014041

García Zaballos, Antonio, Enrique Iglesias Rodriguez, Pau Puig Gabarró, and Maribel Dalio. 2023. *Informe anual del Índice de Desarrollo de la Banda Ancha: brecha digital en América Latina y el Caribe*. Washington, DC: Inter-American Development Bank https://doi.org/10.18235/0004960

Gutiérrez, Luis H., Juan Miguel Gallego, and Magaly Faride Herrera Giraldo. 2025. *Exploring the Drivers and Performance Impacts of Advanced Digital Technologies in Latin American Economies*. Washington, DC: Inter-American Development Bank. https://doi.org/10.18235/0013728

International Food Policy Research Institute (IFPRI). *Food Security and Agrifood Trade in Latin America and the Caribbean* (CGIAR, 2023), https://cgspace.cgiar.org/items/7f54c16e-42c7-4c87-aec1-0de38ca90370

Inter-American Development Bank, IDB Invest, and IDB Lab. 2021. *Development Effectiveness Overview (DEO) 2021*. Washington, DC: Inter-American Development Bank. https://doi.org/10.18235/0003418.

Inter-American Development Bank, IDB Invest, and IDB Lab. 2022. *Development Effectiveness Overview (DEO) 2022*. Washington, DC: Inter-American Development Bank. https://publications.iadb.org/en/development-effectiveness-overview-deo-2022.

Inter-American Development Bank. 2023. *Integration and Trade Sector Framework Document*. Washington, DC: Inter-American Development Bank. https://www.iadb.org/document.cfm?id=EZSHARE-1821959538-54

Inter-American Development Bank, IDB Invest, and IDB Lab. 2024. *Development Effectiveness Overview (DEO) 2024*. Washington, DC: Inter-American Development Bank. https://doi.org/10.18235/0013156

Inter-American Development Bank Group. 2025. *Institutional Capacity and Rule of Law for State Effectiveness Thematic Framework Document 2025-2030*. Washington, DC: Inter-American Development Bank. https://www.iadb.org/document.cfm?id=EZIDB0000577-1646886943-2481

Inter-American Development Bank Group. 2026a. *IDB Group Knowledge Annual Report 2025: Turning Knowledge into Impact*. Washington, DC: Inter-American Development Bank. https://doi.org/10.18235/0013948

Inter-American Development Bank Group. 2026b. "IDB Group Launches LAC Crece to Accelerate Growth in Latin America and the Caribbean." Press release, March 16, 2026. https://www.iadb.org/en/news/idb-group-launches-lac-crece-accelerate-growth-latin-america-and-caribbean

International Monetary Fund. 2026. *World Economic Outlook: Global Economy in the Shadow of War*. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

Katz, Raúl, and Juan Jung. 2025. *El impacto socioeconómico de la infraestructura de datos*. Puig Gabarró, Pau, and Enrique Iglesias Rodriguez, eds. Washington, DC: Inter-American Development Bank. https://doi.org/10.18235/0013421

Latin American Private Equity and Venture Capital Association (LAVCA). 2026. *LAVCA industry data 2026* [Dataset]. LAVCA. https://lavca.org/industry-data/

Neilson, Christopher, Pablo Egaña, and John Eric Humphries. *Evaluación de impacto programa Talento Digital para Chile: Informe final*. Santiago: Dirección de Presupuestos (DIPRES), Ministerio de Hacienda de Chile, junio de 2024. https://www.dipres.gob.cl/597/articles-341574_informe_final.pdf

Salazar, Lina, Maja Schling, Carmine Paolo De Salvo, Pedro Martel, Gonzalo Rondinone, Diana Victoria Tadeo Ruesta, Renee Gabriela Perez Massard, et al. 2025. *Agricultural Productivity in Latin America and the Caribbean: What We Know and Where We Are Heading*. https://doi.org/10.18235/0013802

Schling, Maja, Magaly Saenz Somarriba, Carmine Paolo De Salvo, and Rodrigo Ysaac Chang Huaita 2025. *Irrigation Infrastructure and Vineyard Productivity: Evidence using Remote Sensing and Synthetic Difference-in-Differences in Argentina*. https://doi.org/10.18235/0013676

Sembler, Jose Ignacio, Bertha Briceño, Claudia Figueroa, Luisa Riveros, Anali Perez Ramirez, Marina Pupo Lafer, Fernando Barbosa, et al. 2025. *IDB Group Project Performance: The 2024 Validation Cycle*. https://doi.org/10.18235/0014039.

SME Finance Forum. 2025. *MSME Finance Gap. An Updated Estimation and Evolution of the Micro, Small and Medium Enterprises (MSME) Gap in Emerging and Developing Markets*. Washington, DC: International Finance Corporation. https://www.smefinanceforum.org/sites/default/files/Data%20Sites%20downloads/IFC%20Report_MAIN%20Final%203%2025.pdf

Támola, Alejandro, María Carmen Fernández Díez, and Isabel Haro. 2024. *Monitoring and Evaluation in Development Financing Institutions: Diagnosis and Analysis.* Inter-American Development Bank. https://doi.org/10.18235/0013296

UNESCO Institute for Statistics (UIS). 2026. "2026 R&D Data Release." UNESCO UIS. March 11, 2026. https://www.uis.unesco.org/en/2026-rd-data-release

United Nations Industrial Development Organization (UNIDO). (2025). *Industrial statistics factsheet: Latin America and the Caribbean 2025*. https://stat.unido.org/portal/storage/file/publications/yb/2025/UNIDO_IndustrialStatistics_Factsheet_LatinAmericaCaribbean_2025.pdf

Volpe Martincus, Christian. 2016. *Out of the Border Labyrinth: An Assessment of Trade Facilitation Initiatives in Latin America and the Caribbean*.

World Travel & Tourism Council (WTTC). 2024. *Economic Impact Report: Global Trends*. London: WTTC. https://researchhub.wttc.org/product/economic-impact-report-global-trends

Appendices

Appendix 1
Impact Framework

Mission Scorecard [a]

Objective	Indicator name	Progress	Year
Reduce poverty and inequality	1.1 People living in extreme poverty ($3.65 per day PPP) (%)[b]	12.9%	2024
	1.2 People living in poverty ($6.85 per day PPP) (%)[b]	30.3%	2024
	1.3 Gini coefficient of the income distribution [c]	0.50	2024
	1.4 People facing food insecurity (%)	25.2%	2024
	1.5 Global Gender Gap Index	0.75	2025
Address climate change	1.6 Forest area as a proportion of total land area (%)	46.3%	2022
	1.7 Area of key ecosystems (hectares)[d]	1.6 billion	2020
	1.8 Total greenhouse gas emissions (MtCO2e)	4,827	2023
	1.9 Annual reported economic losses from natural disasters (billion US$)	$15.4 billion	2025
	1.10 Annual reported human losses from natural disasters (# of people)	899	2025
Bolster sustainable growth	1.11 Annual growth rate of real GDP per capita (%)	1.6%	2024
	1.12 Export growth rate of differentiated goods and knowledge-based services (%)	4.5%	2024
	1.13 Employment to population ratio (%)	66%	2024
	1.14 Proportion of informal employment in total employment (%)	55%	2024
	1.15 Government effectiveness (average LAC percentile)[e]	40.5	2023

Notes:
[a] For historical information and indicator methodologies, see the Mission Scorecard webpage.
[b] The figures for extreme poverty and poverty are based on the Impact Framework thresholds of $3.65 per day 2017 PPP and $6.85 per day 2017 PPP, respectively, and are calculated using a population-weighted average. Since the approval of the Impact Framework, the World Bank has updated its poverty thresholds. Applying the World Bank's latest lower middle income poverty line and upper middle income poverty line using 2021 purchasing power parity estimates and their welfare aggregates, the extreme poverty rate for 2024 is 8% and the poverty rate is 25%. These updated estimates are calculated using a simple average of country-level poverty rates across the region.
[c] This figure is based on the Impact Framework methodology, which uses a population-weighted average to calculate a Gini coefficient for Latin America and the Caribbean. A simple average of country Gini coefficients, which provides insights on the typical level of inequality in a Latin American or Caribbean country, yields a value of .44 for 2024.
[d] Complete data for this indicator is not available past 2020 as data for several types of ecosystems is not updated regularly for most countries in the region.
[e] Data for this indicator is not available past 2023 due to a change in the source methodology. For more information, see the Worldwide Governance Indicators.

Portfolio Results [a]

Operational focus areas	Indicator name	Progress 2025	Progress 2024-2025
Biodiversity, Natural Capital, and Climate Action	2.1 People with enhanced resilience and financial protection against climate disasters and shocks (#)	891,970	**1,887,651**
	2.2 Greenhouse gas emissions avoided (annual tons of CO_2 equivalent)	21,396,206	**47,547,864**
	2.3 Area under sustainable management (hectares)	2,552,517	**25,516,293**
	2.4 Value of physical assets secured by investments in climate adaptation ($)	2,262,300,000	**4,612,230,000**
	2.5 Countries with improved disaster risk management and/or climate change governance (#)	23	**23**
Gender Equality and Inclusion of Diverse Population Groups	2.6 People benefited by enhanced gender equality and/or inclusion of diverse population groups (#)	3,107,648	**4,637,330**
	2.7 Women-led MSMEs benefiting from financial and non-financial support (#)	2,332,907	**2,433,626**
	2.8 Countries with strengthened gender equality and diversity policy and institutional frameworks (#)	7	**11**
Institutional Capacity, Rule of Law, and Citizen Security	2.9 People with enhanced resilience or capabilities to prevent and respond to crime and violence (#)	3,222	**11,646**
	2.10 Agencies and private sector organizations with strengthened digital capacity (#)	151	**175**
	2.11 Agencies with strengthened, transparent and accountable domestic resource mobilization, expenditure management, and policy management capacity (#)	26	**167**
Social Protection and Human Capital Development	2.12 People benefiting from quality early childhood development, schooling and educational programs, and other skills development services (#)	1,112,500	**1,907,345**
	2.13 People receiving quality health and nutrition services (#)	17,897,572	**36,366,133**
	2.14 People benefiting from social safety net programs (#)	1,023,874	**1,266,307**
	2.15 Households benefited from housing and urban development solutions (#)	382,655	**429,095**
Sustainable, Resilient, and Inclusive Infrastructure	2.16 Electricity generated from renewable sources (GWh)	17,900	**36,641**
	2.17 People with new or improved access to energy (#)	308,318	**727,633**
	2.18 People with new or improved access to safely managed drinking water and/or sanitation (#)	6,085,098	**11,792,337**
	2.19 People with enhanced access to sustainable transportation infrastructure or services (#)	71,023,731	**95,755,122**
	2.20 People with new access to broadband services (#)	7,246,684	**10,930,886**

Productive Development and Innovation through the Private Sector	2.21 Direct jobs created (#)	48,272	**121,966**[b]
	2.22 MSMEs benefiting from financial and/or non-financial support (#)	4,460,936	**5,718,964**
	2.23 Farmers with improved access to agricultural services and investments for climate adaptation and mitigation (#)	396,843	**1,167,329**
Regional Integration	2.24 Firms supported on international trade, tourism, and foreign direct investment activities (#)	1,234	**1,877**
	2.25 Cargo handled in ports, airports, and railway (tons)	10,887,872	**16,313,649** [c]
	2.26 Electricity exchanged between countries (GWh/year)	497	**601**

Notes

[a] For additional details and indicator methodologies, see the Portfolio Results webpage. For some indicators, 2024 values may have been adjusted based on retroactive adjustments to reporting.

[b] Starting in 2024, IDB Invest began reporting direct jobs created as its primary employment impact metric, quantifying the number of new workers hired as a direct result of IDB Invest projects. This is a change from the previous Corporate Results Framework, where the employment metric was reported as direct jobs supported, which captures the total workforce employed by the company receiving financing. In essence, direct jobs created represents the flow of newly created jobs, whereas direct jobs supported measures the stock of employees at the end of a given period. As a result, the 2024-2025 figures are not comparable to previous reporting. All job metrics are part of the "IDB Invest framework for measuring contribution to employment," which is currently undergoing internal and external peer review. Therefore, the figures should be considered preliminary estimates.

[c] Data for this indicator for 2024 was previously overstated due to a reporting error that has been corrected in this year's Impact Framework reporting.

Performance Targets[a]

Indicator	Entity	Progress 2025	Target 2024-2030	Overall Progress
Impact Orientation				
3.1 Projects with satisfactory development results at completion (%)	IDB	68%	≥ 75%	66%
	IDB Invest	70%	≥ 65%	69%
3.2 Active projects with satisfactory performance (%)	IDB	76%	≥ 82%	78%
	IDB Invest	56%	≥ 70%	56%
	IDB Lab	69%	≥ 70%	69%
3.3 Projects with satisfactory mitigation of environmental and social risks (%)	IDB	95%	≥ 90%	95%
	IDB Invest	100%	≥ 90%	99%
3.4 Technical Cooperation (TC) projects that have achieved their intended progress (%)	IDB	79%	≥ 75%	77%
Strategic Selectivity and Alignment				
3.5 Projects targeting poor (and vulnerable) populations (%)	IDB	32%	≥ 50% (2025-2030)	32%
	IDB Invest	27% -	Monitor	27% -
	IDB Lab	72%	≥ 60%	68%
3.6 Projects supporting sustainable economic growth (%)	IDB	78%	≥ 75%	77%
	IDB Invest	91%	≥ 80%	93%
	IDB Lab	75%	≥ 70%	86%
3.7 Green and climate finance in IDB Group operations (%)	IDB	46%	≥ 50%	46%
	IDB (climate only)	43%	≥ 45%	44%
	IDB Invest	49%	≥ 60% (2030)	49%
	IDB Invest (climate only including mobilization)	44%	≥ 55% (2030)	44%
	IDB Lab	31%	≥ 40% (2030)	31%
3.8 Climate finance for adaptation ($)	IDB Group	$3.8 billion	≥ $25 billion	$6.1 billion

Indicator	Entity	Progress 2025	Target 2024-2030	Overall Progress
3.9 Projects building climate resilience(%) [b]	IDB	26%	≥ 30% (2030)	26%
	IDB Invest	35%	≥ 8% (2030)	35%
	IDB Lab	18%	≥ 20% (2030)	18%
3.10 Projects supporting gender equality (%)	IDB	91%	≥ 90%	94%
	IDB (tier 2)	53%	≥ 65%	58%
	IDB Invest	54%	≥ 60% (2030)	54%
	IDB Lab	80%	≥ 70% (2030)	80%
3.11 Projects supporting diversity (%)	IDB	72%	≥ 70%	79%
	IDB (tier 2)	29%	≥ 45%	35%
	IDB Invest	15%	≥ 25% (2030)	15%
	IDB Lab	20%	≥ 25% (2030)	20%
3.12 Projects supporting institutional capacity and rule of law (%)	IDB	85%	≥ 70%	77%
3.13 Projects supporting digital transformation (%)	IDB	47%	≥ 25%	43%
	IDB Invest	13%	≥ 18%	11%
	IDB Lab	52%	≥ 25%	50%
3.14 Support to small and vulnerable countries (%)	IDB	57%	≥ 60%	57%
	IDB Invest	36%	≥ 40%	38%
	IDB Lab	56%	≥ 45%	57%
3.15 Projects aligned to country strategies (%)	IDB	98%	≥ 90%	98%
	IDB Invest	93%	≥ 85%	92%
	IDB Lab	89%	≥ 90%	91%
Effective Instruments and Mobilization				
3.16 Direct third-party financing deployed ($ billion)	IDB Group	$10.3	≥ $50	$19.9
3.17 Other third-party financing ($ billion)	IDB	$1.9	≥ $ 1.54	$2.6

Indicator	Entity	Progress 2025	Target 2024-2030	Overall Progress
Knowledge				
3.18 Net Promoter Score: IDB Group as a provider of relevant knowledge (NPS)	IDB Group	53	≥ 50 (2030)	53
Public-Private Synergies				
3.19 Stakeholders that consider the IDB Group to be effective in fostering public-private synergies (%)	IDB Group	80%	≥ 80% (2030)	80%
Corporate Foundations				
3.20 Cost to portfolio ratio (%)	IDB	.75%	≤ 0.75% (2030)	.75%
3.21 Cost to assets under management (%)[c]	IDB Invest	.87% -	Monitor	.87% -
	IDB Lab	4.8%	≤ 4.4%	4.8%
3.22 Executive, managerial, and leadership roles held by women (%)	IDB Group	42%	50% (2030)	42%
3.23 Employee Engagement Score (%)	IDB Group	8.2	≥ 8.7 (2030)	8.2
3.24 IDB Group corporate carbon footprint (tons of CO_2 equivalent)[d]	IDB Group	58,699	≤ 162,800 (2030)	58,699

On Track On Watch Off Track

Notes:
[a] For historical information, progress on pilot indicators, and indicator methodologies, see the Performance Targets webpage.
[b] Note that the methodologies differ for IDB, IDB Invest, and IDB Lab as described in the Methodology Note for this indicator.
[c] IDB Lab's cost-to-assets-under-management ratio target has been adjusted from 5.5 to 4.4 to reflect a methodological change that better reflects its performance and alignment with IDB Invest. This adjustment is in accordance with the 2025 Work Program and Budget approved by IDB Lab's Donors Committee. See the Methodology Note of the indicator for further information.
[d] The 2022 baseline for this indicator was established during the IDB Group's initial data collection exercise for this metric, at a time in which processes for estimating all types of emissions were still evolving. Results from the 2024 assessment indicate that the 2022 baseline overestimated our emissions, making the original target less ambitious than initially intended.

Pilot Indicators

Indicator	Entity	Progress 2025
Impact Orientation		
3.a Gender results achieved (%)	IDB	69%
	IDB Invest	50%
3.b Diversity results achieved (%)	IDB	0%
	IDB Invest	Not applicable
3.c Climate results achieved (%)	IDB	65%
	IDB Invest	63%
3.d Technical assistance operations that strengthen client capacity in impact management (#)	IDB Invest	28
Effective Instruments and Mobilization		
3.e Indirect third-party financing deployed ($)	IDB Group	$4.3 billion
3.f Projects that are private capital enabling (%)	IDB	19%
Knowledge		
3.g IDB Group knowledge citation index	IDB Group	.74
3.h Projects designed with rigorous evidence on effectiveness and applicability of interventions (%)	IDB	58%
Public-Private Synergies		
3.i Group interventions that address development challengers through operations from multiple windows (#)	IDB Group	11
3.j Single-window projects with significant and material collaboration in their design and execution (#)	IDB Group	109

Appendix 2

PCRs included in Chapter 3

Operation Number(s)	Country	Project Name and PCR Link
AR-L1130	Argentina	Lending Program for Productive Development in the Province of San Juan
BO-L1084	Bolivia	Irrigation Program with Watersheds Approach II
BR-L1521	Brazil	Promotion and Innovation of Access to Multisector Medium and Long-Term Credit for Productive Investments by Micro, Small And Medium Enterprises (MSMEs)
BR-L1557	Brazil	IDB-BNDES MSME Financing Emergency Global Credit Program for Safeguarding the Productive Fabric and Employment
BR-L1559	Brazil	Investment Guarantee Fund (FGI) Emergency Global Credit Program for Access to Credit (FGI-PEAC)
CH-L1098	Chile	Project for Productive Development Financing in Chile
CO-L1254	Colombia	Productive Development and Creative Economy Support Program
DR-L1121	Dominican Republic	Formalization and Productivity Improvement Program in the Dominican Republic II
EC-L1121	Ecuador	Chimborazo Rural Development Investment Program
EC-L1269	Ecuador	Global Credit Program for Safeguarding the Productive Fabric and Employment
ES-L1075	El Salvador	Productive Corridors Program
ES-L1138	El Salvador	First Program of Access to Lending for the Recovery of Micro, Small and Medium-sized Enterprises (MSMEs)
JA-L1075	Jamaica	Credit Enhancement Programme for Micro, Small and Medium Enterprises (MSME)
ME-L1170	Mexico	Second program under the CCLIP for the financing productive development
NI-L1080	Nicaragua	Credit Access to Rural Productive Chains
NI-L1083	Nicaragua	Border Integration Program
PE-L1125	Peru	Project for the Improvement of the National Agricultural Innovation Program's Agricultural Innovation Strategic Services
PN-L1117	Panama	Innovation Program for Social Inclusion and Productivity
SU-L1043; SU-L1049	Suriname	Business Climate and Innovation Program
UR-L1106	Uruguay	Program for Strategic International Positioning III
UR-L1135	Uruguay	Program to Support Agricultural Public Management II
UR-L1171	Uruguay	Global Credit Program for Safeguarding the Productive Fabric and Employment


IDB Group