
PARTNERSHIPS AT THE INTER-AMERICAN DEVELOPMENT BANK:

Pioneering New Ways of Working,
Building a Track Record



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INTRODUCING THE IDB GROUP

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

About the IDB

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

About IDB Invest

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

About IDB Lab

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



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SECTION 1

PARTNERSHIPS: A CORNERSTONE OF IDB GROUP EFFORTS TO IMPROVE LIVES





In 2015, the United Nations Sustainable Development Goals (SDGs) were adopted almost universally as an international framework for driving economic, environmental, and social development by the year 2030. Since then, the SDGs have achieved unprecedented alignment among governments, corporations, philanthropists, academia, and civil society on how to make the world a better place. And critically, through SDG #17, they have sparked a global movement that believes in the power of partnerships to unleash long-term, catalytic change.

17 PARTNERSHIPS
FOR THE GOALS



SUSTAINABLE DEVELOPMENT GOAL #17 CALLS ON THE GLOBAL DEVELOPMENT COMMUNITY TO “REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.”

This partnership-centric approach is in line with the Inter-American Development Bank’s (IDB) historic efforts to leverage partnerships as a means of amplifying impact and, in many ways, you could say that the IDB has been implementing SDG #17 since long before the SDGs came to be.

In fact, in 2008 the IDB Group founded the first ever partnership-focused department at any international development institution. The resulting Office of Outreach and Partnerships (ORP), created to mainstream partnerships across IDB Group operations, has for more than a decade established ties with external entities that enrich the IDB’s interventions in Latin America and the Caribbean (LAC). These partnerships have been central to the IDB’s work ever since. Yet they are more important than ever now that we’re facing global development challenges like COVID-19 and climate change, which can only be solved if actors across all sectors work together.

In pursuit of this objective, ORP works through its Resource Mobilization Division to mobilize knowledge, innovation, and financing from governments, corporations, investors, philanthropic entities, NGOs, academic institutions, and civil society, with the ultimate goal of maximizing the impact of IDB Group efforts. It also works through its Grants and Co-financing Management Unit to administer partner resources and report back to donors, while its offices in Asia and Europe strengthen engagement with the IDB Group’s non-regional members and foster strong partnerships with public and private sector entities in those countries.

Ultimately, ORP provides a service to internal clients across the IDB Group by helping them enhance their interventions with partner support. And it provides governments and private sector clients in the region with novel financing solutions and partner resources to pilot innovative projects, scale and replicate those that prove effective, and work outside the box to improve lives. These efforts have made ORP a reference among other international financial institutions and government agencies, which over the years have requested IDB Group assistance in establishing similar institutional structures to facilitate work in partnerships.



When ORP first opened its doors, it was the first partnership-specific office at any development institution. Today, it is a renowned reference for governments and development entities seeking to replicate its model for establishing and managing partnerships.


A key aspect of the IDB Group's partnership experience has been its capacity to adapt to emerging trends. For instance, recognizing that flows of traditional development finance to LAC have slowed, the IDB Group has worked for years to diversify its portfolio of partners, increasing engagement with private foundations, corporations, investors, and others. To offer these non-traditional partners an attractive value proposition, the IDB Group has also diversified its portfolio of partnership instruments to include vehicles that minimize risk, increase the opportunity for leverage, and catalyze private financing in the SDGs. This process of constant innovation has allowed the IDB Group to remain relevant and positioned ORP as a platform for solution creation that benefits both internal and external partners.

In the pages of this report, you will see evidence of the IDB Group's decade-long track record of advancing development through partnerships, as well as evidence of the powerful role partnerships can play in filling financing gaps, unlocking innovation, optimizing resources, generating impact, and improving lives.

“When I first began leading the Office of Outreach and Partnerships twelve years ago, there was no partnership blueprint to guide our efforts. Instead, we had to learn by doing – by studying the development landscape, identifying partner preferences and trends, and refining our value proposition to better serve our partners around the world and our public and private sector clients in the region. In this time, we’ve cultivated extensive knowledge about partnership creation and management. And as a result, ORP is now a global reference for those who seek to leverage knowledge, financing, and innovation from partners to accelerate sustainable development in Latin America and the Caribbean and beyond.”

Bernardo Guillamon,

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



Since 2008, the IDB has mobilized more than \$36 billion in resources from more than 500 partners in the public, private, philanthropic, academic, and non-profit sectors.

SECTION 2

THE POWER OF PARTNERSHIPS IN TIMES OF CRISIS



In the last few months, the world has witnessed the evolution of COVID-19 into a global challenge with grave, widespread implications, especially for vulnerable populations. From an early stage, the IDB Group recognized that addressing the pandemic would require coordinated, collaborative, multi-stakeholder solutions that tap the financial resources, expertise, and comparative advantage of diverse actors. The IDB Group's extensive partnership network and proven capacity to adapt and innovate enabled it to quickly mobilize knowledge and financing to help governments and businesses better respond to the pandemic.

SWEDEN AND THE IDB: INNOVATING TO TACKLE COVID AND MORE

Sweden and the IDB created a groundbreaking risk transfer mechanism in which a guarantee of up to \$100 million from Sweden is enabling the IDB to provide up to \$300 million in additional lending to projects in Bolivia, Colombia, and Guatemala. Though this will unlock funding for diverse sectors, the partners first deployed the tool to sustain the incomes of vulnerable populations in Guatemala in the context of COVID-19, leveraging \$100 million made possible by Sweden's guarantee.

Japan, the first donor to support the IDB's response to COVID-19, committed \$6.15 million from the *Japanese Trust Funds* for pandemic-related projects. For instance, one project will tackle malaria in Meso-america through a COVID-19 lens, while an effort in Ecuador will use technology to support children with disabilities.

The IDB group expanded its partnership with the **United States International Development Finance Corporation (DFC)** to help companies, banks, projects, and individuals access needed credit. In addition, the partners joined the *Americas Business Dialogue* in hosting a high-level exchange on COVID-19.

France committed \$223 million to co-finance a policy-based loan to help the Dominican Republic strengthen its COVID-19 response through enhanced public policy and fiscal management.

\$50 million from **Korea** through the *Korea Infrastructure Development Co-Financing Facility* is co-financing a policy-based loan in Paraguay to support healthcare spending, businesses, temporary cash transfers, and knowledge sharing. Also, three pandemic-related projects worth nearly \$3 million were approved by the *Korean Trust Funds*.



Through the *BetterTogether* Challenge created by the **U.S. Agency for International Development (USAID)** and IDB Lab to empower Venezuelan migrants, funding for the first round of recipients will support an effort to analyze data to improve basic service delivery, including health care to diagnose and treat COVID-19.

Spain pledged €5 million to support support Venezuelan migrants and their host communities in the context of COVID-19, seeking to mitigate the pandemic's impact on vulnerable migrant populations.

Finland committed \$200,000 to help migrants in Colombia, working with **Sesame Workshop** to broadcast *Sésamo*, the co-production of Sesame Street for Latin America, in migrant protected spaces.

The IDB and **Esri** are partnering to providing governments geospatial technology to track equipment and assets, manage supply chains, maintain business continuity, and monitor the spread of COVID-19.

A partnership between **everis NTT Data, Microsoft**, and the IDB has launched the *Digi/Gob* platform in three LAC countries, providing digital solutions to ensure the continuity of government services during the pandemic.

A new initiative with **Microsoft** will harness cloud computing and advanced analytics to reduce corruption in LAC. Funded by an initial \$450,000 from Microsoft, one of the first projects will enhance transparency and engagement with civil society in the response to COVID-19.

Leaders from 11 of the region's higher education institutions gathered for the *II Dialogue with LAC University Presidents*, a virtual event to discuss the challenges and opportunities posed by COVID-19. Co-organized by **Santander Universidades, Universia**, and the IDB, the event produced an evaluation of how the pandemic has accelerated digital transformation.

SECTION 3

PARTNERSHIPS AS A CROSS-CUTTING FORCE FOR DEVELOPMENT



Just as SDG #17 is positioned as a transversal objective to facilitate the implementation of the remaining 16 Global Goals, since 2008 the IDB Group has leveraged partnerships as a cross-cutting force for advancing development. In this way, the IDB Group has integrated partnerships into its work across sectors, leveraging the financing, knowledge, and innovative capacities of its partner institutions to enhance projects related to infrastructure, health, education, climate change, agriculture, and beyond. This section provides a snapshot of how partnerships have permeated every area in which the IDB Group works.

1. Infrastructure

As the IDB and the region's governments accelerate efforts to achieve the SDGs, infrastructure stands out as a sector of particular importance in which investments can unlock positive spillover benefits of the environmental, social, and economic nature. Yet despite its potential for impact, infrastructure in the region suffers from under-investment, with governments urged to invest about 5 percent of GDP in the sector per year. Private investors have expressed an appetite for infrastructure projects in LAC, but the region must minimize risk and strengthen its pipeline of bankable projects to mobilize these investors to action. With this in mind, the IDB has worked actively with partners to channel public funding to this sector, to structure financing vehicles that catalyze private investment, and to build up the pipeline to help LAC close its infrastructure financing gap.

To inform investor decisions, the **Sustainable Development Solutions Network (SDSN)** and the IDB jointly created the *SDG Impact Toolkit for Infrastructure Investments*, a visualization instrument that aligns infrastructure investment opportunities with the SDGs. The toolkit calculates each country's distance-to-target on select indicators and assesses the impact each dollar invested can have on filling SDG-related infrastructure gaps. Sharing data on current and historic infrastructure investment, the Toolkit identifies the region's greatest SDG challenges, and at a national level, which SDG-related infrastructure investments should be made.

In LAC, the annual rate of deaths due to traffic injuries is 19.2 per 100,000 inhabitants, more than double the rate of developed economies. At the same time, the cars bought and sold lag in safety standards, making road safety one of the region's leading public health issues. To address this, the IDB has long worked with partners in the transportation sector to make the region a safer place. Since as early as 2010, the IDB has worked with partners like the **Program for New Car Assessment in LAC (Latin NCAP)** and the **International Automobile Federation (FIA)**, with which it continues collaborating to enhance car standards and align regional and global efforts to boost road safety, while sparking important dialogue with **MTV Latin America, Project Yellow Light**, and other actors about the importance of improving the region's roads.



A key partner of the IDB in the infrastructure space is the **Government of the United States** through the **U.S. International Development Finance Corporation (DFC)**, with which IDB Invest joined forces to expand co-financing. Together, the partners pledged to invest a combined \$3 billion over five years, with the option of increasing investment to \$5 billion. The collaboration will focus on projects in the infrastructure sector, namely in the areas of transport, energy, water and sanitation, and social infrastructure.

A milestone in the **DFC-IDB** Group partnership was the creation in 2018 of *Fondo Mujer*, the first gender-focused fund for LAC. With up to \$200 million, *Fondo Mujer* works to narrow the female credit gap by investing in female entrepreneurs, companies with a significant share of women leaders, and firms that generate jobs or consumer products for women.

The *Korea Infrastructure Development Co-financing Facility for Latin America and the Caribbean (KIF)* was created in 2015 by the IDB and **Korea's Ministry of Strategy and Finance** as a platform to facilitate the joint financing of infrastructure projects. Launched with \$100 million in initial financing, **Korea** later quadrupled its size with an additional contribution of \$300 million. To date, the facility has financed seven projects for \$230 million across Bolivia, Colombia, Ecuador, Honduras, Nicaragua, and Paraguay, helping to make critical investments in broadband, water and sanitation, transport, clean energy, and other areas.

This partnership is also strengthened through the *Korea Trust Funds*, four single-donor funds managed by the IDB and supported by the **Government of Korea**. To date, the funds have channeled \$208 million to 536 projects in the areas of technological innovation, poverty reduction, and public sector management.

1.2 Water and Sanitation

Globally known as a natural resource powerhouse, LAC is home to one third of the world's freshwater resources. Yet despite this abundance, the region continues struggling to provide all citizens with quality water and sanitation services. In this context, the IDB and its partners work to ensure universal and sustainable access to water, sanitation, and solid waste management services, which are critical to driving economic growth and improving quality of life.

Since its creation in 2008, the IDB-managed *Multi-Donor AquaFund* has been a key tool for addressing challenges in water and sanitation. With more than \$35 million in support from the **Governments of Austria, Spain, and Switzerland**, as well as the **PepsiCo Foundation**, the fund expands access to water and sanitation in sparsely populated areas, promotes water security and addresses challenges related to climate change, improves the corporate governance of service providers, and improves urban drainage and flood control. To date, the *AquaFund* has supported more than 222 initiatives and influenced more than \$6.7 billion in IDB investments.



The *Spanish Cooperation Fund for Water and Sanitation in LAC* (FECASALC) was created by **Spain** and the IDB in 2008 to expand access to water and sanitation, improve water resource management, and strengthen governance. To date, the fund's portfolio of projects exceeds \$1.6 billion, \$580 million of which were provided by Spain directly. As a result, more than \$1 billion has been leveraged in additional donor funds and 2.5 million direct beneficiaries have been reached. In addition, FECASALC is supporting key initiatives through technical cooperation, including efforts on water security and innovation. New programs are being developed by channeling resources from the **European Union's Latin American Investment Facility** and through Spain's *Development Promotion Fund* (FONPRODE).

Putting a creative twist on water and sanitation the IDB joined forces with **One Drop Foundation**, an NGO founded by Cirque Du Soleil creator Guy Laliberté, to launch the *Lazos de Agua* partnership in 2017. The effort works to provide 200,000 LAC citizens with safe and affordable water, hygiene, and improved sanitation services by 2021. Launched with an initial \$25 million from partners including **The Coca-Cola Company** and **FEMSA Foundation**, *Lazos de Agua* finances infrastructure, technical training, and social arts to promote behavioral change and develop business opportunities around water and sanitation, thereby enhancing the sustainability of water systems. To date, it has worked in Colombia, Guatemala, Mexico, Nicaragua, and Paraguay.

Another key initiative in the **FEMSA Foundation-IDB** partnership was the creation of the *Latin American and Caribbean Water Center*, launched alongside the **Tecnológico de Monterrey** in 2008 to jump-start programs related to the use, management, and conservation of water resources. The Center focuses on driving progress through research, innovation, knowledge transfer, and training.

The *Latin American Water Funds Partnership* (LAWFP) – an alliance that brings together the **FEMSA Foundation, the Global Environment Facility, the Government of Germany's International Climate Initiative (IKI), The Nature Conservancy (TNC)**, and the IDB – has worked since 2011 to enhance water security through the creation and strengthening of Water Funds. To date, LAWFP has implemented the Water Funds model in 25 cities and is currently in the process of working with an additional 14 municipalities. In all cases, LAWFP works with multisectoral groups to design local solutions. To date, alongside hundreds of public and private partners, \$200 million have been raised and leveraged by the Water Funds, with 24,366 families participating in upstream projects and more than 122,000 hectares conserved.

The **PepsiCo Foundation** has been a critical partner of *HydroBID* and the *HydroBID Technical Support Center*, an innovative tool that helps local officials and communities forecast and run scenarios on water availability. *HydroBID* allows users to factor in variables like the impacts of climate change and consider water allocation to competing uses including urban, agricultural, and industrial needs, and is particularly



relevant to sustainable infrastructure efforts. Thanks in part to a \$3 million contribution from the PepsiCo Foundation, this initiative has the potential to reach 33 million catalytic beneficiaries across 12 countries.

In addition, the **PepsiCo Foundation** has been a key supporter of the IDB's **SPOON** Project, which works to determine how to better eliminate undernutrition and the risk of obesity in 3,500 children aged 0-24 months. To this end, SPOON utilizes a comprehensive behavioral change strategy that includes enhanced child feeding practices and nutrient supplements. It will conduct rigorous evaluations to generate evidence to inform public policy across developing countries. Field work is currently underway in Colombia and Guatemala, the latter of which receives additional funding from the **Government of Japan**.

2. Sustainability

Advancing sustainability is core to the IDB's development efforts in LAC and accordingly, the IDB has extensive experience developing sustainability-focused partnerships with diverse actors. This section will showcase collaborations poised to tackle climate change, advance sustainable urban development, and transform the region's agricultural industry to feed the world.

2.1 Climate Change

Climate change poses serious risks to development in LAC. Changes in sea level, temperature, and rainfall patterns, as well as the number and severity of extreme weather events, will continue affecting economies and households throughout the region. Acknowledging the urgency for climate action, the IDB Group has worked with partners to catalyze climate finance and pilot innovative adaptation and mitigation efforts. Since 2015, these efforts have focused on the climate-related SDGs and helping governments advance their Nationally Determined Contributions (NDCs) under the Paris Climate Agreement.

Setting the groundwork for the mainstreaming of climate change across IDB operations, in 2009 the IDB created the *Sustainable Energy and Climate Change Initiative* (SECCI) in close cooperation with **Germany**. This effort would later welcome other partners including **Austria, Finland, Italy, Japan, Spain, Switzerland, and the United Kingdom**, which together would commit more than \$56 million. Specifically, SECCI has aimed to expand investment in renewable energy and energy efficiency technologies and increase access to international carbon finance.

In 2018, the **United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA)** committed an initial £12.75 million to the IDB-managed *Blue Carbon Fund*, which will use blended finance to catalyze public and private investment in the blue economy, or the conservation and sustainability of ocean ecosystems. Already, the Fund has started working in Jamaica, with additional projects in the pipeline in Panama.



In 2016, the IDB Group launched *NDC Invest*, a one-stop shop to help countries secure the resources to translate their NDCs into investment plans and bankable projects. A key element of this effort is the *NDC Pipeline Accelerator*, which fast-tracks bankable projects and builds up the pipeline of projects. The fund was created with an initial €10 million from the **Nordic Development Fund**, followed by commitments from the **Netherlands** and **Sweden**.

The **Nordic Development Fund (NDF)** is the joint development finance institution of **Denmark, Finland, Iceland, Norway, and Sweden**. It has been a pioneer in mainstreaming climate adaptation and mitigation across the work of all IDB sectors and one of the IDB's most prolific partners in climate change.

At the COP 25 in Madrid, the IDB and **France** formally launched the *Natural Capital Lab*, a new space where the public and private sectors can work together on the sustainable use and conservation of landscape and marine ecosystems. The Lab will promote sustainability solutions, while developing knowledge products, cutting-edge projects, and collaborations to drive the regional and international agenda on how to treat nature as an asset. With an initial contribution of €24 million, France became the initiative's founding donor.

Since 2015, the *Sustainable Colombia Facility* has worked to provide a holistic approach to addressing post-conflict and sustainable development challenges in Colombia, placing special emphasis on rural development, climate change, environmental sustainability, deforestation, and social inequality. It has received more than \$34 million in support from **the Governments of Norway, Sweden, and Switzerland**.

For years, the IDB Group has been a strategic partner for the world's largest climate funds, which work to catalyze resources for climate adaptation and mitigation efforts, as well as to advance environmental conservation more generally.

The IDB joined the **Global Environment Facility (GEF)** as an executing agency in 2004. Since then, the IDB has played a key role in assisting eligible governments and NGOs in developing, implementing, and managing GEF projects in LAC.

In 2010, the IDB Group became an implementing agency of the **Climate Investment Funds (CIF)**. Since then, the IDB Group has mobilized \$656 million in CIF resources to finance 98 projects, one of the most relevant being the provision of loans and technical assistance for low carbon strategies in Mexico's forest landscapes.

In 2017, the IDB approved an accreditation agreement with the **Green Climate Fund (GCF)**, the world's largest specialized climate fund. This accreditation allows for the mobilization of US\$511 million for climate related IDB projects. Today, the IDB is GCF's fourth largest partner worldwide.



2.2 Sustainable Cities

LAC is the most urbanized developing region on the planet. More than 80 percent of its population lives in cities, which register half a million new residents each month. If this exponential growth continues, 100 million people will reside in six megacities alone by 2025. Over the years, the IDB Group has played a key role in responding to urban development needs in the region and helping cities develop in sustainable ways. And in all these efforts, it has prioritized strategic partnerships.

Created in 2011, the *Emerging and Sustainable Cities Initiative* (ESCI) stood for many years as the IDB's leading platform for driving sustainable urbanization. A technical assistance program, ESCI helped governments in more than 60 cities develop and execute city action plans, identifying and tackling roadblocks to sustainable growth based on the pillars of environmental and climate change sustainability, urban sustainability, and fiscal sustainability and governance. This work was supported by local partners like **Banobras** in Mexico, **Caixa** in Brazil, **Findeter** in Colombia, the **Ministry of Interior, Housing and Public Works** in Argentina, and **Subdere** in Chile. ESCI also worked with more 30 private sector partners including **Airbnb**, **Bloomberg Philanthropies**, **Cisco**, **Citibank**, **IBM**, **Microsoft**, **NEC**, **Philips**, **Swiss Re**, **Telefónica**, **Votorantim Institute**, and **Waze**, among others. In addition, ESCI joined forces with roughly 40 academic institutions to bring state of art research and innovation to the region, including but not limited to the **Austrian Institute of Technology**, **Columbia University**, **ETH Zurich**, **Harvard University**, the **Korea Research Institute of Human Settlements**, **Paulson Institute**, the **Vienna University of Technology**, **Universidad de Bogotá**, **Universidad Centroamericana**, **Universidad de Cantabria**, **Universidad Internacional Menéndez Pelayo**, and **University of the West Indies**.

An important source of partner support for this work was the *Emerging and Sustainable Cities Multi-Donor Trust Fund*, which over the years received more than \$14 million in support from the governments of **Austria**, **Japan**, and **Switzerland**.

In 2015, the IDB launched the first edition of the *IDB UrbanLab University Contest*. Since then, the competition has become an annual opportunity to crowdsource novel solutions from universities for driving sustainable urban development. It has brought together partners including but not limited to: the **Municipality of Guaymallén** and **Province of Mendoza** in Argentina; the **Federal University of Rio Grande do Norte** and the **Municipality of Natal** in Brazil; and **Findeter**, the **Government of Colombia**, the **Municipality of Santa Marta**, and **Fundacion Tras La Perla**, led by singer **Carlos Vives**, in Colombia.



In 2018, as part of the natural evolution of ESCI, the IDB created two initiatives to continue strengthening its work with cities. On the one hand, the *IDB Cities Lab* is a platform for innovation and experimentation that co-creates novel urban development solutions. Its work is complemented by that of the *Cities Network*, a platform for knowledge sharing and relationship-building at the municipal level. In just two years, the *Cities Lab* has launched four loan operations and 24 pilot projects, while the Cities Network has already reached more than 160 cities across the region. To date, partners in these efforts include **100 Resilient Cities, the City of Copenhagen, the City of Malmö, the Confederation of Danish Industry, Columbia University, the Municipality of Santiago de los Caballeros, the Nordic Development Fund, and the Vienna University of Technology, among others.**

For four years, the IDB has helped foster city-related knowledge sharing through the *Iberoamerican Mayors Forum*, an annual event that brings together mayors from diverse LAC cities and Spain to share experiences on urban development. To date, event partners have included the **City of Seville, the Government of Spain, the Santander City Council, the Universidad de Cantabria, and the Universidad Internacional Menéndez Pelayo.**

PARTNERSHIP OPPORTUNITY:

In April 2019, the IDB launched the *Multi-donor Trust Fund for the Development of Sustainable Cities in LAC* as a funding platform for promoting sustainable, inclusive, and resilient urban development. With initial support from the **Governments of Austria and Switzerland**, the fund is open to new partners. Join today!

2.3 Agriculture

Home to more than a quarter of the world's medium to high potential farmland, LAC is already the largest net food exporting region on the planet. However, despite its abundance of natural resources, LAC must urgently boost productivity to meet future demand. In this setting, the IDB Group is working with diverse partners to mobilize knowledge, financing, and innovative solutions that can empower the region as a global breadbasket and expand its capacity to feed the world.

A key partnership between the **Governments of Canada and Colombia, Dow**, and the IDB works through the *AgroLAC 2025 Multi-donor Trust Fund* to promote sustainable agriculture as a means of enhancing food security and reducing poverty. With nearly \$10 million committed by partners since 2015, the fund focuses on the three pillars of promoting trade and access to markets, boosting productivity, and enhancing agri-environmental planning. *AgroLAC 2025* is an action-oriented follow up to "The Next Global Breadbasket: How Latin America Can Feed the World," a 2014 report by the **Global Harvest Initiative** and the IDB on solutions for helping LAC deliver on its agricultural potential.



In 1998, *FONTAGRO* was created as a cooperation mechanism to promote science, development, and innovation in LAC as a means of boosting investments in agricultural competitiveness, sustainable natural resource management, and food security. Created by a partnership of 14 LAC governments, the Government of Spain, and the Canadian International Development Research Center, *FONTAGRO* is administered by the IDB and has received support from other key partners including the **Inter-American Institute for Cooperation on Agriculture, the Global Environment Facility, and the Governments of Japan, Korea, and New Zealand**. To date, *FONTAGRO* has reached more than 29 countries. It has mobilized \$120 million and signed 160 institutional agreements with 230 partners. For every dollar invested by *FONTAGRO*, it has leveraged at least \$4 from other agencies.

Following the devastating 2010 earthquake, the *Haiti Hope Project* was launched as a public-private partnership between **The Coca-Cola Company, TechnoServe, the United States Agency for International Development (USAID)**, and the IDB. Working to create sustainable economic opportunities for Haitian mango farmers and their families, the project ultimately sought to drive the long-term development of the country's agricultural sector. Over five years, it trained more than 25,000 farmers in mango production, post-harvest, and marketing, while helping to plant more than 70,000 saplings.

Haiti Hope was a critical piece of a robust IDB-led response to this disaster. Immediately following the earthquake, the IDB cancelled Haiti's debt and mobilized a coalition of partners who provided \$218 million in co-financing through the IDB and supported \$30 million in technical cooperation operations. They include: **3M, Canada, Catholic Relief Services, CARE, Caribbean Association Investment Promotion Agencies, Caribbean Development Bank, Chile, Clinton Bush Haiti Fund, Clinton Foundation, the European Union, Federación Nacional de Cafeteros de Colombia, Finn Church Aid, Finland, First Citizens Bank Trinidad & Tobago, Food for the Poor Inc., Fundación Pies Descalzos, Fundación Social, Germany, the Global Environment Facility, Habitat for Humanity, Happy Hearts Fund, International Olympic Committee, Korea, MasterCard, McKinsey & Company, Microsoft, Nestlé, Norway, PepsiCo Foundation, OPEC Fund for International Development, Spain, Switzerland, The Coca-Cola Company, Trinidad and Tobago, W.K. Kellogg Foundation, the United Nations, the United States, World Bank Group, and World Central Kitchen**.

The *Low Carbon Agriculture for Avoided Deforestation Program*, or *Rural Sustentável*, is a partnership between the **United Kingdom's Department for Environmental, Food and Rural Affairs (DEFRA)** and the IDB that seeks to improve land and forest management while encouraging low-carbon agriculture practices, sustainable rural development, poverty reduction, and climate protection. Targeting farmers in Brazil's Amazon and Atlantic Forest biomes — including thousands of women and young people — the program provides capacity building, facilitates farmer-technician partnerships, and offers cash payments to small and medium rural producers for the adoption of low-carbon tech



nologies. To date, *Rural Sustentável* has provided capacity building to more than 26,000 rural producers and technical assistance agents and benefitted 18,500 people in rural areas. It has directly helped to avoid deforestation on more than 46,500 hectares of land and indirectly prevented the deforestation of 175,000 hectares. Now in its second phase and with more than \$90 million in funding from DEFRA, the initiative is being expanded into two additional biomes.

The *Sustainable Agriculture Food Environment (SAFE) Platform* is a multi-stakeholder alliance that seeks to improve the livelihoods of smallholder coffee and cocoa farmers by piloting and scaling up innovative value chain solutions. Since its creation in 2015, by leveraging the expertise and resources of its partnership network, *SAFE* has benefitted more than 140,000 farmers and their families across nine countries, investing \$21 million in the process. *SAFE* is powered by the IDB Lab, managed by **Hivos**, and supported by partners including: **Committee On Sustainability Assessment, Catholic Relief Services, ECOM Trading, Farmers Brothers Co., Grameen Foundation, Hanns R. Neumann Stiftung, Keurig Dr. Pepper, Lavazza Foundation, Oikocredit International Support Foundation, Rainforest Alliance, Root Capital, S&D Coffee, Solidaridad Network, Specialty Coffee Association, Starbucks Coffee Trading Company, Sustainable Commodity Assistance Network, and Sustainable Harvest Coffee Importers.**

3. 21st Century Skills

LAC has one of the largest skill gaps in the world, which further accentuates inequality in the region. Acknowledging the urgent need to address this, the IDB Group is expanding its collaboration with companies, governments, and civil society actors to equip citizens with the fundamental skills needed to grow and prosper in the face of the Fourth Industrial Revolution.

In 2019, the IDB joined forces with the **Governments of Germany and Switzerland** to launch the *TVET Multi-donor Fund*, which aims to transform technical and vocational education and training (TVET) in LAC by helping countries in the region consolidate modern skills ecosystems in coordination with the private sector and prepare their citizens for the future of work.

Alongside a coalition of more than 20 partners, in 2019 the IDB launched the *21st Century Skills Initiative*, which will provide more than \$34.7 million to projects that promote these skills among children and youth. So far, the coalition has more than 30 partners: **Ashola, CLOO Behavioral Insights Unit, Wikimedia Foundation, SK Telecom, hundrED, FORGE, Fundación FC Barcelona, the French Development Agency, TUMO Center for Technologies, Fundación Real Madrid, Amazon Web Services, iNNpulsa, Holberton, Grammy Music Education Coalition, Scholas, Google, Fundación Santillana, ISTE, Keris, Laboratoria, D2L, Minerva, reduca, Skills Agility Lab, Fundación Gratitude, Gabo, Meduca, Fundación Trilema, Virtual Educa, Fundación Danilo Pérez, Education Above All, ExE, and the TVET Fund, supported by Germany and Switzerland.**



Despite the region's persisting youth unemployment rates, one partnership has transformed more than 426,000 lives. The *New Employment Opportunities Initiative* (NEO), led by the **International Youth Foundation** and IDB Lab, has worked since 2012 to close the skills gap of vulnerable youth and address countries' demand for qualified personnel by creating public-private partnerships and improving training and employment services, among other efforts. In the process, NEO has brought together partners including **Arcos Dorados, Caterpillar Foundation, CEMEX, Fondation Forge, Microsoft, SESI, and Walmart**, as well as more than 140 other businesses, governments, and civil society organizations across 10 LAC countries.

Since 2004, the IDB has worked with governments, companies, foundations, NGOs and others to improve lives through sports. To date, the IDB's *Sports for Development* program has developed 18+ initiatives, benefiting more than 90,000 people across 18 countries. Below are some signature programs and key partners:

The IDB's work on *Sports for Development* began in 2004 with the approval of *A Ganar*, an effort initially launched in Brazil, Ecuador, and Uruguay to teach youth values related to discipline, responsibility, teamwork, and communication that can better prepare them for the workforce and adulthood in general. Due to its success, *A Ganar* has been expanded and replicated across the region, reaching more than 12,000 youth in roughly a dozen countries. Project partners include the **Carlos Slim Foundation**, the **Clinton Foundation**, **Nike**, **PepsiCo**, and the **U.S. Agency for International Development (USAID)**.

In 2014, the IDB launched the *Niñas Viviendo con Altura* project to provide 600 girls in El Alto, Bolivia with the opportunity to participate in sports as a means of strengthening leadership skills and self-esteem. The program also worked with coaches, teachers, and parents to ensure greater gender equity across the community, reaching 3,000 indirect beneficiaries in the process. Project partners include **Brightstar, Fundación Estas Vivo, Save the Children**, and **Trilogy International Partners**.

In 2018, the IDB joined forces with the **International Olympic Committee (IOC)** to launch SPORTIC, a regional initiative that uses sports and digital training as tools to sharpen the socio-emotional skills of 7,500 children and youth and to teach them the Olympic values of excellence, friendship, and respect. With a particular focus on reaching girls, the effort is underway in Argentina, Colombia, and Ecuador. Other partners include the **National Olympic Committees** in each country and the local governments of the four cities involved (**Buenos Aires, Medellín, Quibdó, and Quito**).



Over the years, other sports for development partners have included:

- | | | |
|--------------------------------|--|--|
| - AVSI Foundation | - Fútbol con Corazón | - PepsiCo |
| - BAISA | - Fundación Tras la Perla de la América | - Philips |
| - Colgate | - Haitian Olympic Committee | - Secretaria Municipal de Esporte e Lazer do Rio de Janeiro |
| - Ernst and Young | - Gillette | - The Coca-Cola Company |
| - FIAT | - Municipality of Betim | - University of Michigan's Ross School of Business |
| - FIFA | - Government of Japan | - United Nations Educational, Scientific and Cultural Organization |
| - Fundació FC Barcelona | - Government of Korea | - Visa |
| - Fundación Celeste | - Microsoft | - WPP |
| - Fundación Atlético de Madrid | - MTV | |
| - Fundación Colombianitos | - NBA | |
| - Fundación Mundo Sano | - Nike | |
| - Fundación Real Madrid | - Organizing Committee for the Rio 2016 Olympic and Paralympic Games | |
| - Fundación SIDOC | - Partners of the Americas | |
| - Gates Foundation | | |

4. Gender and Diversity

Although the region has made important progress on equality and diversity—including gender, gender identity, persons with different abilities, sexual orientation, race, and ethnicity—there is still more to be done. At the IDB Group, we are fully committed to promoting gender equality and diversity, as a cross-cutting theme through all the Bank's operations. The examples below demonstrate how gender and diversity are areas of focus across all sectors.

The *Gender and Diversity Multi-donor Fund* was launched in 2009 to support gender and diversity mainstreaming throughout the LAC region. Throughout the past decade the fund has received nearly \$12 million in contributions from **Austria, Canada, Denmark, Norway, Sweden, and the United Kingdom**. This Multi-donor Fund specifically serves individuals disadvantaged by gender-based discrimination and inequality, indigenous peoples, and Afro-descendants.

Since 2017, the *On Your Marks, Get Set, Inclusion* project has strengthened Paralympic sports infrastructure and fostered the capacity of athletes with disabilities in vulnerable communities across Colombia, El Salvador, Nicaragua, and Peru. Colombia helped lead the initiative, which operates under the principle that Paralympic sports can be a tool for social inclusion. Alongside **Agitos Foundation** and thanks to funding from the **Government of Japan**, the project's second phase was announced in 2019. It will expand the program's reach to include Argentina, Chile, and the Dominican Republic.



The *Canadian Climate Fund for the Americas* (C2F) is an effort between IDB Invest and the **Government of Canada** that aims to catalyze private investment in climate change mitigation and adaptation. The projects in which C2F has invested have abated more than 740,000 tons of CO₂ annually through 24 projects and prioritized the empowerment of women and girls. In 2019, the IDB and Canada launched C2F Phase II, which will continue mobilizing private capital for low-carbon, climate-resilient investments with a gender inclusive perspective.

In 2018, the IDB joined forces with the **Spanish Organization for the Blind**, known by its Spanish acronym **ONCE**, to build a framework for projects that create economic, social, and cultural opportunities for people with different abilities. Considering that up to 90 percent of people with different abilities in LAC are unemployed, the partners prioritize measures that ensure their inclusion in IDB Group projects, as well as collaboration with the public and private sectors to foster inclusive labor markets.

The **Women Entrepreneurs Finance Initiative (We-Fi)** is a partnership between 14 governments, eight multilateral development banks including the IDB, and other public and private sector stakeholders to address obstacles facing women entrepreneurs. And in 2019, it committed more than \$24 million to support the IDB Group's *Women Entrepreneurs for LAC* (WeForLac) program, which aims to enhance women's access to finance, markets, skills, and networks in the region. With this support, WeForLac is expected to reach more than 19,000 women, with a focus on underserved communities in Brazil, Colombia, El Salvador, Guatemala, Honduras, Mexico, and Peru.

5. Institutional Strengthening

Lack of transparency and weak institutions are two of the main roadblocks to reducing poverty and inequality in the region and attracting institutional investors. In addition, insecurity remains a top concern, necessitating coordinated action to make the region safer. Accordingly, for years the IDB has worked to mobilize partner financing and knowledge to strengthen institutions and enhance transparency, with the ultimate goal of accelerating sustainable development in the region.

The *Transparency Fund* is a multi-donor platform for strengthening the institutional capacity of the Bank's borrowing member countries, with the goal of helping them design and implement transparency and access to information policies, mechanisms, and practices to prevent and control corruption. Over the years, the fund has financed nearly 70 technical assistance projects in 26 countries worth more than \$25 million, which have led to 19 loan operations on transparency, integrity, and anti-corruption worth \$1.73 billion. It has received critical support from **Canada, Italy, Norway, Sweden, and Mastercard.**



Enhancing the analytical and managerial capacity of the region's public officials is critical to addressing development challenges through policy planning and interventions. That's why the *Korea-LAC Scholarship Program* (KLSP) was launched in 2015 to train and empower LAC civil servants. Supported by the **Government of Korea** through the IDB-managed *Korea Poverty Reduction Fund*, this program helped beneficiary students sharpen their skills for designing, implementing, and evaluating successful public policies. Thanks to KLSP, a cohort of 26 officials received full scholarships to obtain a Master's degree in public policy or public management at the **Korea Development Institute's School of Public Policy and Management (KDI School)** or **Sungkyunkwan University's Graduate School of Governance (SKKU-GSG)** — two of Korea's most renowned academic institutions. The KSLP is now one component of the *Korea-LAC Tech Corps Program*, an upgraded initiative approved in 2018 with \$3 million in support from Korea through the *Knowledge Partnership Korea Fund for Technology and Innovation*. This program promotes innovation in LAC by helping mid-level public officials from the region pursue a Master's in public management or policy with an ICT focus, and by deploying Korean young professionals to support ICT-focused projects and provide ICT-based solutions to meet the needs of public agencies and private companies in LAC.

The *Multi-donor Fund for Citizen Security* has channeled more than \$2 million in partner contributions to improve the effectiveness of citizen security policies through catalytic support along three lines: (i) generating, analyzing, and disseminating data to design, execute, and evaluate policies; (ii) strengthening government capacity to manage and evaluate these policies; and (iii) promoting knowledge sharing through regional dialogue and bilateral cooperation. To date, the fund has received support from the **Governments of Canada and Switzerland**.

To strengthen cybersecurity in the region, the IDB has long relied on technical and financial support from the **Government of Israel**, a global leader in addressing this complex challenge. Since the Israel-IDB partnership was first formalized in 2016, it has developed knowledge products, provided LAC government officials cybersecurity trainings in Israel, and critically, integrated cybersecurity into the digital agenda that is being carried out by the IDB and LAC governments across the region. In addition, thanks to continued technical support from the **Israel National Cyber Directorate**, the IDB has positioned cybersecurity as a priority in the region's political agenda and created a dedicated team to provide technical and financial support to the region's governments as they work to protect their digital space.

SECTION 4

FINANCIAL INNOVATION: PIONEERING NEW APPROACHES TO SDG FINANCING



As the region evolves, so does the need for more sophisticated financing instruments. For instance, LAC's diminishing share of global Official Development Assistance (ODA) adds a layer of urgency to these efforts, particularly as its countries are increasingly perceived to be middle income – a status change which will complicate flows of traditional development financing to countries. In this setting, the IDB Group has been working to design and pilot financing instruments that facilitate private investment in the region and that stretch the impact of public dollars to help finance the SDGs.

Launched in 2010, the IDB first blazed the innovative finance trail through the *Salud Mesoamericana Initiative* (SMI), a \$176.14 million public-private partnership with the **Bill & Melinda Gates Foundation**, the **Carlos Slim Foundation**, and the **Governments of Canada, Spain**, eight **Mesoamerican countries**, and the state of **Chiapas, Mexico**. Intended to reduce inequities in maternal and child health, SMI is funded by a unique results-based financing model that shares costs between donors and beneficiary countries. Since 2012, it has improved the health status of more than 1.8 million women and children under five years of age. It has also proven the value of this incentive-based model, which has been seen to accelerate the effective implementation of programs when compared to traditional development funding.

Social Impact Bonds (SIB) are an innovative type public-private partnership through which impact investors provide up-front funding for organizations to deliver a service that benefits a vulnerable population, and in which repayment to the investors depends on the project's outcome. In 2016, the **Government of Switzerland** and IDB Lab worked with **Colombia** to launch the first-ever SIB in a developing country with the goal of improving formal employment prospects for vulnerable communities. Based on its success, in 2019 the partners deployed a second \$1.4 million SIB to advance this same objective.

Building up on the success of SMI and its results-based financing model, in 2017 the **Bill & Melinda Gates Foundation**, the **Carlos Slim Foundation**, the **Global Fund**, and the **Governments of Mesoamerica** and the **Dominican Republic** joined forces with the IDB to launch the *Regional Malaria Elimination Initiative* (RMEI), an effort that provides blended finance to wipe out malaria by 2020. Thus far, with an almost equal mix of donor funds and leveraged contributions from domestic sources, RMEI has committed more than \$100 million to eliminate its transmission and consolidate the health systems' response to prevent the reintroduction of cases.

The *United Kingdom Sustainable Infrastructure Program* (UK SIP) was created in 2017 by the IDB and the **UK's Department for Business, Energy and Industrial Strategy (BEIS)** to accelerate the implementation of the Paris Climate Agreement. With £177 million in initial financing from the UK as well as resources from the IDB and IDB Invest, the SIP provides blended finance through various instruments to catalyze private investment and fund sustainable, low-carbon infrastructure. To date, it is the largest partnership between the IDB and the UK.



Working to help the Eastern Caribbean diversify its energy matrix, the *Sustainable Energy Facility for the Eastern Caribbean* (SEF) is a \$157.1 million facility supported by the IDB, the **Caribbean Development Bank**, the **Climate Investment Funds**, the **Green Climate Fund**, the **Global Environment Facility**, and the **Government of Italy**. It provides an array of innovative financial instruments to de-risk geothermal development and enable Caribbean governments to establish public-private partnerships with private developers. Notably, the SEF was recognized as the best geothermal facility in Latin America and the Caribbean at the 2019 GEOLAC event.

Guarantees are among the many innovative financing structures the IDB Group has been developing to catalyze private investment in the SDGs. In simple terms, guarantees are innovative risk-transfer mechanisms that help improve financial terms in project financing and crowd-in private capital for development. The IDB Group is already working with a handful of partners in structuring guarantees and it predicts increased appetite from institutional investors for this kind of instrument over the next few years.

3.1 Spotlight on Co-financing

Recognizing that LAC countries face substantial SDG financing gaps, the IDB Group has long worked to leverage its own resources as a means of mobilizing external sources of financing. In this effort, co-financing has been a go-to development financing approach for the IDB Group and its partners, the latter of which increasingly favor reimbursable models over the use of traditional grants. To unlock the full potential of co-financing, the IDB Group has established framework co-financing agreements with partners, or partnership platforms that establish standardized rules of engagement that facilitate coordination and enable greater financing. These platforms have been shown to strengthen partnerships and enhance development impact by increasing the size and reach of co-financing operations.

Since its creation in 2013, the *China Co-Financing Fund for Latin America and the Caribbean* has been a cornerstone of the IDB Group's partnership with China. Established alongside the **People's Bank of China**, the \$2 billion fund seeks to boost private investment, improve competitiveness and social welfare, and support programs to mitigate the impacts of climate change.

Over the years, the IDB and the **European Union** have leveraged diverse funding mechanisms and knowledge platforms to generate impact in a variety of sectors and countries. In this effort, since 2011 the IDB has mobilized €180 million in grants from the **European Commission** to support regional integration, agricultural competitiveness, energy, health services, migration, fiscal management, public sector efficiency, and citizen security through blending facilities and bilateral funds. Moving forward, the partners will work under the new Multiannual Financial Framework 2021-2027 to expand co-financing these same areas, as well as to address emerging challenges like migration.



A landmark initiative in the **Japan-IDB** Group partnership is the *Co-financing for Renewable Energy and Energy Efficiency* (CORE) program, a co-financing platform to support renewable energy and energy efficiency projects, as well as quality infrastructure projects related to energy savings. Created alongside the **Japan International Cooperation Agency (JICA)** in 2012, CORE initially had a target amount of \$300 million and a narrower geographic focus. A few years later, it was expanded to become a \$3 billion partnership that works across the LAC region.

A key to success for co-financing arrangements is the development of a strong project pipeline and, increasingly, the IDB Group and its partners are looking to build joint grant preparation facilities that leverage the resources of both partners to ensure the proper design of projects. A notable example can be seen in the IDB's partnership with **Spain**, already active in co-financing, which in 2019 pre-approved an initial \$3 million grant facility to support the preparation of operations aligned with their joint priorities. Other key partners in the Bank's co-financing work include the **Governments of France, Germany, and Korea.**

SECTION 5

MOBILIZING THE PRIVATE SECTOR TO TAKE ACTION ON THE SDGs



The private sector has a key role to play in achieving the SDGs and, fortunately, companies are increasingly embracing this responsibility. An example can be seen in the United Nations Global Compact, a pact between more than 10,000 companies that encourages businesses to adopt and report on sustainable and socially responsible policies. In addition to generating knowledge products and discussions that incentivize such behavior, the IDB Group has also been working with private sector partners to help them integrate SDG considerations into their day-to-day operations, thereby empowering them as agents of change in pursuit of the SDGs.

A milestone in its efforts to mobilize capital markets and companies to achieve the SDGs, in 2017 the IDB launched *IndexAmericas*, a corporate sustainability index that recognizes the performance of publicly traded companies operating in LAC. *IndexAmericas* was created in part to take the pulse of corporate sustainability in the region, but also to improve practices and standards for corporate actors and to encourage private sector entities to leave a positive social and environmental footprint in the region. Assessing the contribution of companies to environmental, social, and corporate governance (ESG) indicators, *IndexAmericas* is unique in its commitment to a fourth component as well: corporate contributions to sustainable development in the region, in line with the SDGs.

To date, *IndexAmericas* has developed multiple editions of a Top 100 Index, which showcases global companies operating in LAC that demonstrate leadership across these four components. It has also published several iterations of a *Multilatinas* Index, which assesses the performance of LAC-based companies along these same lines, as well as an index recognizing corporate leaders on gender equity. In addition, *IndexAmericas* has actively engaged stock exchanges in the region, sharing its methodology to help countries create national-level corporate sustainability indexes. And today, it is laying the foundation for a sustainable development bond linked to *IndexAmericas*.

IndexAmericas was created by the IDB and IDB Invest in partnership with **S-Network Global Indexes**. The initiative is powered by data from **Refinitiv** and receives academic support from the **Earth Institute at Columbia University**. It is the first sustainability index created by a multilateral development bank, the first in LAC to add a sustainable development component traditional ESG analyses, and the first in LAC to achieve full alignment with the SDGs.

IndexAmericas was created as a tool for identifying new partners and clients, rewarding corporate sustainability champions, and critically, for fostering sustainability behaviors that can transform companies and communities in pursuit of the SDGs.



4.1 Highlighting Other Private Sector Partnerships

Through our work with the private sector, we have been able to leverage partners' knowledge while helping them incorporate sustainability components into their operations. In this section, you will see examples of innovative partnerships that leverage the core business of a company to advance social and environmental wellbeing, as well as private sector platforms that have been facilitated by the IDB Group.

Established in 2011, the *Regional Initiative for Inclusive Recycling* (IRR) is a unique, industry-wide platform that integrates informal recyclers into competitive recycling supply chains. IRR has successfully mobilized leading companies in pursuit of this objective and, as a result, the IRR's anchor partners include **Avina Foundation**, the **Latin American Network of Recyclers**, **Coca-Cola Latin America**, **PepsiCo**, and the IDB Group. To date, the initiative has worked in 17 countries and supported the formalization of 15,000 recyclers across 85 municipalities, while generating valuable insights for policy makers across the region.

In 2013, **SABMiller**, now known as **AB InBev**, worked with the IDB to test a new model of corporate sustainability that leveraged the company's distribution network as a means of improving lives. Designed to improve business performance and quality of life for the *tenderos*, or small shop owners that sell AB InBev products in low-income areas, the project also sought to enhance the company's retail network and empower these *tenderos* as community leaders and agents of change.

In 2015, **Nestlé** and IDB Lab committed \$1.5 million to amplify the impact of Nestlé's *Milk Sourcing Plan*, which provides capacity building and credit to small livestock farmers in Caquetá, Colombia. Together, the partners ultimately intend to transform the dominant model of extensive livestock, which often hurts small farmers, to silvo-pasture. This partnership is an example of how the IDB Group works at all scales to support companies in the region improve lives in their supply chains.

In 2017, **Danone** and the IDB announced a three-year partnership intended to harness Danone's value chain to empower local communities and protect the environment. Already, the partners are working on the \$3.7 million *Margarita* project in Jalisco, Mexico, which improves the productivity and quality of life of low-income dairy farmers by helping them create a sustainable milk supply strategy using new technologies and business models. The project also builds up an ecosystem in which smallholder producers can thrive and gain access to credit.

Mobilizing the private sector to slash food loss and waste (FLW) in the region, the *#SinDesperdicio* Initiative was launched in 2018 a platform of partners committed to this cause. Its four-pillar approach prioritizes efforts that use technology to address FLW, promotes relevant legislation and public policies, develops studies and market analyses to better understand the issue, and promotes responsible behavior along the supply chain. Its partners include **Coca-Cola Latin America**, the **Consumer Goods Forum**, **Dow**, **FEMSA Foundation**, the **Global Food Banking Network**, **Grupo Bimbo**, **IBM**, **Nestlé**, **Oxxo**, the **UN Food and Agriculture Organization**, and **World Resources In-**



4.2 Boosting Business Development in LAC

The IDB Group has long recognized that business is an engine for sustainable development. Accordingly, in addition to collaborating with the private sector to advance the SDGs, the IDB Group supports business development in the region and fosters business-, and investment-friendly ecosystems across LAC countries.

A partnership between the IDB, the **United Kingdom's Department for International Development**, the **Government of Canada**, and the **Caribbean Development Bank**, the *Compete Caribbean Partnership Facility* seeks to stimulate the private sector in the Caribbean and promote economic inclusion. To date, the partnership has reached 13 countries and concluded its first phase, which yielded positive results in the areas of knowledge management, business climate reform, and innovation and clusters. Phase two is underway and received additional support from **Canada** in early 2020.

The IDB works actively with public sector partners to promote trade and investment and foster international business ties. Two key examples are the *China-LAC Business Summit* and the *Korea-LAC Business Summit*, recurring events developed with the **Governments of China** and **Korea** respectively to promote business matchmaking meetings, build connections, and generate commerce across the Pacific.

Launched in 2013 to connect small and medium enterprises in the region with the financing, knowledge, and contacts needed to grow, *ConnectAmericas* is now a landmark initiative in the IDB's efforts to foster business development. It brings together **Google**, **DHL**, **SeaLand** (a **Maersk** company), **Facebook**, and **MasterCard** as anchor partners. **Amazon** and the **World Economic Forum** are the initiative's latest allies, coming aboard in 2019.

In line with its focus on advancing gender equality across its operations, in 2016 the IDB launched *ConnectAmericas for Women* to connect women entrepreneurs with opportunities and innovative tools to strengthen their skills. To date, 1.6 million women entrepreneurs from 100 countries have used the platform and 92,000 have registered and are interacting with thousands of potential business partners, while more than 50,000 have received training and participated in business forums. Building upon this work, in 2018 the IDB joined forces with **Airbnb**, **The Coca-Cola Company**, **Danper**, **DHL**, **Facebook**, **Google**, **IBM**, **INCAE Business School**, **MasterCard**, **Microsoft**, and **PepsiCo** to empower 100,000 women entrepreneurs by 2021 through the *#100KChallenge*.

SECTION 6

CREATING AND SHARING KNOWLEDGE





The IDB's mandate to improve lives extends beyond financing development. The IDB is also a key knowledge partner for the region, one committed to generating research, democratizing access to information, and channeling the knowhow of partner institutions throughout LAC. As a result, the IDB has prioritized the expansion of its knowledge partner network, forging and strengthening ties with universities, think tanks, and other entities.

The IDB has long worked with partners in the areas of knowledge creation and knowledge sharing, tapping the talent, curiosity, and expertise of faculty and students to advance development. On the knowledge creation side, efforts have focused on generating research and publications, while knowledge sharing has involved the exchange of expertise to enhance projects, create thematic networks, share technology, and develop capacity-building trainings, and courses.

In one example, the IDB worked with **McGill University** and **Google** to offer an executive education program, providing leaders from the private, public and non-profit sectors the skills to develop partnerships and projects that bring business and development together. In addition, a partnership with **Cornell University** and **Universidad de los Andes** connected regional SMEs participating in *ConnectAmericas* with MBA candidates, allowing them to access pro-bono consulting services.

Capstone projects provide the IDB and its academic partners an ideal platform for collaboration. Alongside partners like **Columbia University**, **IE Business School**, and **Sciences Po**, IDB employees have been able to work with students and faculty to fill information gaps and develop knowledge products that bring fresh perspectives to the IDB's work, while helping students advance their studies in a hands-on way.

The development of case studies has been a key source of knowledge creation for the IDB and its partners. In this way, the IDB has worked with **Harvard University**, which developed a case study highlighting the *Haiti Hope Project* as an innovative public-private partnership, while another told the story of ORP and the IDB Group's unique approach to collaborating for development. In addition, a recent case study by **Earth Institute at Columbia University** highlights the IDB Group's strategic efforts to unlock catalytic capital for the SDGs.

To empower public and private sector leaders to work in partnerships, the IDB joined forces with the **United Nations' Sustainable Development Solutions Network (SDSN)** to develop a Massive Open Online Course (MOOC) titled *Partnerships: A Vehicle for Advancing Sustainable Development*. Analyzing best practices and skills needed to develop and manage partnerships, this MOOC is part of a series of courses by the **SDG Academy** on the 17 SDGs. It was developed in coordination with SDSN and drew from the expertise of organizations like **Avina Foundation**, **FEMSA**, **Fundación Bancaria "la Caixa," Google**, **Microsoft**, **the Open Society Foundations**, **PepsiCo**, **The Coca-Cola Company**, **The Nature Conservancy**, and the **United Nations**.



The IDB has also created high-level platforms for knowledge creation and sharing. A landmark initiative in this space is *Demand Solutions*, a series of gatherings hosted in Asunción, Buenos Aires, Lima, Mendoza, Mexico City, Miami, Santiago, Santo Domingo, Silicon Valley, and Washington, DC to convene the world's most creative minds and share innovative solutions to improving lives. Many of these gatherings worked also to foster the region's entrepreneurial spirit, providing startups with a social impact a space to pitch their business models and compete for financial and non-financial prizes. Originally developed alongside the **Blum Center for Developing Economies at the University of California – Berkeley**, *Demand Solutions* has enabled countless partnerships since its creation in 2013.

Since 2017, the ECD Innovation Fund has supported the design, implementation, and evaluation of innovative and scalable projects to improve early childhood development (ECD) among the region's most disadvantaged populations. Specifically, the fund targets children ages five and below and strives to enhance their cognitive, language, motor, and socio-emotional development. Thanks to support from regional partners FEMSA Foundation and the Open Society Foundations, as well as the Maria Cecilia Sou-to Vidigal Foundation in Brazil, the fund has approved 14 projects for a total \$7.12 million in direct investment across seven countries. These efforts focus heavily on generating innovation and knowledge that can inform future efforts and replicate and/or scale successful solutions.

Through a joint MOOC called *Big Data Without Mysteries*, the IDB and **Telefónica** help learners make sense of Big Data and how it can be used to make better decisions. The course covers technologies, strategies, and methodologies behind using big data and related challenges, including issues related to privacy. It builds off previous in-person courses delivered by the partners in Argentina, Colombia, Ecuador, Mexico, and Peru. According to the **World Economic Forum**, *Big Data Without Mysteries* is among the five most popular Spanish-language courses available on the open learning platform edX.



SECTION 7

LOOKING AHEAD





The world is rapidly changing and the last few years have proved that no region is immune to mega trends like migration, digital transformation, and social and political unrest. Yet while these trends represent significant challenges, the IDB Group believes that, if addressed strategically, they can drive social and economic development. To take stock of such emerging challenges and transform them into opportunities, in 2019 the IDB approved an *Update to the Institutional Strategy* which highlights new pillars it will prioritize moving forward. Accordingly, the next few years of work at the IDB Group will see expanded partnership and a surge in innovative solutions in the areas of digital transformation, transparency and integrity, and resource mobilization from external partners and investors, all of which will help the region accelerate its efforts to achieve the Sustainable Development Goals.

Specifically, this update has dedicated new pillars to these critical topics, pledging to: i) promote technology adoption and innovation to address social exclusion and inequality and low productivity and innovation; ii) increase transparency and integrity to address the cross-cutting issue of institutional capacity and the rule of law; and iii) boost resource mobilization to reduce investment gaps, particularly in sustainable infrastructure, as a means of helping the region address all development challenges and cross-cutting issues under the guiding principle of leverage and partnerships.

Pillar #1: Technology Adoption and Innovation

Without a doubt, technology has and continues to revolutionize the ways we live, work, play, and connect with others. Cognizant of this, the IDB Group recognizes that supporting the region with technology adoption and innovation is essential to its continued development, particularly in the face of an ongoing technological revolution that simultaneously offers opportunities for growth and the threat of expanded inequality. Fortunately, the IDB Group already has a track record of mobilizing governments, companies, and others to prepare the region to thrive in Fourth Industrial Revolution (4IR).

Since 2017, the IDB and the **World Economic Forum (WEF)** have been working through **WEF's Center for the Fourth Industrial Revolution** to co-design and pilot policy and regulatory frameworks that maximize the benefits of and address challenges related to the 4IR. This work is in line with the broader WEF-IDB partnership, which for years has worked to explore, understand, anticipate, and address development trends in the region.

Emerging technologies like artificial intelligence (AI) show great potential for accelerating development, but it is essential that they are used in an ethical and responsible manner. In this setting, the IDB established *fAIr* LAC, an initiative that has rallied leading tech companies and organizations including **C Minds, Facebook, Google, International Development Research Center, Microsoft, Telefónica, and everis (an NTT Data company)**, as well as local partners like **Uruguay's Agency for Electronic Government, Information, and Knowledge (AGESIC)** and **Tecnológico de Monterrey**. *fAIr* LAC will develop standards and tools that guide the responsible use of AI, while shaping regional hubs to promote awareness of ethical risks and ways to mitigate them.



Pillar #2: Transparency and Integrity

Almost three quarters of the population in LAC believe society is unjust, while more than two thirds believe governments favor the privileged over the public interest. In 2019, the region saw evidence of how this wavering belief in institutions, combined with persisting inequality and corruption, can trigger unrest. In this setting, the IDB Group's reinvigorated commitment to transparency and integrity could not come at a better time, particularly given its growing focus on boosting private investment. Fortunately, this new pillar builds upon decades of work centered on the principle that transparency is essential to private sector development and the effective delivery of public services, and on strong partnerships with public and private sector actors that recognize the power of transparency and integrity to advance sustainable development.

For years, **Microsoft** has been a key partner in the IDB's efforts to boost transparency. In this setting, *MapaInversiones* emerged as a joint initiative that develops digital platforms to allow citizens to access information regarding public spending. Previously launched in Colombia, Costa Rica, Paraguay, and Peru, *MapaInversiones* reached the Dominican Republic and Jamaica in 2019 and platform development is now underway in Argentina, the Bahamas, Guatemala, and Trinidad and Tobago.

Pillar #3: Resource Mobilization

Achieving the SDGs in the region requires mobilizing more investments of all kinds—public, private, national, and global, in both capital and capacity, as the resources needed to overcome poverty, protect the environment, and improve lives far surpass current development financing flows. Recognizing that resource mobilization will be essential to ensure the IDB Group fulfills its mission of reducing poverty and inequality in the region, it has incorporated resource mobilization from external partners and investors as a key pillar of its strategy, building on the 12 years of work led by the Office of Outreach and Partnerships (ORP) in the process.

Though resource mobilization is a new pillar of the IDB's institutional strategy, the IDB Group has a strong foundation for this expanded focus on catalyzing external support. For 12 years, ORP has cultivated an expertise in partnership building and resource mobilization, and in 2018 the newly created Resource Mobilization Division further mainstreamed these efforts into ORP's work with all IDB Group sectors and divisions.



Other Emerging Challenges: Migration

A defining trend in the region the last few years has been the emergence of unprecedented and sudden migration inflows. Recognizing the scope and scale of this movement of people, as well as the development challenges and opportunities it presents, the IDB Group has made migration a top priority. For more than a year, the IDB has worked to understand migration patterns and identify policies and initiatives to address their economic and social implications. And already, partnerships have been a key part of the solution, with public and private sectors alike rallying to help ensure migration becomes an opportunity for further development in LAC.

In 2019, partners from around the world stepped up to support the new *Migration Initiative*, which seeks to tackle the urgent development challenges posed by the rise of migration and support migrants' integration into host communities. In less than a year, the IDB Group mobilized \$50.5 million to support these efforts from its partners the **European Union** and the **Governments of Japan, Korea, Spain, Switzerland, and the United States**.

In collaboration with **TENT Partnership for Refugees**, the IDB has mobilized private sector action on migration. At the first-ever *Latin American Business Summit on Refugees*, co-hosted by TENT and the IDB, dozens of leading companies including **Airbnb, Accenture, Mastercard, and Telefónica** announced commitments that will generate more than 4,500 new jobs for refugees, support for 2,000 refugee-owned businesses, and improved access to services for an additional 110,000.

The IDB Group has joined forces with the **U.S. Agency for International Development (USAID)** to launch the *#BetterTogetherChallenge*, a global initiative to identify, finance, and scale innovative solutions that support Venezuelan migrants and their host communities across LAC countries. The effort, which seeks to develop a marketplace for solutions, is already accepting submissions.



AB InBev	Fundación Real Madrid
African Development Bank	Global Affairs Canada
Asian Development Bank	Global Environment Facility
Airbnb	Global Food Banking Network
Amazon	Global Infrastructure Facility
Arcos Dorados	Global NCAP
Asian Development Bank	Goldman Sachs
Asian Infrastructure Investment Bank	Google
Bancoldex	Gordon and Betty Moore Foundation
Bank of Tokyo-Mitsubishi UFJ	GRAMMY Music Education Coalition
Banco Santander	Green Climate Fund
Bernard van Leer Foundation	Grupo Bimbo
Bill & Melinda Gates Foundation	Grupo de Fundaciones y Empresas Argentina (GDPE)
BlackRock Inc.	IE Business School
Bloomberg Philanthropies	Institute for the Development of Social Investment - Brazil (IDIS)
Blue Like and Orange	Instituto de Crédito Oficial
Brazilian Development Bank (BNDES)	Instituto Nacional de Empleo y
C Minds	International Bank for Reconstruction and Development
Caribbean Development Bank	International Committee of the Red Cross
Carlos Slim Foundation	International Development Research Center
Cemex	International Finance Corporation
Citigroup	International Monetary Fund
Climate Bonds Initiative	International Olympic Committee
Climate Investment Funds	International Union for Conservation of Nature
Concordia	Islamic Development Bank
Corporación Andina de Fomento (CAF)	Itaú
Council of the Americas	Japan Bank for International Cooperation
Danone	Korea Airports Corporation
DHL	LatinTrade
Dow	Laboratoria
Earth Institute at Columbia University	LinkedIn
Education Above All	Massachusetts Institute of Technology
European Bank for Reconstruction and Development	Mastercard
European Commission	Maersk
European Investment Bank	Mercado Libre
everis NTT Data	Microsoft
Facebook	Mundo Sano
Fédération Internationale de l'Automobile (FIA)	National Basketball Association
Financiera de Desarrollo Nacional	Nestlé
FinDev Canada	New Development Bank
Finnvera	NEC Corporation
Fondo Financiero para el Desarrollo de la Cuenca del Plata	Nordic Development Fund
FONPLATA Development Bank	Open Society Foundations
Food and Agriculture Organization of the United Nations	Oxxo
Fundação Maria Cecília Souto Vidigal	PepsiCo
Fundació F.C. Barcelona	PepsiCo Foundation
Fundación Bunge y Born (FBB)	Porticus
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Fundación ONCE	Rockefeller Foundation



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SeaLand	Government of Denmark
Sesame Workshop	Government of Dominican Republic
Shanghai University of Finance and Economics	Government of Ecuador
SKT Telecom	Government of El Salvador
S-Network Global Indexes	Government of Finland
Sofinex	Government of France
SoftBank Group	Government of Germany
Stockholm International Water Institute	Government of Guatemala
Sustainable Development Solutions Network (SDSN)	Government of Guyana
Sustainable Energy for All (SEforALL)	Government of Haiti
Swiss State Secretariat for Economic Affairs (SECO)	Government of Honduras
Tecnológico de Monterrey	Government of Israel
Telefónica	Government of Italy
Tent Partnership for Refugees	Government of Jamaica
The Coca-Cola Company	Government of Japan
The Nature Conservancy	Government of Korea
Think Equal	Government of Mexico
Tsinghua University	Government of Nicaragua
Unilever	Government of Norway
U.S. International Development Finance Corporation (DFC)	Government of Panama
United Nations	Government of Paraguay
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World Central Kitchen	Government of United States
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