On the path to an inclusive and sustainable economic recovery



The IDB Group in the Central American Isthmus and the Dominican Republic

ACTIVITIES REPORT 2021

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The IDB Group includes three multilateral institutions: the IDB, IDB Invest, and IDB Lab. The IDB supports the development of public-sector projects; IDB Invest finances private-sector initiatives; and IDB Lab supports innovative undertakings that create scalable opportunities for poor and vulnerable populations in the region.

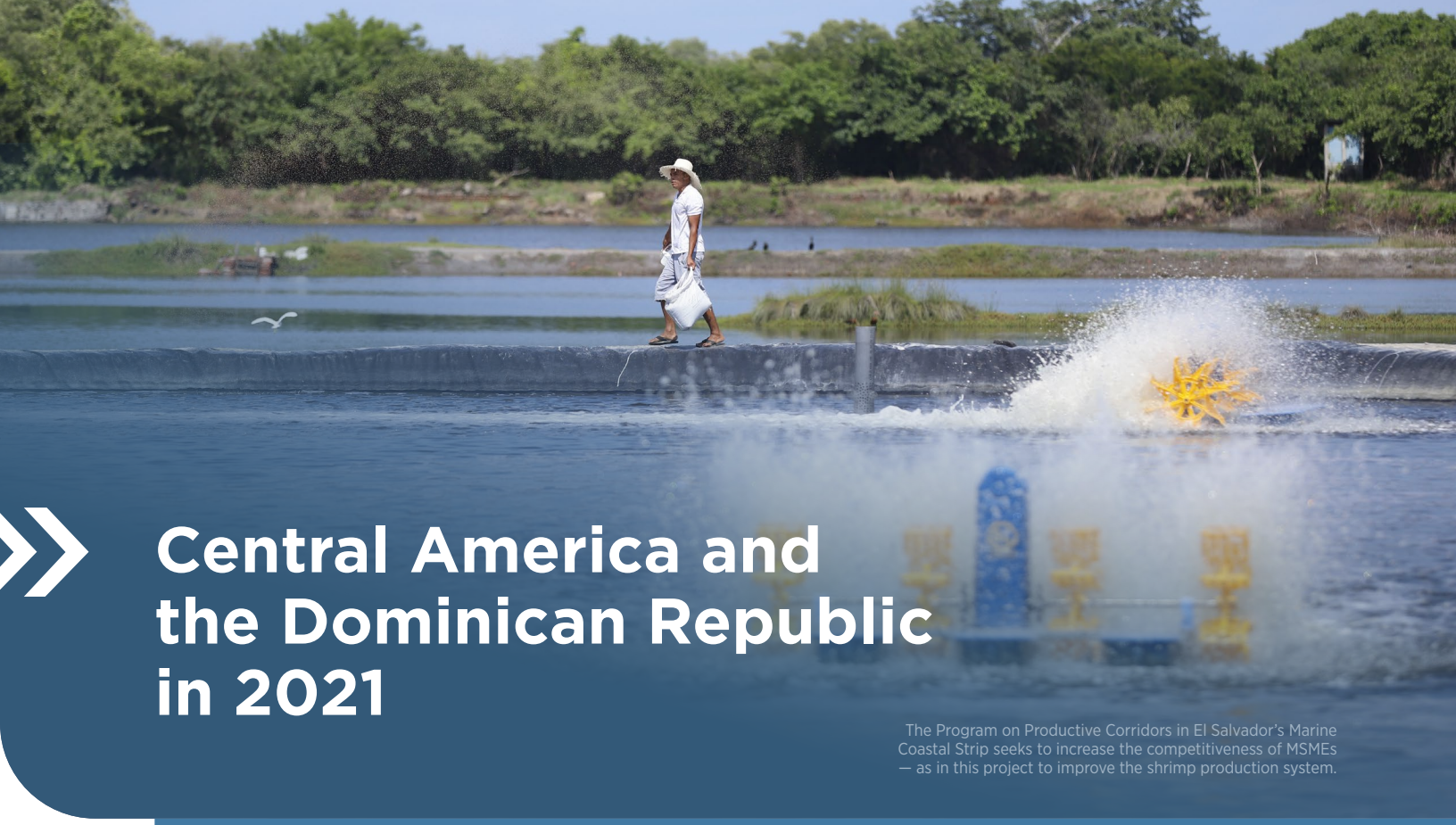
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This document was coordinated and prepared by a team from the IDB's Country Department Central America, Haiti, Mexico, Panama and the Dominican Republic, with contributions from IDB Invest and IDB Lab.

At the date of publication of this report, data related to IDB Invest operations are still preliminary and may be subject to change in the future.

Graphic design: Duare Pinto



Central America and the Dominican Republic in 2021

The Program on Productive Corridors in El Salvador's Marine Coastal Strip seeks to increase the competitiveness of MSMEs — as in this project to improve the shrimp production system.

2021 was a year of economic recovery for the region of Central America and the Dominican Republic (hereafter, "the region"), which grew by an estimated 9.2 percent as a whole. After the economic and social havoc wrought by the COVID-19 pandemic and Hurricanes Eta and Iota triggered the biggest contraction in the region's recent history, economic activity resumed in all countries in 2021. This recovery, however, has not yet been sufficient to offset the social losses caused by the pandemic.

The recovery has been widespread but it has unfolded at different speeds. Panama is expected to record the continent's highest growth in 2021, but output will not reach its pre-pandemic levels until late-2022 or 2023 because of the economic impact of the severe containment measures imposed in 2020. Belize has rebounded solidly, but will only resume its pre-pandemic level of output between 2022 and 2023 because of its heavy dependence on the tourism sector. The same is true of Honduras, the country hardest hit by the hurricanes. In contrast, Costa Rica, El Salvador, Guatemala, Nicaragua and the Dominican Republic have already regained their 2019 levels of economic activity.

The region's reactivation is related to the recovery of the United States, through its impact on foreign trade and receipts of family remittances. Exports already exceed pre-pandemic levels in all countries. This is linked to both a rise in the price of commodities such as coffee, corn, wheat and sugar, and to the growth of export volumes. The increase in remittances, which are at record levels in some cases, has mainly favored the countries of northern Central America and the Dominican Republic.

Recovery has also been uneven at the sectoral level, a circumstance that has affected the revival of employment. This process is being led by the manufacturing, telecommunications, energy and agricultural sectors in most countries, while the hotel sector, construction and commerce—which are significant sources of jobs—continue to lag. Employment has therefore recovered more slowly than economic activity.

In most countries, the number of contributing workers is barely back to the pre-pandemic level. High levels of informality, moreover, obscure any clear picture of job creation. Additionally, the rise in the price of raw materials, supply-chain disruptions, and the upturn in economic activity have translated into inflationary pressures. In several countries, annual inflation is substantially above the ranges established by the central banks. This is the case in the Dominican Republic, where inflation is at its highest level since 2011.

Despite the economic recovery, the social impact of the pandemic persists in the region's households. One of the main challenges is that the lag in creating formal employment, especially for women, could make it difficult to reduce rates of poverty and inequality.

During the pandemic, the poverty rate rose by 14 percentage points, reaching 54 percent of the population in Honduras; 55 percent in Guatemala; and 35 percent in Panama, where it is estimated to have grown by 12.5 percentage points.



Families that have benefited from the Bono Vida Mejor program in Honduras, which helped support people affected by the COVID-19 pandemic and the impact of Hurricanes Eta and Iota.

The rise in prices mainly affects households in the lowest income deciles, thereby contributing to widening inequality. Moreover, the pandemic has put additional pressure on health and education systems. Since March 2020, children have lost an average of 230 days of face-to-face schooling in Latin America, but the total number of days without face-to-face classes is much higher in Honduras, Panama, and El Salvador.

The vaccination process—key to the population's effective re-entry into economic activity—stands at 47 percent and has moved at uneven rates in the region. In some countries, such as Costa Rica and El Salvador, more than 60 percent of the population are fully vaccinated. In others, however, vaccine deployment has been slower, and they have some of the lowest vaccination rates in Latin America and the Caribbean. Proper roll-out of vaccination programs will be necessary to prevent the spread of the virus and to ensure that health systems, which have limited capacity, are not overwhelmed again as happened in 2020.

After the extraordinary fiscal measures implemented by governments in 2020 to address the health and social emergency, the rebound in fiscal revenue attendant on higher levels of economic activity led to a reduction in fiscal deficits during 2021. Nonetheless, spending kept rising in some countries, continuing the expansion of 2020. As a result, few countries improved their fiscal position relative to 2019. This will make it difficult to reduce public debt, which on average exceeds 60 percent of GDP, and the challenge in most countries will be to put public debt on track to prudent levels.

Outlook 2022

Economic recovery is expected to continue in 2022, though at a more moderate pace than in 2021. The less dynamic US economy, higher interest rates, and supply-chain disruptions could negatively affect economic activity in the region. Additionally, several factors weigh on the region's outlook, including uncertainty about how the pandemic will unfold, dwindling fiscal space, rising inflationary pressures, and the pandemic's social effects. Whether the expectations of recovery materialize, therefore, will depend on management of the pandemic and the vaccination process, ability to mitigate economic and sociopolitical risks, and capacity to take advantage of opportunities for growth, such as regional integration and the strengthening of value chains. In this regard, progress on fiscal sustainability, regional integration and improving the business climate, as well as reforms to foster human capital formation, employment, gender equality and climate-change resilience, could lay the groundwork for a faster recovery in the short term and for higher, more sustainable and inclusive growth in the medium term.

The IDB Group works with the countries to contribute to their growth and poverty reduction strategies through improvements in productivity and social inclusion, and by promoting regional integration. In 2021, this commitment was embodied in financing operations, technical assistance, and knowledge products to respond to the pandemic and support economic recovery. The following chapters of this report highlight the Bank's main activities in Central America and the Dominican Republic during the year at the regional and national levels. Those activities support the Bank's Institutional Strategy and Vision 2025, our roadmap for promoting sustainable and inclusive growth in the region.

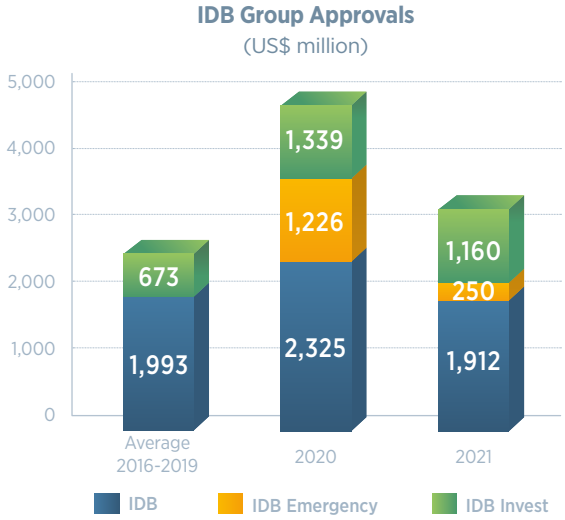
New projects

In 2021 the **IDB Group** approved **US$ 3,377 million** for the countries of Central America and the Dominican Republic. This financing was more than 20 percent higher than average approvals for the 2016–2019 period because of the greater participation of the private sector, which in 2021 accounted for 35 percent of the approved amount.

Relative to 2020, the 2021 results reflect the reduction of emergency financing to the public sector in a context of less uncertainty and economic recovery, although pandemic management remained an important issue on the agenda of the countries and the Bank.

Joint effort of the Group's three financing arms to respond to the pandemic in 2020–2021:

- The **IDB** worked with public-sector agencies, mainly in sectors that promote recovery and continuity in responding to the COVID-19 crisis.
- **IDB Invest**, the private sector investment arm, focused on supporting the productive fabric and employment, especially SMEs and their value chains, as well as foreign trade facilitation.
- **IDB Lab**, the Group's innovation laboratory, focused its support on the use of sustainable agricultural technologies and practices, ecotourism, financial inclusion, and training and employment.



Public sector

In 2021, the **IDB** financed **26 loans** to the public sector totaling **US$ 2,162 million**, and provided technical assistance through **78 grants** totaling **US$ 41.3 million.**

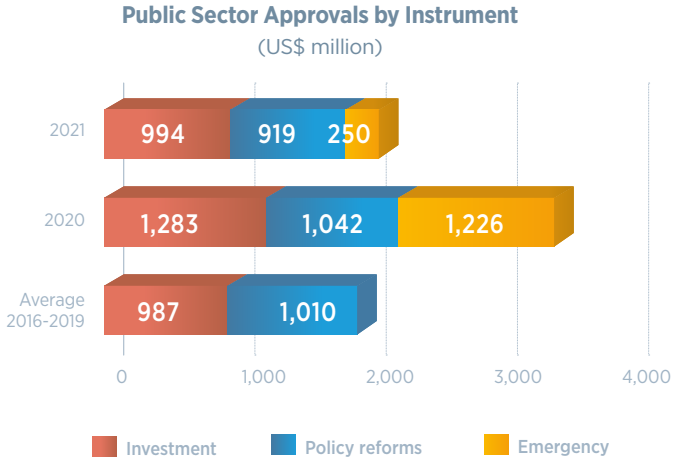
Reduction of emergency funding in line with a context of recovery.

Approvals in 2021 similar to the pre-pandemic average.

US$ 210 million mobilized in cofinancing, equivalent to 10 percent of the total approved.

US$ 69 million of portfolio projects in execution were **reformulated or redirected** to respond to the pandemic.

Although the health emergency has been overcome, **24 percent** of the approved resources (US$ 525 million) were directly targeted on dealing with the effects of the COVID-19 pandemic.



The other **76 percent** of Bank approvals boosted the region's recovery initiatives in areas such as:

- Promoting competitiveness and the digital agenda.
- Support for social investment, health, education and gender inclusion.
- SME financing and support for the productive fabric.
- Strengthening fiscal management.
- Support for agricultural innovation and food security.
- Investment and sectoral reforms in basic water, sanitation, transportation and energy services.
- Disaster response for Hurricanes Eta and Iota.



Agroforestry Development Program in the Dominican Republic, which promotes the adoption of agroforestry technologies on the part of small producers.

Private sector

IDB Invest approved **23 long-term operations** in 2021 totaling **US$ 547 million**, and provided **short-term** financing to 23 financial institutions in the amount of **US$ 613 million**. Total approvals in 2021 stood at **US$ 1,159 million** and financial closures at **US$ 1,171 million**.

- **72 percent** more than the average in 2016–2019.
- Focus on SME financing through commercial banks, attracting investment in strategic sectors, and job creation.
- Continued meeting the demand for short-term financing, facilitating liquidity to companies for business continuity and their international insertion.

US$ 547 million in long-term loans and guarantees:

15 percent to **infrastructure** for diversification of the energy matrix and improvements to health infrastructure.

32% percent to the **corporate sector** to support the food industry, manufacturing, pharmaceuticals, and the reactivation of tourism through innovative mechanisms.



53 percent to **commercial banking**, with a focus on SME financing, microfinance, green loans and loans to women entrepreneurs, fostering the development of capital markets through social and sustainable bonds, together with subordinated loans to strengthen the capital structure of financial institutions.

US$ 613 million in short-term loans and guarantees:

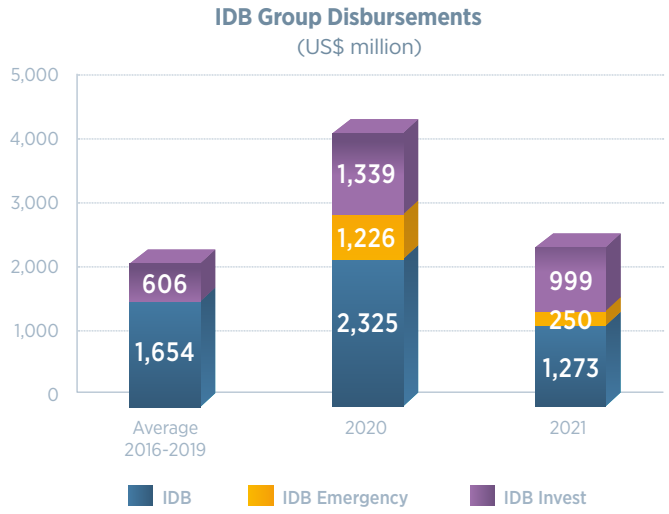
- The Trade Finance Facilitation Program (TFFP) provided funding to export and import companies through **23 financial institutions**.
- Mobilization of **US$ 2 million** with an international investor.
- First syndicated credit facility for sustainability in the coffee value chain in five countries (Mercon).
- First value chain financing operations through reverse factoring in Costa Rica and the Dominican Republic (Sigma Alimentos).

IDB Lab approved **26 operations** totaling **US$ 13.4 million** and 9 regional operations totaling **US$ 15.7 million** to foster **innovation** and the take-up of **technologies** to encourage the inclusion of vulnerable populations, in line with the IDB Group's Vision 2025 "Reinvest in the Americas," with an emphasis on:

- Post-pandemic economic recovery through digitization of SMEs and vulnerable populations.
- Response to health issues arising from COVID-19.
- Resilience to climate change in agriculture and aquaculture.

Our portfolio

In 2021 the **IDB Group** disbursed **US$ 2,522 million** to the countries of Central America and the Dominican Republic. Although this amount was below the 2020 level because of the reduction in emergency financing needs, it exceeded the 2016–2019 average by **11 percent.**

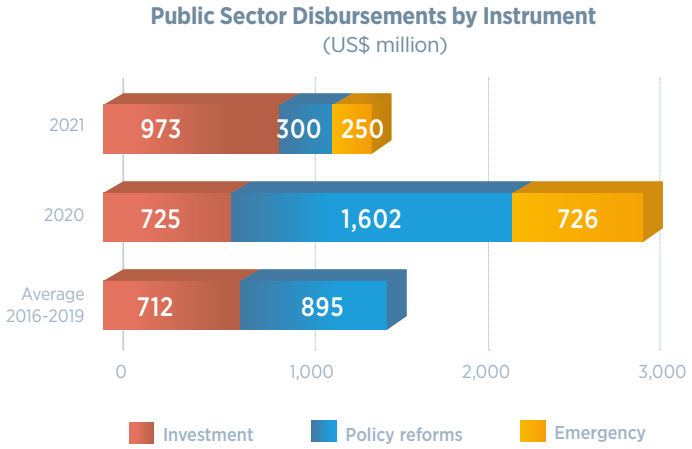


Public sector

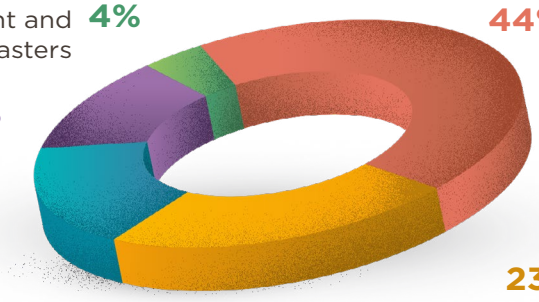
The IDB has an active portfolio of **123 projects** in the region totaling US$ 8,741 million, with **US$ 5,452 million in available resources.**

Disbursements in 2021 amounted to **US$ 1,523 million** and helped to:

- Consolidate the IDB's position as the main source of multilateral financing (**44 percent**).
- Finance **15 percent** of public investment.
- Cover **6 percent** of the region's financing needs.



The public-sector loan portfolio consists of:



4% Environment and natural disasters

12% Productive sector, SMEs

17% Public management
- Fiscal management
- Justice and citizen security
- Innovation and technology
- Institutional strengthening

44% Infrastructure
- Transportation and logistics
- Energy
- Water and sanitation

23% Social development
- Health
- Social investment
- Education

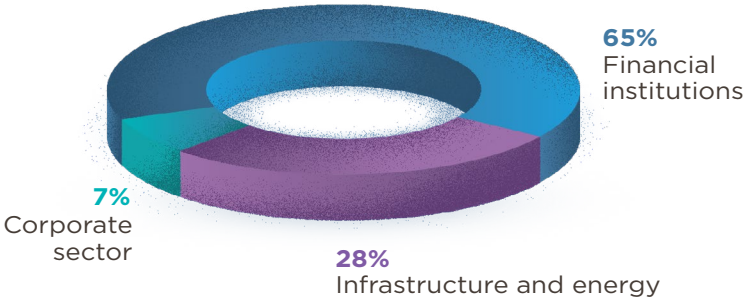


The IDB is promoting investment in energy efficiency projects by SMEs in El Salvador.

Private sector

IDB Invest has a portfolio of **92 operations** with an exposure of **US$ 2,145 million** as of December 2021, and manages additional financing from other sources totaling **US$ 343 million,** in three areas:

IDB Invest disbursed **US$ 999 million** in 2021, demonstrating its capacity to respond to and support the reactivation of the private sector during the pandemic. This is an increase of 55 percent relative to the average for 2016–2019.



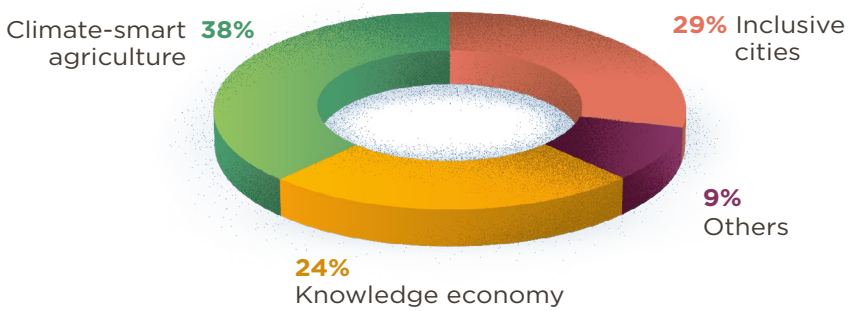
IDB Invest projects have helped to:

- Expand credit to MSMEs.
- Empower women entrepreneurs.
- Promote the green portfolio, especially in the construction, mobility, and renewable energy sectors.
- Promote financial intermediation and strengthen the capital structure of financial institutions (gender, social, and sustainable bonds).
- Support the corporate sector in agribusiness, tourism, manufacturing and develop their value chains.

IDB Lab has **100 operations** in execution totaling **US$ 99.8 million** to foster innovation and leverage private-sector resources.

- It also manages 73 operations under the Social Entrepreneurship Program (SEP), comprising an investment of US$ 38.5 million.
- It has 14 regional operations totaling US$ 28.6 million.

IDB Lab's operations mainly address the following thematic areas:



These initiatives support:

- The productivity of MSMEs and workers.
- Social, labor and economic inclusion.
- Entrepreneurship and innovation ecosystems.
- Climate resilience and environmental sustainability.

The contribution of the **IDB Group** portfolio to the Sustainable Development Goals (SDGs)

over the past six years:

1 NO POVERTY

4 million beneficiaries of anti-poverty programs.

2 ZERO HUNGER

72,000 beneficiaries of greater resilience to disasters and the effects of climate change in 2021.

3 GOOD HEALTH AND WELL-BEING

18 million people with health services.

4 QUALITY EDUCATION

6.8 million student beneficiaries of education projects.

5 GENDER EQUALITY

270,000 women economically empowered.

6 CLEAN WATER AND SANITATION

270,000 households with improved access to water and sanitation.

7 AFFORDABLE ENERGY

28 MW of installed capacity for electricity generation using renewable sources.

8 WORK AND GROWTH

98,000 MSMEs financed, and more than **85,000** jobs created.

9 INDUSTRY AND INFRASTRUCTURE

1,060 km of roads built/upgraded.

10 REDUCED INEQUALITY

15,000 beneficiaries of initiatives to support migrants and their host communities in 2021.

11 SUSTAINABLE CITIES

325,000 households with improved access to energy services.

12 RESPONSIBLE PRODUCTION

60,000 tons a year of CO^2 equivalent emissions avoided.

13 CLIMATE ACTION

US$ 48 million in investments in resilient or low-carbon infrastructure in 2021.

14 LIFE BELOW WATER

15 LIFE ON LAND

280,000 hectares of sustainably managed habitats using ecosystem-based methods.

16 STRONG INSTITUTIONS

143 institutions with enhanced management and digital technology capacities.

17 PARTNERSHIPS FOR THE GOALS

2 integration agreements and cooperation initiatives at the regional level supported.

Knowledge agenda

To provide the region with development solutions, in 2021 we continued to produce knowledge products that take an innovative approach, focusing on the search for growth opportunities. The topics covered include the reform agenda during the recovery phase, as well as important public policy issues such as social inclusion, value chains, and innovation.

Particularly noteworthy are reports on the economic and social effects of the COVID-19 pandemic and proposals for dealing with them, including:

- **Inequality and social discontent: How to address them through public policy.** This study examines the pandemic's impact on inequality and poverty, as well as the risks this poses to political and social stability, offering recommendations on how to improve the redistributive role of fiscal policy and foster inclusion.
- **The effect of COVID-19 on firms and employment in Central America.** This analysis of the effect of the pandemic on firms and employment finds that one in four formal businesses in El Salvador, Guatemala, Honduras and Nicaragua has closed, and monthly sales have fallen by a third on average.
- **Policy on credit guarantees as access to financing in the COVID-19 crisis.** This documents the consequences of the pandemic for businesses, considers their problems in accessing financing, and examines guarantee programs as an instrument to tackle this problem.
- **Social impact of the pandemic in Panama and analysis of the efficiency of cash transfer programs.** This study estimates the social impact of the pandemic in Panama and assesses the contribution made to poverty reduction by the country's main conditional cash transfer programs.

In the area of social inclusion, the reports on gender and migration are worth noting:

- **Closing gender gaps in the world of work.** This analyzes gender gaps and their relation to women's entry into the labor market, showing that they hinder progress towards gender equity and hold back welfare gains. The study also presents a roadmap to address these gaps and documents how the IDB Group has been supporting the region on this matter.
- **Migration and remittances in 2020: The impact of COVID-19 and the hurricanes, and medium-term outlook.** This examines the impact of the COVID-19 pandemic on employment among migrants, family remittances, and forced or voluntary returns.

On the use of technology and innovative solutions to support development, the following studies are notable:

- **The revenue potential of VAT in the digital economy.** This estimates the fiscal revenues associated with the digital economy. It is the latest in a series of studies on the growth of the digital economy and its challenges in Central America and Mexico.
- **Maneuvering uncertainty: scenario planning in Belize.** This presents two scenarios for Belize in 2030, and makes recommendations on how the country can be better prepared for the challenges arising from those scenarios.
- **Where are the unbanked in Belize?** This uses machine-learning models to identify geographically unbanked populations with a view to improving financial inclusion.
- **Nowcasting to predict economic activity in real time.** This presents machine-learning models adjusted to produce a real-time estimate of quarterly GDP for Belize and El Salvador, 60 to 90 days before the official figures are released.



Knowledge agenda 2022

In 2022, the knowledge agenda will continue supporting the region's recovery by prioritizing economic sectors for growth, on the basis of their value-added and job-creation effects on the rest of the economy. The agenda will also center on analyzing the risk associated with household and corporate indebtedness, and the implications for the financial sector; and it will continue to address the issues of migration and remittances.

Our regional initiatives

The integration of Central America and Mesoamerica remains a priority, and the Bank reaffirms its commitment as a strategic partner in these areas going forward.

HEALTH

Achievements of the Mesoamerican Health Initiative (MHI) and the way forward

Through the MHI, the Bank has continued to support the countries taking part in this initiative as they make efforts to close the gaps to equitable access to health services in the region.

In 2021 the MHI's national operations were completed in Belize, El Salvador, Honduras and Nicaragua. In all these countries, the operations led to substantial improvements in access to health services for women and children from lower-income communities and vulnerable populations.



The Mesoamerican Health Initiative has improved access to health care for women and children. Photo for illustrative purposes.

Overall, MHI impact assessments have highlighted the improved timeliness and quality of prenatal care, greater coverage of institutional deliveries, and better care for women facing obstetric and neonatal complications, as well as improved child health and immunization services. In El Salvador, the results-based financing (RBF) model led to a doubling in the number of preventive check-ups for women compared to traditional loan financing: a 42 percent increase in the municipalities covered by the initiative, against 20 percent in municipalities with traditional financing. And in Honduras, coverage of institutional deliveries by skilled personnel rose from 76 percent to 90 percent in MHI target areas.

As a complement to the above, studies were conducted throughout the year to identify the effects of the COVID-19 pandemic, enabling MHI teams to minimize its impact on health systems and improve the provision of essential

RESULTS OF THE MESOAMERICAN HEALTH INITIATIVE (MHI)

COSTA RICA	11 percent reduction in teenage fertility, taking an intersectoral health approach.	Second country operations concluded in 2018, and the Bank has continued to provide support through technical assistance in line with each country's needs.
GUATEMALA	Increase in attended deliveries with international quality standards from 50 percent to 97 percent.	
PANAMA	Increase in the availability of supplies for prenatal care from 17 percent to 100 percent, and in childcare from 12 percent to 84 percent, between 2013 and 2014.	
BELIZE	Share of women who receive prenatal care before 12 weeks of pregnancy increased from two to five in every 10.	Completion of third national operations by December 2022
EL SALVADOR	Increase in prenatal care during the first trimester of pregnancy from 59 percent to 74 percent; and in the poorest areas served by MHI, institutional deliveries covered by skilled personnel increased from 86 percent to 98 percent.	
HONDURAS	Coverage of institutional deliveries by skilled personnel increased from 76 percent to 90 percent in MHI beneficiary areas.	
NICARAGUA	Thirty-five percentage-point increase in the quality of immediate neonatal care and an increase in postpartum contraception use from 47 percent to 86 percent, between 2014 and 2017.	

Source: Own elaboration.

services, including reproductive, maternal, neonatal and child health. Verification of targets and presentation of the MHI's final assessment will take place in the first half of 2022.

Behind these achievements in the quality of service delivery to the beneficiary population is an innovative RBF model that encourages participating governments to invest in health advances and rewards countries for meeting specific targets. In the process, the US$ 132 million provided by donors has mobilized US$ 44 million in domestic funding from beneficiary countries, all with the goal of narrowing health equity gaps for the poorest 20 percent of the population. For their part, the Ministries of Health have reinvested the financing provided in the same areas and interventions. From the institutional standpoint, the MHI has prompted organizational changes in health regulations and policies at the national level, and as a result the participating institutions are more effectively managed.

As a culmination of its achievements throughout these eight years of implementation, in September 2021 the MHI was honored with Concordia's[1] P3 Impact Award, in recognition of leadership in programs developed by public and private organizations to address social problems in the region.

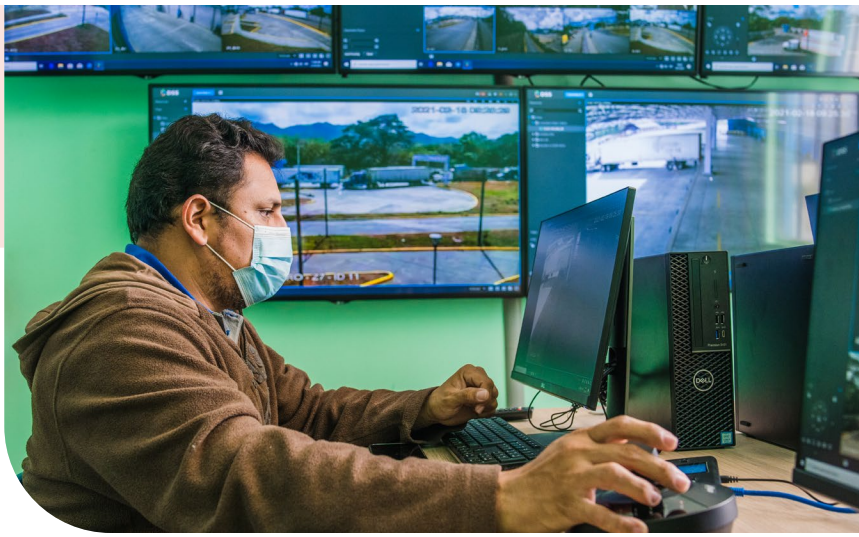
A key aspect of the Initiative's success is the sustainability of its outcomes. In this regard, work has begun on a study that offers analysis in two areas: (i) an examination of sustainability, by identifying financial issues, partnerships, and the adaptation of projects to conditions in each country; and (ii) planning activities by assessing challenges to and opportunities for the Initiative's sustainability that will be reflected in national plans, with specific interventions for each country over the short and medium terms.

TRANSPORTATION AND LOGISTICS

Technology platforms for decision-making on investment in transportation and logistics

As part of the regional agenda on transportation, mobility and logistics, work continued on socializing technology platforms geared to identifying interventions in multimodal transportation infrastructure during 2021. To that end, progress was made on the design of a Transport Integration Hub (HIT, for its acronym in Spanish) that will be completed in 2022. Its purpose is to integrate the various digital tools developed by the Bank in the past three years into a single platform (Pacific Corridor geodata dashboard, Mesoamerican logistics portal, COVID-19 portal, Eureka, and the Freight Transportation and Logistics Monitoring Center). The hub will serve as a repository for knowledge products in the sectors financed by the IDB.

The HIT will make it possible to use the information for infrastructure and investment planning, taking account of climate-change impacts and resilience factors. It will also provide access to data on trade and freight flows used in project profiles, the classification of COVID-19-related measures, and their impact on freight logistics in the countries of the region.



Regional integration is one of the pillars of the IDB's Vision 2025. Photo: Border Integration Program in Nicaragua.

The Bank has also fostered and prioritized technical and political dialogue in the Mesoamerican Regional Technical Commission on Transportation (CTRT), the Sectoral Council of Central American Transportation Ministers (COMITRAN), and the Regional Technical Commission on Mobility and Logistics (CTRML). These forums have featured the presentation of regional studies and the provision of training on the transportation sector's resilience to the effects of climate change, and on regulating sustainable airport infrastructure. These inputs complement implementation of the Regional Framework Policy on Mobility and Logistics in Central America, and the Mesoamerican Agenda for Transportation, Mobility and Logistics.

1 Concordia is a nonprofit organization founded in 2011 whose mission is to foster, elevate and actively sustain intersectoral partnerships for social impact.

CLIMATE CHANGE

Building resilience to climate change

To help the countries of the region strengthen their resilience capacities following the impacts of Hurricanes Eta and Iota, in 2021 the Bank offered strong support for a strategic agenda on disaster-risk management and climate-change adaptation, on two fronts:

1) Updating the Index of Governance and Public Policy in Disaster-Risk Management (iGOPP), jointly with the Coordination Center for the Prevention of Natural Disasters in Central America and the Dominican Republic (CEPREDENAC-SICA). This tool makes it possible to assess the governance structure of risk management in the member countries, and to devise roadmaps enabling them to strengthen their disaster-risk management.



Contingent loans, such as the one approved in Nicaragua, are resources that countries can access quickly in the event of a disaster so as to meet the humanitarian and rehabilitation needs of the population.



IDB support for disaster response includes humanitarian assistance to buy basic necessities, as has been the case in Honduras.

2) Organizing the series of virtual seminars on "Building Resilience," which seek to disseminate knowledge and best practices on various issues in the Sendai Framework,[2] such as understanding disaster risk in Latin America and the Caribbean (LAC), the challenges of governance in risk management, and risk reduction and disaster preparedness. Participants at the event included experts from international institutions, private sector organizations, and civil society.

At the operational level, the IDB Group's climate financing in the eight countries of the region amounted to 26 percent (more than US$ 570 million) in 2021. Since 2016, 40 operations (out of a total of 123) have included activities on resilience and adaptation, and Contingent Credit Facilities for Natural Disasters and Public Health Emergencies (CCFs) were approved in 2021 for El Salvador, Guatemala, and Honduras, at US$ 400 million each. These are in addition to the existing lines for Belize (US$ 10 million), Nicaragua (US$ 186 million), and the Dominican Republic (US$ 300 million). A US$ 400 million CCF loan for Panama is expected to be approved in 2022.

2 The Sendai Framework for Disaster-Risk Reduction 2015–2030 was adopted at the Third United Nations World Conference on Disaster-Risk Reduction, held on March 14–18, 2015 in Sendai, Miyagi, Japan.

MIGRATION

Responding to the challenges of migration in the region



The Young Migrants' Support Center offers educational services for young people in Honduras.

Migration is a phenomenon common to the whole region. Whether from the viewpoint of a country of destination, origin or transit, the countries of the region face significant challenges that test their response capacities in the areas of managing migrant flows and providing basic services. The IDB Group has been providing support on this issue by producing pertinent knowledge for decision-making, designing solutions for returning migrants or those at risk of migrating, and integrating migrants into recipient communities.

To increase knowledge of the dynamics of migration in the region, and to underpin the design of public policies related to the issue, the IDB collaborated with the World Food Program and other partners in developing the study, "Charting a new regional course of action: The complex motivations and costs of Central American migration," which analyzes the causes of migration in the countries of northern Central America (El Salvador, Guatemala, and Honduras), as well as the costs and economic implications of migration in the post-pandemic context. Additionally, with the support of the Migration Policy Institute, a study was developed that analyzes the effectiveness of programs to receive and reintegrate returnees in these countries, and identifies opportunities for strengthening such programs. These initiatives complement other research that the Bank has undertaken in recent years in the countries of northern Central America.[3]

Initiatives have been devised in countries of origin and return to upgrade skills and create economic opportunities for returning migrants or those at risk of migrating. In this regard, the Bank provided financing (US$ 1 million) in 2019 for the first Young Migrant Support Center, which offers educational and job-training services for young people who have returned and/or are in vulnerable situations in Honduras. In 2021, financing was approved to support 1,250 youths and women (returnees or likely to migrate) so as to upgrade their skills, create business ventures, and access formal jobs in El Salvador, Guatemala, and Honduras.

In migrant-receiving countries the Bank has been supporting initiatives to foster the economic and social integration of migrants into host communities, through investment grants that complement lending operations. The Bank is moving forward with the execution of a US$ 2.5 million grant in Belize to improve the quality of primary and secondary education in migrant-receiving communities; and a US$ 15 million grant in Panama to raise levels of learning among migrant, refugee, and host-community children and teenagers. A grant of US$ 20 million is being prepared in Costa Rica to strengthen citizen security and support violence-prevention initiatives in migrant and host communities.

3 Including: "Food Security and Emigration: Why People Flee and the Impact on Family Members Left Behind in El Salvador, Guatemala and Honduras" (IDB, IFAD, IOM, OAS and WFP, 2107); and "In the Footsteps of the Migrant: Perspectives and Experiences of Migrants from El Salvador, Guatemala and Honduras in the United States" (IDB, 2019).



COVID-19:
IDB Group response in the region in 2020 and 2021

The pandemic in figures

After nearly two years of dealing with the COVID-19 pandemic, by the end of 2021 Central America and the Dominican Republic were marked by:

- Nearly 2.6 million cases of COVID-19, and 50,000 deaths.
- 28.9 million people fully vaccinated (47 percent of the total population).
- 5 million unemployed at the pandemic's peak
- Poverty increased by up to 14 percentage points at the height of the pandemic, (more than 3 million people)
- The average fiscal deficit remains more than 2 percentage points above the 2019 level.
- Increase in public debt, exceeding 60 percent of GDP on average.
- Average growth of 9.2 percent in 2021 following a 6 percent decline in 2020.

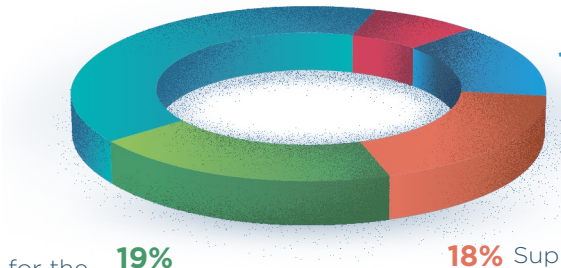
The Bank's response

In the 2020–2021 period, the IDB Group mobilized US$ 5.684 million in support of the region:

➤ **US$ 3,593 million** in **public-sector** initiatives to contribute to:

Response to **short-term financing needs** and support for economic recovery (US$ 1,476.2 million). **41%**

8% Immediate response to the **public health** crisis (US$ 299.6 million).



14% Strengthening **fiscal management** (US$ 500 million).

19% Support for the **productive fabric** and employment (US$ 666.6 million).

18% Support for **vulnerable populations** (US$ 650.8 million).

Sourced from:

- New projects approved: US$ 3,282 million (of which US$ 525 million was in 2021).
- Portfolio projects reformulated or redirected: US$ 311.2 million (of which US$ 69 million was in 2021).

➤ **US$ 50 million in grants** (national and regional) for mitigation and support actions geared to vulnerable populations, as well as interventions aimed at economic recovery from the pandemic.

➤ **US$ 2,041 million** for the **private sector**, to support the productive fabric and employment:

- US$ 770 million in long-term loans and guarantees from IDB Invest as financing for the corporate sector, increased funding to SMEs, and infrastructure.
- US$ 1,252 million in short-term loans and guarantees for trade facilitation and financing to suppliers.
- US$ 19.2 million in IDB Lab loans and grants for interventions to support health, digitization for individual and informal workers, and SME financing.

Expected results of the IDB's 2020–2021 support

and preliminary progress as of the end of 2021:

Vulnerable Populations

Expected results

- Income support for nearly 3.2 million households in extreme poverty affected by COVID-19.
- 9,600 electronic devices to expand virtual education.
- Temporary support for payment of electricity services.



Preliminary results

- To date, more than 2.8 million households have been supported with cash transfers.
- Almost 10,000 students have electronic devices.
- More than 500,000 people given an extended deadline and payment plan for electricity payments.

Public Health Response

Expected results

- Purchase of almost **5 million doses** of vaccine and support for vaccination logistics to offer full doses to more than **6 million people**.
- **35 laboratories** equipped to carry out COVID tests.
- **275 health facilities** strengthened with equipment, trained personnel, materials and medical supplies.



Preliminary results

- Almost 1.2 million doses purchased.
- 9 national reference laboratories equipped.
- 118 health centers and facilities strengthened.

Productive Fabric and Employment

Expected results

- **1.3 million workers** in the formal and informal sectors with temporary unemployment relief.
- Support for economic recovery and boosting employment among almost **19,000 MSMEs** in the areas of commerce, services and the agri-food value chain.



Preliminary results

- More than **1.4 million workers** in the formal and informal sectors with temporary unemployment relief.
- **2,350 MSMEs** with financing and more than **7,000 jobs** reactivated.

Fiscal Management



Preliminary results

- 80,000 people and 87,000 companies with extended deadlines for income tax payment.
- Protection of spending targeted to vulnerable groups and investment in recovery.
- Improvements in fiscal management and the current account balance to respond to pandemic-related needs.



The IDB supported El Salvador with US$ 20 million for the purchase of vaccines. Photo: Ministry of Health of the Republic of El Salvador.

Response to COVID-19 in 2021: Prioritizing vaccination

In 2021 the Bank supported the region to: (i) access COVID-19 vaccines, both through multilateral mechanisms (such as the COVAX facility administered by the Gavi Alliance) and through bilateral contracts with vaccine manufacturers; and (ii) finance implementation of vaccination logistics, including the purchase and installation of the cold chain and supplies, training health personnel, staff mobilization, data monitoring systems, and pharmacovigilance. The Bank also supported the successful negotiation of agreements between some of its borrowing member countries and pharmaceutical companies, which reduced the risks of the contracts for these countries.

The Bank provided the region with up to US$ 140 million just to buy and deploy vaccines, by means of new financing and by reformulating resources from operations in execution:

Belize **Purchase: US$ 2 million** **Deployment: US$ 2,8 million**	**El Salvador** **Purchase: US$ 20 million**	**Honduras** **Purchase: US$ 13,5 million** **Deployment: US$ 14,8 million**
Panama **Purchase: US$ 20,7 million** **Deployment: US$ 1,7 million**	**Dominican Republic** **Purchase: US$ 62 million**	

Additionally, the Bank has supported all these countries in implementing their response plans to mitigate and control COVID-19, with the purchase of equipment, supplies, and tests, among other needs.

In 2022 the Bank expects to continue supporting vaccine financing needs as countries advance with their vaccination campaigns and boosters, and as minors are added to the schedule.



The Viral Transport Media (VTM) Program to address COVID-19 in Panama develops a sustainable and scalable business model for the first local VTM production line, a critical input for the virus diagnosis process.



Employment: key to an inclusive and sustainable recovery

An unprecedented shock to the labor market

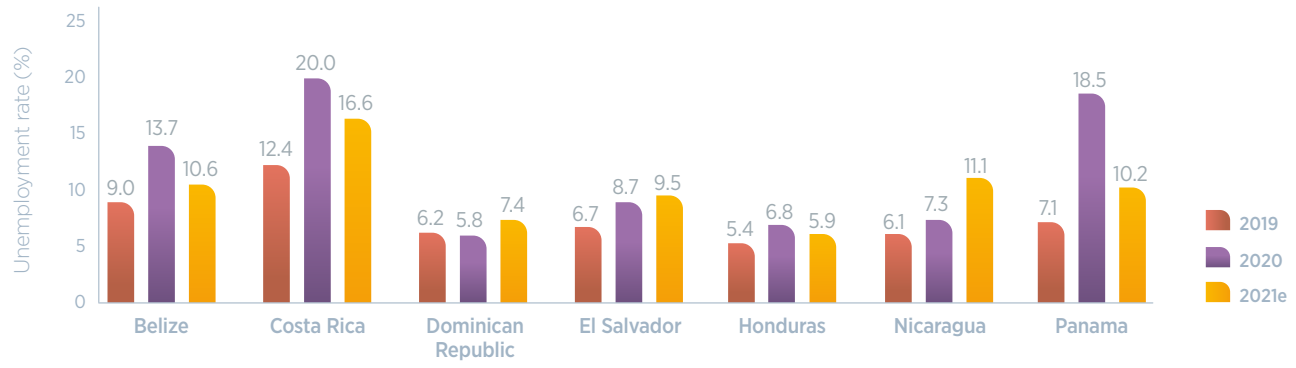
It is estimated that, at the peak of the pandemic, more than 5 million jobs were lost just in Central America and the Dominican Republic (ILO, 2021). This is equivalent to almost 8 percent of their total population, and close to 18 percent of the economically active population. Efforts to prevent the spread of the Coronavirus by means of mobility restrictions and the cessation of non-essential activities caused an unprecedented shock to the labor market, which by the start of the crisis already had an informality rate of about 60 percent (ILO) and a labor force with teleworking flexibility of only 11 percent (IDB, 2021).

Unemployment leads to substantial reductions in household income, and in this crisis it has mostly affected workers who were already in the lower levels of the income distribution: those who are informal, those with fewer skills, women and young people, people who are more likely to work in activities that involve frequent contact. The experience of past crises shows that the negative impact on these groups may not just be short-term, but may also have a permanent effect on job losses. That circumstance might exacerbate the vulnerability of these households, heighten their levels of poverty, and worsen wage inequality (World Bank, 2021).

Although 2021 was a year of recovery for the region, employment has revived more slowly than economic activity. This is partly because the sectors with the greatest job-creation potential (such as the construction, hotel and commerce sectors) have lagged behind other less labor-intensive sectors (manufacturing, telecommunications, energy, and agriculture).

According to the ILO, the recovery of employment in Latin America has been led by the growth of informal and low-wage jobs. Moreover, there is a risk that the labor market will move towards greater informality as new workers enter the market to make up for the loss of household income. The possibility of reaching pre-pandemic employment levels in 2022 will depend on the countries' pace of vaccination (and the effectiveness of vaccines against new strains), as well as on the recovery of the main job-creating activities and the reopening of childcare and education services.

Figure 1: Unemployment Rate (%) by Country, 2019–2021



Note: IMF WEO data, October 2021. Does not include Guatemala because data for 2020 and 2021 are unavailable.

Mitigation and job preservation measures

Micro, small and medium enterprises (MSMEs) are crucial economic agents. They support the various intersectoral production linkages and ensure the fluidity of commercial transactions, both nationally and internationally. MSMEs account for 99 percent of the region's companies and provide 65–70 percent of employment among the economically active population. There are about 1.58 million MSMEs, of which 83 percent are microenterprises and 16 percent are small and medium enterprises (Cempropyme, 2020). Most of them are family-run. This is the main form of labor-market participation for much of the population, especially those in the most vulnerable sectors.

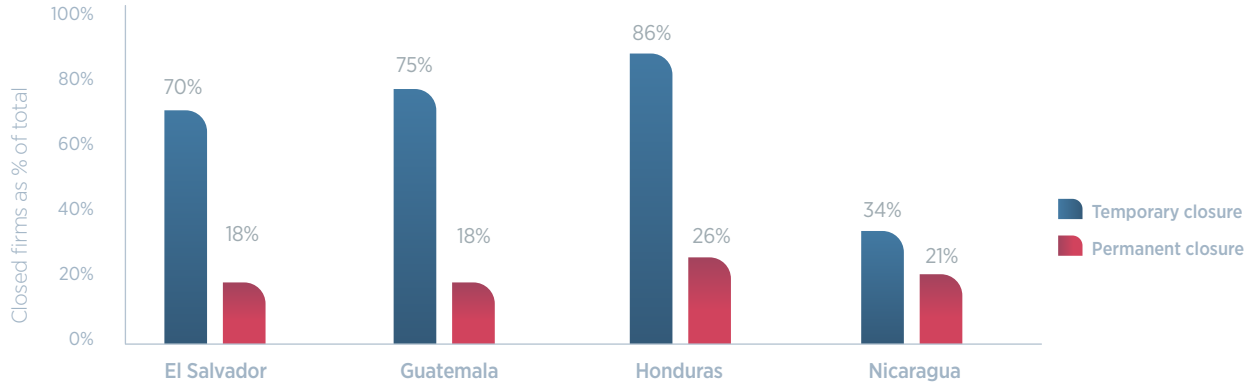
In 2020, 45 percent of MSMEs cut their number of employees relative to 2019, and 65 percent experienced an average 38 percent decline in sales. Overall, they suffered a fall in turnover, profitability, liquidity and productivity, an increase in their indebtedness, a decline in their investment, and disruptions in their supply chains (Cempropyme, 2021).

To tackle the crisis, the governments of the region have adopted various strategies to support the productive apparatus, in an effort to stop the fall in aggregate demand from causing a higher number of company closures and an attendant further decline in employment. The strategies most commonly adopted have consisted of exempting or deferring tax and public service payments, as well as providing companies with funds to cushion the fall in cash flow and enable them to use the greater liquidity to continue their operations, improve their payment capacity, and lessen the likelihood of bankruptcy—not only preserving jobs, but also preventing supply-chains disruptions.



The Dominican Republic has received support from the IDB Group to improve labor-participation conditions for the working-age population, particularly young people.

Figure 2: Firms that Closed Temporarily or Permanently during the COVID-19 Crisis



Source: Technical Note, "The effects of COVID-19 on firms and employment in Central America," IDB, 2021.

In this regard, the IDB Group's response areas have included an approach geared to protecting the productive fabric and employment in the short term, on two tracks:

i) From the **public sector**: credit programs for support from public development banks. These programs have emphasized the survival of firms and job preservation, prioritizing the most vulnerable economic sectors in each country (such as the tourism sector), with particular emphasis on female entrepreneurs. Since the start of the crisis, six programs totaling US$ 555 million have been approved to support MSMEs and safeguard employment and the productive sector in four countries (Belize, with the Development Finance Cooperation; El Salvador, with Bandesal and the Agricultural Development Bank; Honduras, with Banhprovi; and two in Panama, with the National Bank of Panama). Most of the loans helped finance working capital or fixed capital investments. They also supported credit placement goals for women-led enterprises (accounting, for 30 percent of Bandesal's loans, for example) and formally registered MSMEs regarded as solvent. This latter was intended to obviate the risk of adverse selection—that is, helping companies that were not viable before the crisis.

ii) From the **private sector**: providing liquidity to credit intermediaries and facilitating foreign trade through short-term financing (around US$ 1.5 billion), while also meeting the demand for long-term financing from commercial banks (about US$ 570 million). Of this, close to US$ 472 million was directly committed to widening access for MSMEs.

Despite these efforts, it is unsurprising that access to financing remains an obstacle not only to the survival of Central American MSMEs, but also to raising their productivity. The risk is aggravated by high levels of informality, poor accounting information, and lack of collateral. During the health crisis, 38 percent of MSMEs reported that they had not applied for credit from financial institutions because they thought they would be rejected. Only 29 percent of



The Productive Corridors Program seeks to support tourism development in priority municipalities of El Salvador's Marine Coastal Strip.

MSMEs applied for credit lines, and almost half of these applications were declined. MSMEs that received credit reported conditions that were poorer than (17 percent) or the same as (23 percent) those prevailing before the pandemic (Cempropyme, 2021).

Governments complemented productive support measures with others that sought to cushion the significant fall in income caused by job losses. These social protection policies were targeted at households and generally took the form of insurance against formal and informal unemployment, exemptions and deferrals of service and tax payments, and cash transfers for vulnerable populations. To support these measures, the Bank implemented **programs focusing on vulnerable populations**, which provided temporary cash transfers to guarantee a minimum income for eligible households. These programs were implemented successfully in Belize, Honduras, Panama and the Dominican Republic. The Bank supported Belize's unemployment relief program to help formal and informal workers who had lost their jobs, complemented by a World Bank program that supported the expansion of its network of transfers to households in poverty under the Building Opportunities for Social Transformation (BOOST) program.

Towards sustainable recovery with higher productivity and employment

It is estimated that the effects of the pandemic have caused the closure of one in four formal businesses in El Salvador, Guatemala, Honduras and Nicaragua (IDB, 2021). The crisis, however, has also presented an opportunity to increase levels of innovation in MSMEs, which is crucial if the recovery is to spring from higher levels of productivity. About 80 percent of them reported having made changes or improvements to their products or services, or having marketed a new one, since the onset of the pandemic. As of 2021, moreover, they anticipate a more favorable outlook for sales and employment, evidencing greater resilience (Cempropyme, 2021).



The post-COVID economic recovery program for indigenous coffee producers in Panama seeks to increase producers' income by strengthening coffee production with sustainable agroforestry systems that are resilient to climate change.

In a context of an uneven recovery, there is a need to continue the mitigation measures introduced since 2020 in the region, but also to adopt a more integrated agenda of policies to boost economic growth and create more and better jobs, together with rebuilding the productive apparatus. The countries of the region have announced economic reactivation plans that seek to support strategic sectors by improving the business environment, expanding the use of digital technologies, productive investment, and trade promotion. Only 15.1 percent of MSMEs in the region reported having exported in 2020, and those exports accounted on average for 31.5 percent of their total sales. Hence the need to foster the development of MSMEs by providing them with opportunities to enter into dynamic production chains and thereby ensure their participation in the recovery process.

The **IDB Group's Vision 2025** lays the foundation for an accelerated revival of the productive sector, fostering social progress and good governance. Its starting point is that the disruptions in global supply chains arising from the pandemic have increased demands among large companies for greater agility and resilience. Hence the structural realignment of global value chains (GVCs) and the relocation of operations from Asia to the Western Hemisphere, in a process known as nearshoring. This offers the countries of the region a historic opportunity to integrate themselves into global flows of goods and services, attract foreign direct investment, and boost their exports.

This Vision seeks to attract investments in five key areas for sustained and sustainable recovery and transformation: i) regional integration, strengthening value chains by improving processes and furthering regionalization; ii) digitization, closing connectivity gaps and fostering innovation; iii) support for MSMEs, maximizing private-sector contributions and social inclusion for economic recovery; iv) climate change, supporting climate mitigation, adaptation and resilience efforts; and v) gender equity and diversity, to ensure an inclusive recovery.

The IDB Group as a partner for inclusive recovery

As part of the region's efforts at economic reactivation and the creation of quality employment, the Bank has focused on supporting the productive development of MSMEs by promoting exports, market access, and financing for the productive fabric, with an emphasis on including small rural producers in the leading value chains.

The Bank has extensive experience in trade promotion and its linkages with MSMEs in the region. Three export and investment promotion projects, with similar interventions and scope, were implemented between 2010 and 2019 in El Salvador, Guatemala and Nicaragua. These programs aimed to strengthen the export supply, with an intervention strategy that, on the one hand, built institutional capacity to modernize and technically upgrade government functions in the area of foreign trade; on the other hand, it aided business development, particularly for SMEs, through technical assistance schemes and direct and indirect support.

In *El Salvador*, the program supported more than 260 companies and improved the rate of export growth from 10 percent to 12 percent in the MSMEs benefiting from cofinancing of business development services. In *Guatemala*, the intervention supported more than 300 businesses whose exports increased by about US$ 9 million, and which created more than 600 jobs. Some 58 percent of the businesses surveyed at the end of the program reported an increase in the number of their products (diversification), 17 percent entered new export markets, 33 percent exported for the first time, and 44 percent reported growth in the value of their exports. The project in *Nicaragua* helped internationalize 220 SMEs through training, technical assistance, equipment, and participation in fairs and events. Institutional technical capacities were improved by strengthening investment windows, national quality system laboratories, and training for technical specialists and officials. Additionally, in view of the country's agroexport profile, support was provided to a primary traceability system for beef.

In 2016, with support from Google, the IDB launched **Mujeres Connect Americas** to promote the growth of women-owned businesses in LAC and their connections to high-demand supply chains. This free business services portal seeks to connect women entrepreneurs to procurement opportunities from large companies and governments in the region. It also aims to help them access online training tools and practical information on business-support resources available in their countries. By the end of 2020, 120,000 women in LAC had registered and 50,000 had been trained.



Women entrepreneurs of Chocotinto Chocolates, supported by IDB Lab through the Chocolate4All Project in Honduras.

In 2021, the IDB worked with the countries of the region to identify sectors and companies that could take advantage of opportunities arising from the current context to improve their participation in GVCs, and to determine the crucial policies that foster the necessary investments and efforts. This included, for example, the semiconductor sector in Costa Rica, medical devices in the Dominican Republic, and the textile and business process outsourcing (BPO) sectors in the countries of northern Central America. The Bank also supported the organization of an investment promotion forum in Belize ("Belize Open for Business"), which was attended by government officials and representatives of the local and international private sector. These studies and experiences are being taken into account in the preparation of operations to be approved in 2022 for Belize, the Dominican Republic and Costa Rica. The latter will upgrade labor-force skills in dynamic sectors and foster the productive development of the more traditional industries by means of greater technology transfer and linkages with companies in the export sector. For northern Central America, support will be

provided for training courses in English and information technology, so as to take advantage of BPO opportunities and boost employment in the short and medium terms.

IDB Invest, as a strategic partner of the region's private sector, has recently supported innovative solutions to strengthen the productive fabric, such as:

i) A public-private guarantee program to boost the recovery of the tourism sector in Panama, partially covering the credit risk of loans to tourism firms, combined with technical assistance to identify new and sustainable business opportunities.



IDB Lab in Guatemala has supported the Valentina Program, whose main goal is to reduce unemployment and underemployment by means of an innovative and inclusive model.

ii) Financing El Salvador's first industrial park, *Orion Park*, in the department of La Libertad. This will offer industrial space to attract businesses other than those traditionally established in the country. Its strategy will center on basic manufacturing and medical devices and supplies. The aim is to create 3,500 direct jobs by attracting foreign direct investment.

iii) Financing for Elcatex, one of Honduras's main textile companies, which in 2020 geared its output to meeting the increased demand for pandemic-related protective clothing and equipment. IDB Invest's support will enable the firm to build and equip a new plant, and to increase operations with SMEs in its supply chain. This latter will be made possible through the provision of funds in the form of performance-based incentives (PBI), whose disbursement is conditional on meeting specific targets for the participation of women-led MSMEs in Elcatex's value chain, and increasing purchases from those companies.

iv) A reverse factoring facility with SIGMA Alimentos SA, which aims to extend financing to more than 140 providers in the company's supply chain. As well as optimizing the supply chain, the program will offer suppliers, including SMEs, funding for working capital at attractive rates. The program will be implemented in eight LAC countries, including Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic.

The IDB Group has also emphasized support for **rural agricultural production chains**, given their great importance for vulnerable and poor populations. Small producers face many difficulties in marketing their products, and therefore tend to retain very few benefits from the value chain. In Panama, for example, a producer keeps on average less than 10 percent of the final value of the product. This is partly because of unfamiliarity with market demand and requirements, lack of storage and transportation equipment and infrastructure, limited levels of partnership, and financing constraints.

The Bank has experience in financing market-access and marketing programs for small producers in the region, with a strategy of supporting partnerships and funding business plans with market-access goals. For example, Honduras's Rural Business Development Program, Pronegocios—which ended in 2016—raised producers' income by US$ 662 a year.

In 2021, Panama's *Agricultural Innovation project*, as well as seeking to improve food security, also aims to raise the income of small family farmers, increasing their profitability and improving their integration into the market. The program will seek to reduce post-harvest losses, increase the value added of agricultural products, and improve commercial access for family farmers by devising and implementing business and innovation plans to enhance the links between producers and higher-value markets. This is expected to benefit about 4,000 family farmers in agricultural associations.

In similar vein, IDB Invest has supported the development of strategic value chains (such as coffee, sugar, foodstuffs and others) by means of regional facilities that provide financial benefits to

small and medium producers, featuring environmental practices that improve their productivity. In 2021, in partnership with Mercon Coffee Group, IDB Invest approved resources to strengthen the coffee sector in five LAC countries, including Guatemala and Honduras, giving producers access to financing that guarantees the sustainability of their businesses and protects jobs. The project will also foster climate-smart practices to reduce crop losses, improve efficiency, and cut greenhouse gas emissions. Moreover, it will support the pilot of a price protection mechanism for coffee producers to help them manage financial risks through hedging instruments. Coffee is one of Central America's main export products, and accounts for about 2 million jobs in the region.

IDB Lab, in partnership with the Fedecovera Cooperative Federation, has supported a program in Guatemala's Western Highlands to improve the incomes and living conditions of more than 1,000 cardamom and coffee producers by means of a three-pronged strategy: (i) organizational strengthening; (ii) training in good cultivation practices; and (iii) improved marketing and productive linkages to improve market access and increase profitability and prices.

The IDB Group will continue to leverage its knowledge, as well as its financial and non-financial additionality, in innovative solutions that help the region mitigate the pandemic's adverse effects on its productive fabric, supporting efforts to reactivate employment with a view to an inclusive and sustainable recovery. To that end, support will be given to the countries' efforts to help urban and rural MSMEs integrate into more dynamic production chains with higher value added.

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The IDB Group in Belize

US$ 82 million in financing approved by the IDB Group in 2021.
During the year, financing was provided for the first batches of COVID-19 vaccines that entered the country, and economic recovery was aided through support for MSMEs and sectors that were lagging because of the pandemic, as well as investment promotion through the "Belize Open for Business" forum.

New projects

Strengthening Public Expenditure Management in Belize (US$ 8 million, IDB). This operation will help improve the management of public spending and increase fiscal sustainability through measures to optimize the country's debt management, foster a more efficient allocation of financial resources, and enhance both internal and external oversight of public spending. The IDB will also finance interventions to modernize the public procurement system, so as to enable the use of reference prices, supplier registration, and business intelligence units to reduce procurement costs for goods and services.

Global Credit Program to Protect the Productive Sectors and Employment (US$ 15 million, IDB). This program will help safeguard employment and foster the economic recovery of MSMEs, especially those run by women. It will benefit more than 200 enterprises in the agriculture, fishing, and tourism sectors, which in turn will preserve jobs. The funds will finance working capital, as well as investments in innovation and productive infrastructure, such as plant and equipment refurbishment, to help businesses build resilience to the effects of the pandemic.

Support to Guarantee Access to the COVID-19 Vaccine (US$ 2.8 million investment and US$ 2.1 million guarantee, IDB). This is the first hybrid sovereign guarantee operation, featuring an investment loan and a guarantee, geared to reducing morbidity and mortality caused by COVID-19, as well as mitigating other impacts of the pandemic. The guarantee covers the purchase of vaccine doses through the COVAX mechanism, while the investment loan will facilitate access to the vaccine under the National COVID-19 Vaccine Deployment Plan. This includes activities to improve vaccine preservation, distribution and deployment, and to support the preparation of facilities and vaccination registration. It also covers the development and implementation of a public information campaign on the vaccine and its benefits, so as to stimulate uptake.

Agriculture and Rural Development (US$ 5 million, IDB Invest). This is a second operation with Belize Sugar Industries (BSI), Belize's main sugar mill in one of the country's main agribusiness sectors. Some 90 percent of its output is exported. The loan's main development goals include: i) improving the company's productivity through logistical efficiencies for sugar exports; ii) reducing poverty by boosting income in northern Belize, where there is a high incidence of poverty, and iii) strengthening the value chain by supporting local MSMEs. The operation will also provide technical assistance to improve the agricultural productivity and sustainability of small and medium sugarcane growers in the north of the country.

Recinos Imports (up to US$ 5 million, IDB Invest). This operation with Recinos Imports seeks to optimize the supply of foodstuffs and consumer goods in the country by improving import distribution logistics, energy efficiency, and sustainable waste management. The expansion of the business will boost employment and increase the supply of goods at competitive prices; both of those outcomes will strengthen the country's sustainable economic recovery.

Belize Tourism Innovation Lab (US$ 400,000, IDB Lab). This program consists of a virtual platform to improve workforce development, with an artificial intelligence (AI)-driven recommendation algorithm. The initiative comprises a job-development component and a digital-marketplace component. IDB Lab will design training courses to optimize skills development and provide concrete recommendations on how SMEs can prioritize the use of digital technology in all areas of service delivery, and provide learning pathways for industry to adopt innovations in technology.

Leading Digital Health Solutions for COVID-19 (US$ 120,000, IDB Lab). The project will fund the design and implementation of a critical stock management solution (Commcare) in public health facilities to accurately record and report immediate COVID-19-related resources needed by health centers.



The IDB Group in BELIZE

The Sustainable Tourism Program in Belize seeks to increase the contribution of tourism to national economic growth in an environmentally and socially responsible manner. Photo: Turtle Shell Band.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	10.0	10.0	7.0	24.0	14.5	28.0
Technical cooperation	1.5	2.6	1.5	2.4	1.5	1.5
Investment grants	-	-	0.3	0.3	-	-
Private Sector						
IDB Invest	1.0	-	15.0	1.0	42.0	52.0
Long-term	1.0	-	15.0	-	31.0	52.0
Short-term	-	-	-	1.0	11.0	-
IDB Lab*	-	0.6	0.6	0.9	0.1	0.4

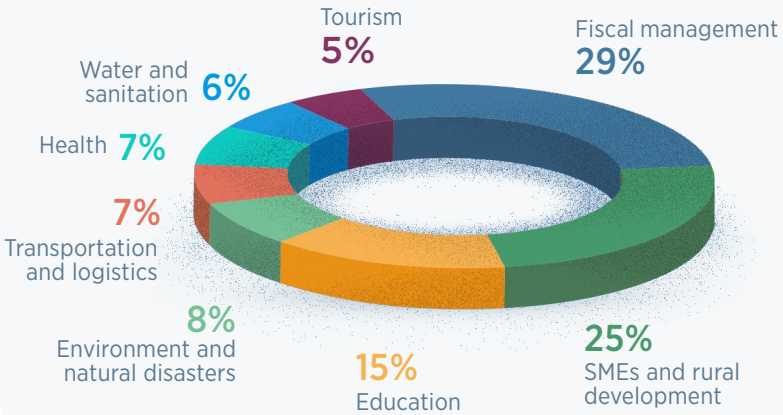
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 11 operations totaling US$ 96 million, with an available balance of US$ 53 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 3 operations with an exposure of US$ 25.2 million for the development of local agribusiness, tourism, and support for energy security.

IDB Lab

- 7 operations totaling US$ 3 million for pandemic response, productivity improvements, social inclusion, and climate resilience.

Supporting the procurement and equitable deployment of COVID-19 vaccines in Belize



With IDB support, Belize has been able to accelerate the vaccination process. To date, more than 47 percent of the total population have received a full dose.

Like other developing countries, Belize has faced major challenges in accessing COVID-19 vaccines and delivering them to the population. The country was one of the first to join the COVAX facility when it signed a purchase and sale agreement in September 2020, an initiative that the Bank supported with both a loan operation and by issuing a guarantee. The COVAX facility aims to ensure that COVID-19 vaccines are made available and distributed in an equitable way. The plan is to vaccinate 119,400 people between 2021 and 2023: that is 30 percent of the total population and about 55 percent of the adults.

The Bank has supported Belize in acquiring vaccines. Initially, the first COVAX payment was made with financing from the Bank through a restructured portfolio loan.



Faster vaccination helps not only to improve the health of Belizeans, but also to reactivate the tourism sector.

The Gavi Alliance, which administers COVAX, asked the Government of Belize to provide a financial guarantee for the full amount of the purchase and sale agreement in order for it to be signed. Because of financial risk issues, this guarantee had to be issued by an investment-grade institution. In those circumstances the IDB responded to Belize's request and in February 2021 approved a guarantee to cover the total amount of the pledged doses. Thanks to this mechanism, Belize ensured the provision of vaccines for 30 percent of the population and was the first country in the region to take advantage of this financial instrument made available by the Bank. The first shipment arrived in the country in March 2021, and to date 156,000 doses have been delivered.

The vaccination campaign has prioritized workers in tourism so as to reactivate the country's most important economic sector, which has also been the sector most affected by the pandemic. In 2020 tourist arrivals fell by 70 percent, leading to a 14 percent decline in GDP. In 2021, the slower-than-expected rollout of vaccination, coupled with new waves of infection in the tourists' home countries, hindered the sector's revival.

Mass vaccination brings additional challenges related to logistical capacity, vaccine uptake, and technology to ensure that vaccines reach the entire population equitably and fairly. To deal with these challenges, and to enable the efficient distribution and delivery of the vaccines, Belize requested financial support from the Bank in a second loan that is financing the activities of the vaccine rollout plan. This includes acquiring vehicles for vaccine distribution, hiring and training additional human resources, providing protective equipment for personnel, and purchasing cold chain equipment. A software app to record vaccination appointments was also developed, and technical assistance has been provided to improve the tracking and recording of the vaccines administered. The IDB has also supported a national survey and strategies to promote vaccine uptake.

With Bank intervention and support to access COVAX, Belize was able to speed up the vaccination program (more than 47 percent of the total population are fully vaccinated) and reactivate a vaccination campaign whose rollout was slower than expected. This will not only help improve the health of Belizeans, but will also support economic reactivation by allowing tourism to regain its dynamism.

The IDB Group in Costa Rica

US$ 663 million in financing approved by the IDB Group in 2021, mainly to strengthen fiscal sustainability, support the country's short-term response to the pandemic by protecting expenditures geared to the most vulnerable sectors of the population, and provide resources for the recovery of SMEs. Additionally, the National Bank of Costa Rica's first social bond was issued, paving the way for the development of sustainable bonds in Central America. In conjunction with sustainable productive initiatives and the creation of specialized skills, this will support a green and inclusive recovery.

New projects

Support for Fiscal Sustainability II (US$ 250 million, IDB). The second operation in a programmatic series under the policy-based loan facility, this initiative completes the Bank's support for Costa Rica's fiscal consolidation, which began in 2018 with enactment of the Law on Strengthening Public Finances. The operation seeks to strengthen Costa Rica's fiscal sustainability by controlling current government spending and modernizing the tax system; and by improving efficiency in the management of public spending in areas such as public employment, administrative reform, and judicial pensions. Implementation of the program will help improve control of public spending, increase the personal income tax paid by the highest income quintile, raise the tax burden from 12.7 percent in 2018 to 14.4 percent in 2023, and achieve savings from measures to rationalize incentives in public salaries and control transfers.

Emergency Program for Fiscal Strengthening and Restoring Growth (US$ 250 million IDB). This special development lending (SDL), prepared in coordination with the International Monetary Fund, seeks to ensure fiscal sustainability and maintain monetary and financial stability. These actions are expected to help boost the recovery of the Costa Rican economy while preserving macroeconomic stability. SDL budgetary support will help meet short-term financing needs and support economic recovery, while also bolstering the government's reform program to restore debt sustainability, protecting spending geared to vulnerable groups and infrastructure investment.

Subordinated Social Bond (US$ 45 million, IDB Invest). The National Bank of Costa Rica (BNCR) issued its first social bond in line with the social bond principles set out by the International Capital Markets Association, in coordination with other impact investors (total issuance of up to US$ 75 million). The bond is geared to helping the BNCR finance SMEs and expanding its portfolio for businesses led and owned by women.

Green Industrial Park (US$ 17 million, IDB Invest) This operation supported Grupo Desarrollador de Parques Industriales SA, a member company of Guerrero Group, in financing sustainable infrastructure and facilities at the green industrial park in the Coyol area on the outskirts of Alajuela. The aim is to attract foreign direct investment in key subsectors such as technology and service clusters for the development of regional value chains centered in Costa Rica. The park is also expected to contribute to the gradual growth of the country's exports in the medical device segment, and to strengthen supply chains with local companies so as to create jobs.

Partial Credit Guarantee Facility for Banco Promerica de Costa Rica, S.A. (up to US$ 9 million, IDB Invest). With the approval of a partial credit guarantee facility for Banco Promerica, IDB Invest facilitated the issuance of green, social, and sustainable bonds in Panama's stock market. This will help improve access to financing for SMEs and expand the green credit portfolio in Costa Rica. This sustainable bond issue was the first of its kind in Central America, aiding the development of the capital market and thematic bonds in the region.

New Skills for the Agriculture of the Future (US$ 400,000, IDB Lab). Costa Rica has been implementing its National Decarbonization Plan with the aim of becoming carbon neutral by 2050. To that end, it will be important to introduce technological innovations into the agricultural sector, develop models for climate-change adaption, and transform the agricultural labor force. This IDB Lab operation will help address these needs by developing training programs that combine technologies applied to agricultural systems and the deployment of educational technologies to adapt agricultural education to the new demands of the labor market and to boost the sector's climate-change resilience.



The IDB Group in COSTA RICA

The Costa Rican microenterprise Verdi is one of the beneficiaries of the Innovation and Human Capital for Competitiveness Program.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	-	20.0	144.0	575.0	745.0	500.0
Technical cooperation	1.4	2.6	1.6	6.8	6.3	2.7
Investment grants	-	-	1.5	-	0.9	-
Private Sector						
IDB Invest	68.0	21.0	87.0	25.1	108.5	159.0
Long-term	50.0	8.0	82.0	20.0	19.2	90.0
Short-term	18.0	13.0	5.0	5.1	89.3	69.0
IDB Lab*	1.9	-	4.3	3.9	0.3	0.9

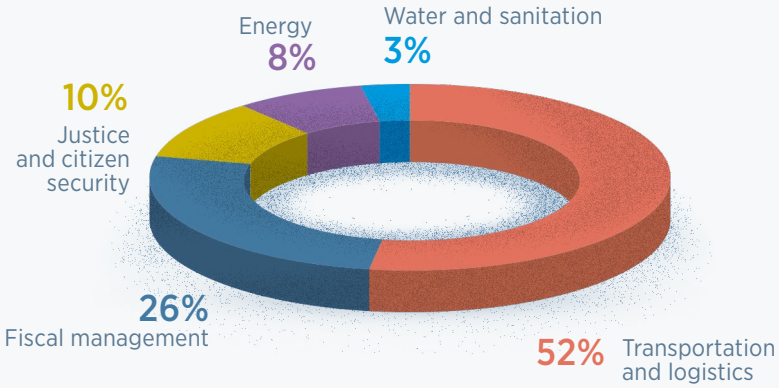
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 9 operations totaling US$ 1,408 million, with an available balance of US$ 962 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 17 operations with an exposure of US$ 230 million in financial institutions for MSME financing, renewable energy, industry and transportation, and urban-educational social infrastructure.

IDB Lab

- 19 operations totaling US$ 13.1 million to foster innovation and the use of technologies to boost SME productivity; employment skills; environmental sustainability; and dealing with COVID-19.

Digital transformation to improve lives in Costa Rica



In recent years Costa Rica has made a commitment to increase investment in innovation and promote the use of technologies to respond better to new market demands and to raise productivity. In order for the country to intensify its participation in specialized value chains and create new opportunities to take advantage of nearshoring processes, the country has to improve the skills of men and women working in sectors that are crucial because of their export dynamism. It must also strengthen the capacities of the productive fabric in order to improve competitiveness. The Bank is supporting Costa Rica with an innovation and human-capital development program (PINN), combining more traditional actions such as scholarships for under-represented populations with more innovative activities such as bootcamps.

With PINN, 256 businesses have benefited from non-reimbursable funds to receive services geared to improving their production practices.

In 2019, 30 percent of university degrees were in the areas of science, technology, engineering and mathematics (STEM), which are among the subjects most demanded by businesses. Disparities are more marked among women, who account for only 32 percent of engineering and computer science degrees (State of the Nation Program, 2021).

In view of this, 49 percent of companies face problems in finding workers for technical and manufacturing sectors, as well as in high-skill areas (Manpower, 2019). At the same time, low levels of technology adoption and challenges in the organizational management of MSMEs constrain the development of the country's innovation ecosystem.

The Bank helped narrow these gaps through the *Innovation and Human Capital for Competitiveness Program* (PINN - US$ 35 million). The aim was to boost productivity growth by supporting innovation activities in the productive sector, and by training specialists in areas such as biotechnology, digital technologies, and renewable energies. These areas are key to stimulating innovation on the part of Costa Rican businesses, attracting global firms, and fostering technology-based entrepreneurship.

The program supported the award of more than 2,500 scholarships, 30 percent of which went to women, in strategic areas such as innovation, science and technology, and digital transformation. Forty-two percent of these scholarships went to beneficiaries from less developed parts of the country, offering greater job opportunities to that segment of the population. The initiative also included the first regional experience of training in programming and international certification (bootcamps), closely linked to employability and the needs of the private sector. Additionally, capacities for innovation and digital transformation were strengthened among 188 MSMEs, which also received business development services. Furthermore, 256 companies (more than 60 of them led by women) benefited from access to non-reimbursable funds for services geared to improving their production and business management practices, as well as compliance with international standards on quality, clean production, and industrial safety.



CR Insect develops insect-based products in Costa Rica, and was one of the companies to benefit from the PINN.

Support for MSMEs, digitization, and a gender perspective are fundamental pillars of the IDB Group's Vision 2025. The results of this program through investments in business and technological innovation, as well as initiatives to upgrade human capital, have successfully shown how competitiveness can be fostered to promote inclusive and sustainable growth in Costa Rica.

The IDB Group in
Dominican Republic

US$ 809 million in financing approved by the IDB Group in 2021,
mainly to support more efficient public management, reactivation of the productive sector, and investment in human capital. Worthy of note is the activation of the contingent line for public health spending, of which US$ 30 million was used in 2021 to buy vaccines and develop the COVID-19 response plan. Also important is IDB Invest's greater presence in the country, with an increase in long-term financing and improved sectoral representation.

New projects

Program to Improve Connectivity for Digital Transformation (US$ 115 million, IDB). This project will finance investments to expand broadband infrastructure in areas that would not be economically profitable, thereby helping to narrow the digital divide. The loan will support measures to improve broadcasting services and increase digital proficiencies and skills, taking a gender perspective. The enhanced connectivity will benefit about 108 municipalities (more than 2 million people in total) that have no internet service or only a wired connection.

Rehabilitation and Expansion of Manzanillo Port (US$ 100 million, IDB). This project will finance the rehabilitation and expansion of Manzanillo Port, and will involve building a new logistics terminal. The project seeks to improve road connectivity with resilience standards; foster the development of the logistics cluster in the northwest region with better logistics facilities and services; increase connectivity and accessibility for producers and companies to new markets, as well as to production and consumption centers; and promote job creation.

Strengthening Civil Service Management Program (US$ 30 million, IDB). The goal is to improve the development of human-resources management in the civil service by strengthening the merit principle on the basis of international standards, conducting functional reviews to ensure the correct payment of salaries, the gradual correction of wage inequities, and staff training. The initiative will also involve a focus on closing gender gaps in the civil service, and will support the digital transformation of the Ministry of Public Administration to strengthen decision-making and improve interoperability.

Program for Sustainability and Efficiency in the Electricity Sector III (US$ 200 million, IDB and US$ 50 million from the Korea Infrastructure Development Facility for LAC – KIF). This operation is the third in a programmatic series that completes the Bank's nearly decade-long backing for the reform of the electricity sector. The operation aims to support the government's adoption and implementation of the necessary sectoral reforms and policies to boost the electricity sector's financial sustainability and operational efficiency, as well as to strengthen its institutional and supervisory capacity.

Support for the Consolidation of an Inclusive Social Protection System (US$ 100 million, IDB). This operation seeks to strengthen the response capacity of the country's social protection network by improving the targeting and operational effectiveness of its programs, and will support the creation of a new care and services component in the Supérate Program. The interventions will benefit 1.4 million participants, and the conditional transfer component is expected to raise the consumption levels of about 167,000 households.

Boosting the Tourism Sector in Response to the Impact of the Pandemic (US$ 60 million, IDB Invest). This operation will finance working capital and maintenance costs to reopen 16 of the Piñero Group's hotels in the Dominican Republic and Jamaica, which were closed because of the pandemic. The Group will participate in advisory services related to coastal zone management and mangrove and coral reef protection, as well as implement a corporate governance action plan.

Access to SME Financing (US$ 10 million, IDB Invest). Subordinated debt financing was approved to expand Promerica's access to funding for SMEs. This will sustain the growth of the loan portfolio towards this segment of companies, and the operation is expected to have a significant impact on the recovery of employment and post-pandemic economic activity. The initiative will explore options to foster digital transformation and increase digital services for SMEs.

Eco-Delivery: Electromobility, Environment and Intelligence (US$ 750,000, IDB Lab). The Nature Power Foundation will receive technical assistance to help reduce air pollution, noise pollution, and accidents in Santo Domingo through clean technologies for sustainable urban innovation. The aim is to implement a program for the transition from internal-combustion motorcycles to electric vehicles for small businesses' home-delivery services, thereby reducing their carbon footprint and the rate of accidents.

Covid Safe Island: Decentralized Pass for Travelers (US$ 150,000, IDB Lab). This technical cooperation initiative will support the Punta Cana Group Foundation in developing and adapting a blockchain-based solution to automate the issuance and verification of COVID-19 certificates for different types of tests.



The IDB Group in DOMINICAN REPUBLIC

"Nature Village," in Sabana Yegua Viejo, Azua, is a pioneering sustainable community in that it is operating with clean energy. With cofinancing from IDB Lab, it provides access to water, solar energy, housing improvements, basic sanitation and rural entrepreneurship opportunities, such as this fish farming project.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	590.0	366.0	795.0	339.0	500.0	625.0
Technical cooperation	2.2	2.7	4.6	4.6	2.0	4.5
Investment grants	-	-	-	1.5	-	3.8
Private Sector						
IDB Invest	75.0	98.0	93.0	138.0	309.0	174.0
Long-term	5.0	96.0	21.0	38.0	4.0	72.0
Short-term	70.0	2.0	72.0	100.0	305.0	102.0
IDB Lab*	1.5	2.8	1.8	0.5	0.7	1.3

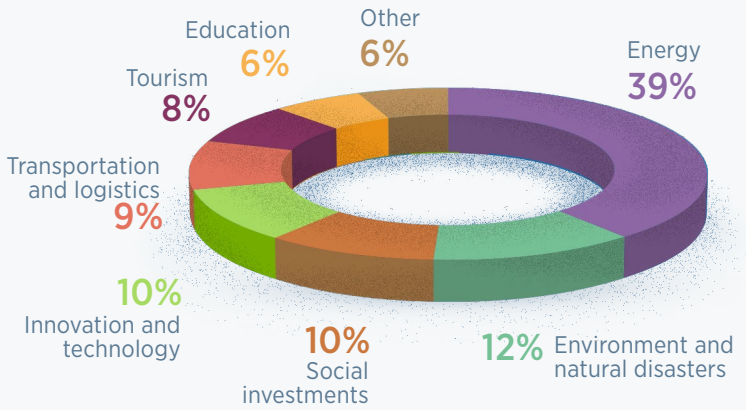
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 18 operations totaling US$ 1,416 million, with an available balance of US$ 1,152 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 4 operations with an exposure of US$ 118 million focused on financial market development, SME access to credit, and support for the manufacturing sector.

IDB Lab

- 14 operations totaling US$ 5.4 million geared to boosting productivity, an innovation ecosystem, skills development, social inclusion, environmental sustainability, climate resilience, and pandemic response. The SEP has 14 operations totaling US$ 7.8 million.

Improving the Dominican Republic's competitiveness through Manzanillo Port



The project will finance the rehabilitation and expansion of Manzanillo Port, and will involve building a new logistics terminal. Aerial photo of the current terminal.

The Dominican Republic's competitiveness faces constraints that stem, among other factors, from the weak regional and territorial integration of the agro-industrial area in the country's northern region and the lack of strategic investments around Manzanillo Port. This has increased trade costs and limited opportunities for the development and consolidation of new productive and agro-industrial linkages. The Bank supports the Government's efforts to improve the country's competitiveness through Manzanillo Port, which will enable the greater integration of binational supply chains and will create long-term sustainable jobs.

The Cibao Norte region is the Dominican Republic's export heartland, home to more than 240 companies in 32 free trade zones. Most of them are strategic suppliers of global production chains for medical equipment, electronics, tobacco, and other products destined for the United States through the port of Haina in the south.

Because of its strategic location in the northwest of the country, on the shipping route to the United States, as well as its natural conditions of greater draft and natural shelter from the waves, the Port of Manzanillo is considered vital to positioning the country as a center of maritime commercial activity to and from the Dominican Republic, boosting its competitiveness and promoting exports from the agro-industrial sector and free trade zones in the northern region. At the moment, however, it has a relatively small share of the port market and is devoted almost entirely to organic bananas destined for the European market.

The current infrastructure, facilities and logistics of Manzanillo Port have to be modernized if it is to offer a range of functional services, as well as to make it more resilient in view of its high degree of exposure to natural emergencies arising from climate change, which pose the risk of paralyzing its only dock.

In support of Vision 2025 and the government's post-pandemic recovery efforts, the IDB approved a US$ 100 million loan to build a modern logistics terminal consisting of a platform parallel to the bay's coastline. The sustainability of these investments will be underpinned by activities to integrate the management of the port and logistics area, so as to reduce the transportation costs of its main user (the banana sector) and potential new export cargo (textiles), and to include basic infrastructure that can handle containerized cargo from free trade zones, all within a framework that safeguards protected areas.

The program's planned improvements to the port's main access road will enhance access and connectivity for producers and businesses to new consumer and export markets, boosting job creation, with an emphasis on the employability of women and the inclusion of people with disabilities. The rehabilitation and expansion of the Port of Manzanillo will also include modern standards of resilience and care for the bay's natural environment.



Improvements to the main access road to Manzanillo Port will allow wider access and better connectivity for producers and companies to new consumer and export markets. Current aerial photo.

The Ministry of Public Works and Communications will be responsible for the planning and execution of the building works, as well as the maintenance of road and port infrastructure. The Dominican Port Authority will manage the new logistics terminal. Its management structure will be strengthened in line with best practices, promoting competition through private companies for freight and logistics services, mainly as concessions (the landlord port model). This will consolidate a public-private development model for the logistics complex.

The program's main beneficiaries will be more than 1.9 million people in El Cibao's provinces, companies in the export and industrial free zones, as well as agricultural producers and textile workers and entrepreneurs in the border area, whose potential to add other agro-industrial products will increase.

The IDB Group in El Salvador

US$ 347 million in financing approved by the IDB Group in 2021,
mainly to support the green and inclusive reactivation of the productive sector by promoting digitization; responsive public management based on evidence and information; and social financing to facilitate the population's access to housing. This year also saw approval of a new IDB Group country strategy for the period 2021–2024, centered on three priority areas: i) fiscal efficiency and sustainability; ii) reduction of social vulnerability; and iii) productive reactivation and reconversion.

New projects

Program to Modernize El Salvador's Statistical System (US$ 44 million, IDB). This operation will help increase the use of official statistical information in public and private decision-making. The IDB will provide support to conduct several censuses, including the general population census. Additionally, institutional support will be made available to build capacity in the General Directorate of Statistics and Censuses.

Social Digital Connectivity Program (US$ 50 million from the IDB, and US$ 35 million from the Korea Infrastructure Development Facility for Latin America and the Caribbean). This operation will increase citizens' access to broadband, and boost its potential to ensure the continuity of public services. To that end the following specific goals have been established: i) improve access to connectivity through investment in resilient digital infrastructure, with a focus on schools and health facilities; and ii) narrow the digital skills and competencies gap at connected public sites. About 2,205 public sites are expected to be connected to the access network.

Contingent Loan for Natural Disaster and Public Health Emergencies (US$ 400 million, IDB). This loan seeks to help offset the impact of severe or catastrophic natural disasters (such as earthquakes, hurricanes, floods, and volcanic eruptions) or public health emergencies (such as future pandemics and epidemics). It provides quickly accessible resources to cover extraordinary public expenditures geared to caring for affected populations. The operation will also improve El Salvador's comprehensive disaster-risk management by supporting the Integrated Natural Disaster-Risk Management Plan (PGIRDN).

Social Housing Financing Program (US$ 50 million, IDB). The operation will help reduce El Salvador's housing deficit by providing mortgage loans for the purchase of affordable housing. It is expected to benefit a total of 2,500 households, at least 40 percent of which will be headed by women. It has further been stipulated that all applications for individual financing will also assess the natural-disaster risk in light of climate change.

Affordable Social Housing (US$ 10 million, IDB Invest). This revolving financial facility for the development of affordable housing in El Salvador provides long-term debt financing and advisory services to devise innovative mortgage solutions for women, as well as to design a gender, diversity, and inclusion strategy for the La Hipotecaria financial institution. The operation seeks to expand access to credit for underserved sectors, increase financing for access to housing for vulnerable sectors, and develop inclusive and sustainable infrastructure services.

Sustainability Bond (US$ 20 million, IDB Invest). This loan supported the structuring and public placement of a sustainability bond for Banco Promerica El Salvador (BPES), focused on developing its green and SME portfolio. The issuance will support BPES by providing stable funding for the placement of new loans in these segments. The transaction included a technical assistance component enabling the Bank to better serve both segments, and it helped develop the local capital market.

Industrial Park and Free Trade Zone (up to US$ 25 million, IDB Invest). This loan financed the first industrial park in El Salvador developed within the concept of eco industrial parks, espoused by the UN to foster sustainable industrial and inclusive development for poverty reduction and environmental sustainability. Orion Park in the Department of La Libertad will offer industrial space to attract industries other than those traditionally established in the country. Its strategy will center on basic manufacturing companies, as well as medical devices and supplies, with a view to attracting foreign direct investment. The operation is financing the installation of solar panels on the roofs of the factory premises, as well as a pilot plan for a battery energy storage system.

Gig.ES. Workertech for Independent and Informal Workers in El Salvador (US$ 1.5 million, IDB Lab). The *gigES* initiative aims to improve conditions for independent workers by developing innovative and digital solutions that address their needs. It will do this by providing customized benefits and protection services related to basic health, savings and credit coverage, productivity and professional development, as well as collective organization.



The IDB Group in EL SALVADOR

The Marine Coastal Strip Tourism Development Program seeks to foster tourism employment in El Salvador.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	30.0	-	370.0	245.0	870.0	179.0
Technical cooperation	2.3	3.3	4.7	1.6	5.3	2.6
Investment grants	-	-	1.8	-	0.5	-
Private Sector						
IDB Invest	24.5	48.0	128.0	124.6	332.0.	164.0
Long-term	0.5	34.0	91.0	93.0	225.0	62.0
Short-term	24.0	14.0	37.0	31.6	107.0	102.0
IDB Lab*	0.1	3.3	1.0	1.7	1.8	1.5

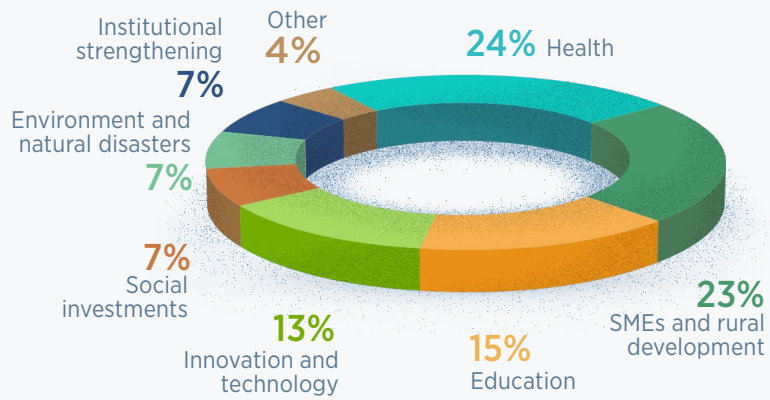
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 13 operations totaling US$ 879 million, with an available balance of US$ 667 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

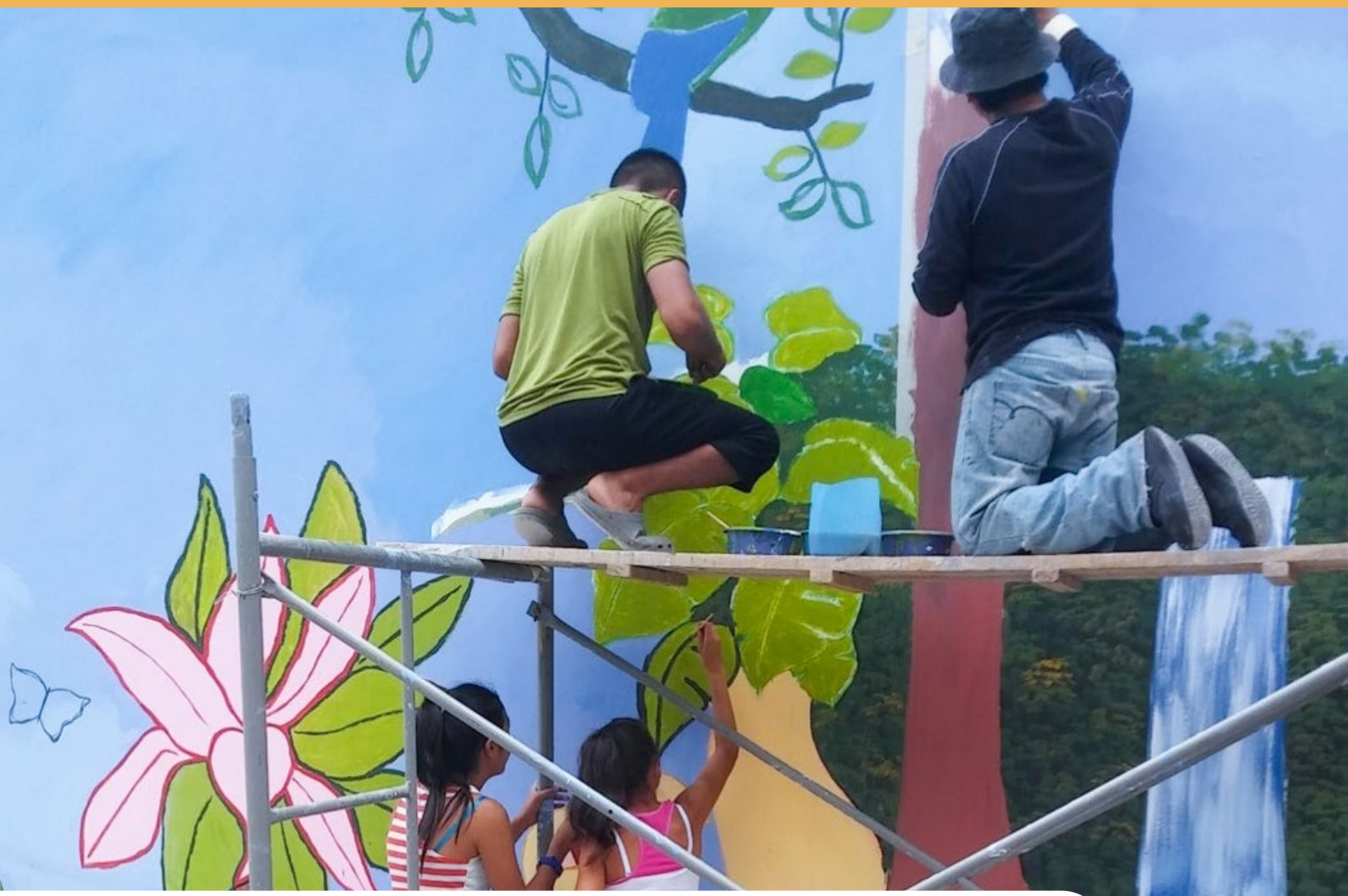
IDB Invest

- 20 operations with an exposure of US$ 455 million to increase the supply of credit, develop the renewable energy sector, strengthen the industrial sector, and facilitate foreign trade.

IDB Lab

- 13 operations totaling US$ 9.3 million to improve SME productivity and support the digital transformation and social-labor-financial inclusion of vulnerable populations. The SEP has 7 operations amounting to US$ 4 million.

Improving lives in highly vulnerable areas in El Salvador



Inhabitants of AUP Las Palmeras, Tonacatepeque, join in painting work to improve the community's social environment.

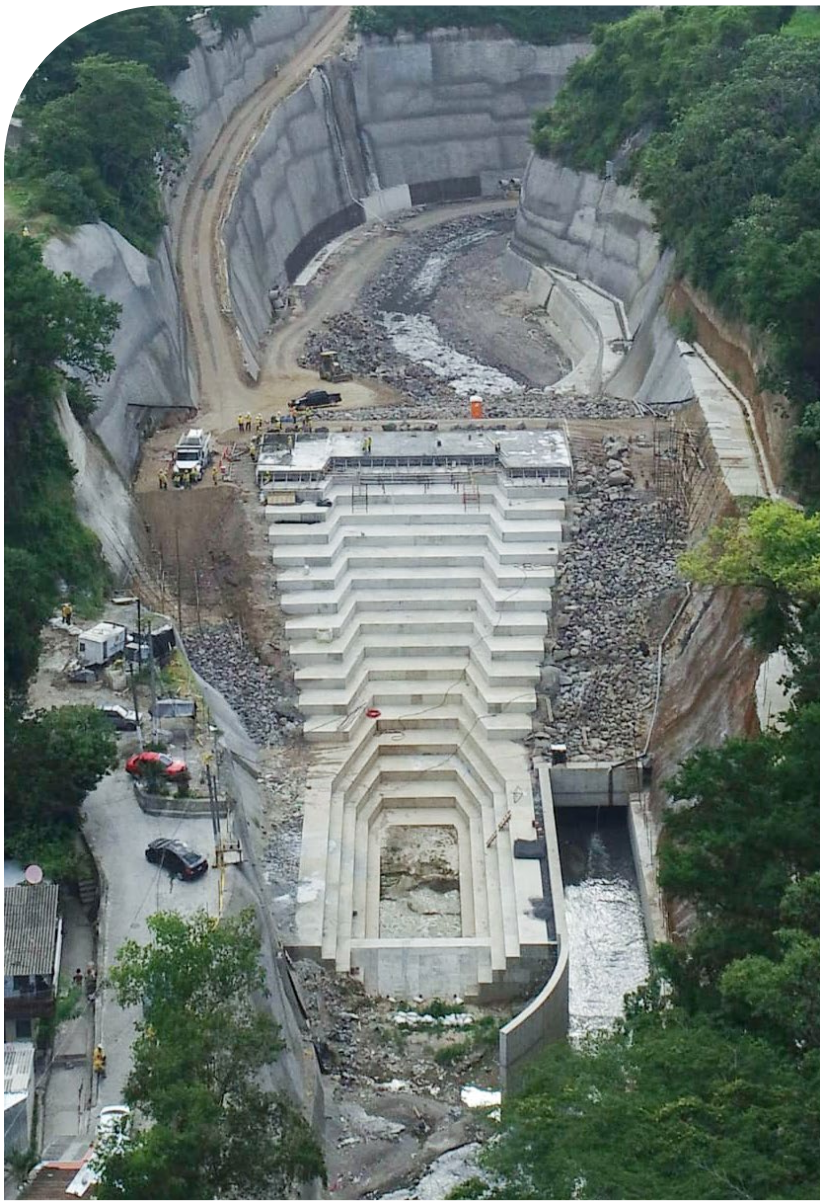
Because of rural-urban migration in the last century, San Salvador has become home to a large number of rural migrants who settled on the slopes of gullies and on hillsides, where they have limited basic services and are exposed to natural disasters. To improve these families' living conditions, the IDB has supported the authorities in developing the recently completed project on Reduction of Vulnerability in Informal Urban Settlements (AUP) in the San Salvador Metropolitan Area, which has been evaluated as highly successful. In 2021 its executing unit won the Superheroes of Development contest, an IDB award for projects that have tackled and resolved challenges innovatively and creatively.

One of the most significant of the infrastructural tasks was building the holding ponds. These resolve the flooding problem by retaining part of the volume produced by heavy rains.

The pond in the Arenal Montserrat Basin is the first of its kind in Central America and benefits more than 40,000 inhabitants. The project also included water and sanitation infrastructure for 400 families, asphalting and lighting more than 101,000 square meters of streets, and building a multipurpose community center.

One of the beneficiary communities was Las Palmeras in Tonacatepeque municipality, an area with high levels of insecurity. This put the implementation of the project at risk and posed a series of complex challenges that had to be overcome in order to achieve the results. One challenge was to safeguard the physical integrity of all employees, institutional officials, consultants and contractors. Another was to ensure that the population took ownership of the project and identified with it. Moreover, the project had to be executed on time and in accordance with the commitments made. How could it be implemented in such complex circumstances?

First, the main institutional, environmental and social risks were identified, so that management and mitigation measures could be devised. In that regard a strategy for safe entry into the community was developed, working hand in hand with the women of the area, who served as leaders and who took ownership of the project. This helped build a relationship of trust between all parties, leading to the community opening its doors. Workshops and meetings were also held with young people to make them aware of the project's benefits, including job opportunities. These efforts were matched by affirmative actions such as training and empowerment workshops for women and youths. The construction company also used responsive and participatory mechanisms to monitor project activities. Indeed, most of the local inhabitants were involved, using open channels of communication marked by constant dialogue and feedback.



Building holding ponds to lessen urban flooding as part of the Vulnerability Reduction Program in El Salvador.

This program demonstrates that a fundamental element of success is the inclusion of the community throughout the project's life cycle. Success requires not only a solid technical proposal but also a social proposal adapted to local circumstances. This is what made it possible to manage the risk of possible conflicts in the communities, averting rejection of the project and, to the contrary, securing the community's active involvement. These achievements maximized its benefits.

The IDB Group in Guatemala

US$ 397 million in IDB Group financing in 2021,
mainly to support green and inclusive recovery by improving access to digital connectivity among rural populations, boosting small producers' production chains, and building capacity to respond to natural disasters and public health emergencies.

New projects

Program on the Digital Transformation of Guatemala for Inclusive Access to Connectivity (US$ 45 million from the IDB, and US$ 25 million from the Korea Infrastructure Cofinancing Facility, KIF). This initiative will finance the expansion and equipping of the internet network in more than 3,200 public sites in the departments of Quiché, Alta Verapaz, San Marcos, and Huehuetenango. It also includes the installation of a data center and private cloud for the state to store and process public data. Digital transformation will be fostered by means of training programs in digital education that pay attention to the country's cultural diversity and the prioritization of women; and by making content available in indigenous languages.

Contingent Loan for Natural Disasters and Public Health Emergencies (US$ 400 million, IDB). This aims to strengthen financial resilience and build the country's response capacity by means of contingent resources to cover extraordinary public spending and support for those affected by natural disasters and public health emergencies. The operation provides parametric insurance coverage for earthquakes, hurricanes and excess rainfall related to cyclonic systems, as well as coverage for volcanic eruptions, droughts and future epidemics and pandemics. It also supports the Integrated Natural Disaster-Risk Management Plan (PGIRDN).

Efficient Use of Firewood and Alternative Fuels in Rural and Indigenous Communities (US$ 10 million grant, NAMA Facility). This will help reduce constraints on the production and mass use of improved stoves by facilitating access to financing in order to manufacture and buy this equipment. These measures will benefit more than 1 million people nationwide, averting the extraction of more than 600,000 tons of firewood and helping Guatemala meet its Nationally Determined Contribution (NDC) targets for reducing greenhouse gas (GHG) emissions under the United Nations Framework Convention on Climate Change (UNFCCC).

Agriculture and Strengthening Value Chains (US$ 50 million, IDB Invest). To strengthen value chains and generate employment by supporting sugarcane producers in rural Guatemala, IDB Invest provided a senior loan to Pantaleón SA, a leader in the Central American sugar sector, to finance its investment plans for industrial and cultivation efficiencies, including the implementation of green projects to improve the use of natural resources. It will also provide working capital and advances to small and medium local sugarcane growers.

Green Financing (US$ 70 million, IDB Invest). Financing was provided through a subordinated loan to strengthen Banco Agromercantil's capital and support the financing of a green portfolio (aligned with Guatemala's climate goals under the Paris Agreement), mainly green construction and mobility for SMEs. The outcomes and impact of this operation will materialize in the financing of building and mobility projects that help climate-change mitigation and adaptation. Estimated reductions are a 20 percent decline in energy and water consumption in buildings constructed with green certifications, and a 1,567-ton fall in CO2 equivalent from the electric and hybrid cars that the initiative will finance. Technical assistance will be provided to improve Banco Agromercantil's capacity to finance green projects.

Private Partial Guarantee Scheme to Promote the Use of Sustainable Agricultural Technologies and Practices among Small Farmers (US$ 2.6 million, IDB Lab). This IDB Lab operation will strengthen the capacity of Guatemalan farmers to adapt to and mitigate climate change. It will improve access to capital and non-financial services by: i) providing guarantees to farmers who lack access to funding from the financial system because they cannot offer enough collateral; and ii) training farmers in climate-adapted agriculture and agroforestry, finance, and market access, with a view to fostering the adoption of climate-smart agricultural technologies and practices.

Creating Opportunities for the Economic Reintegration of Migrants Returning to the Countries of Northern Central America (US$ 1.4 million, IDB Lab). This IDB Lab operation helps boost economic opportunities for returning migrants and local vulnerable populations (mainly youths and women) who are likely to migrate, in the leading municipalities for emigrants and returnees in Guatemala, El Salvador, and Honduras.



Education Quality and Coverage Improvement Program, Guatemala.

The IDB Group in GUATEMALA

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	310.0	-	-	250.0	228.5	70.0
Technical cooperation	1.5	7.6	1.5	2.9	2.2	4.9
Investment grants	-	-	-	-	7.1	10.1
Private Sector						
IDB Invest	130.0	183.0	341.0	159.0	328.0	307.0
Long-term	5.0	12.0	234.0	20.0	146.0	128.0
Short-term	125.0	171.0	107.0	139.0	181.0	179.0
IDB Lab*	3.1	1.2	-	6.0	5.3	4.8

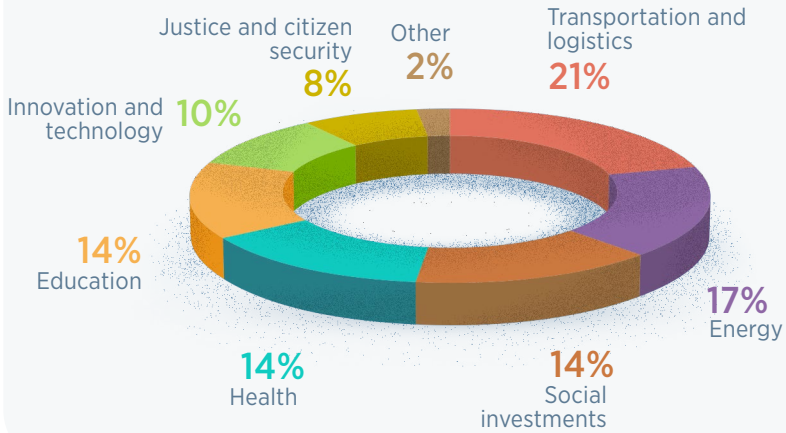
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 9 operations totaling US$ 808 million, with an available balance of US$ 699 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 12 operations with an exposure of US$ 576 million to support SME financing, foreign trade facilitation, and agribusiness development.

IDB Lab

- 19 operations totaling US$ 16.4 million for innovation and technologies in response to the pandemic and hurricanes, productivity, the entrepreneurial ecosystem, digital transformation, and social-labor-financial inclusion. The SEP has 21 operations totaling US$ 9.5 million

Tackling the challenges of climate change in Guatemala in partnership with the IDB Group



REDD Program, Alta Verapaz, Guatemala

Guatemala's flora and fauna are highly biodiverse. They are also highly vulnerable to the effects of climate change. Those effects pose sustainability challenges in the use of land for livestock, agriculture and firewood extraction, which has contributed to the loss of forest cover. This fell from 41 percent of the national territory in 2001 to 33 percent in 2016, affecting not only climate resilience but also the opportunities for small-scale producers. Plantations and agroforestry systems around forests provide livelihoods for hundreds of thousands of families, while aiding emissions reduction and adaption to climate change.

To address deforestation and its negative effects, the National Strategy on Reducing Emissions from Avoided Deforestation (REDD+ Strategy) was created under the United Nations Framework Convention on Climate Change.

From the outset, the IDB Group has been one of the main partners in its development. As an implementing partner, the Bank mobilized US$ 8.8 million from the Forest Carbon Partnership Facility (FCPF) to finance the preparation and launch the implementation of this strategy. The initial focus was on strengthening forest governance to promote productivity and climate resilience with the participation of indigenous communities and peoples, as well as municipalities and the private sector. The REDD+ Strategy is based on the country's institutional and policy framework, and builds on successful experiences to strengthen, replicate, and scale them up nationally by mobilizing climate financing.

The IDB has provided support to several institutions responsible for forestry and agroforestry management so that they can take the lead in actions on Guatemala's climate agenda. These include the National Forest Institute (INAB), the Guatemalan System of Protected Areas (SIGAP), the Ministry of Agriculture and Livestock (MAGA) and the Ministry of the Environment and Natural Resources (MARN), with a key role for the Ministry of Finance (MINFIN) in managing access to financing. Local actors have also been involved, such as the forest concessions of Petén and the National Alliance of Guatemalan Forest Communities. Small-scale producers in those areas have shown that forestry and agroforestry value chains such as coffee, cardamom, cacao and pepper help boost economic dynamism and the recovery of forest cover, and are creating opportunities for access to financing. Indeed, IDB Lab financed a project in San Mateo Ixtatán, in the department of Huehuetenango (Western Highlands), which benefits some 1,000 small producers in cardamom and coffee chains; it has also worked with microfinance institutions to channel climate finance to these small producers. Financial support from the state through forestry incentives and the Guatemalan System of Protected Areas has played an important role in leveraging and consolidating these models.

Development of the REDD+ strategy has also made it possible to mobilize about US$ 100 million in climate finance. This includes resources managed by the IDB Group and the World Bank, and access to US$ 52.5 million for emissions reductions between 2021–2025 under the Emissions Reduction Program with the Carbon Fund. The Bank also facilitated access to EUR€ 11 million from the NAMA Facility, which only two LAC countries have accessed (Guatemala and Brazil). This will finance the manufacture and marketing of improved stoves to reduce emissions from the firewood used for cooking; and US$ 6.8 million through the Risk Sharing Facility for agroforestry SMEs, financed by the Green Climate Fund and implemented by IDB Lab. With these initiatives the Bank is giving a significant boost to decarbonization and to building climate resilience, which will also help create jobs and aid post-pandemic economic recovery, directly benefiting some 100,000 families, especially vulnerable populations and indigenous peoples.



REDD Program, Alta Verapaz, Guatemala.

Guatemala has prioritized these actions in its Nationally Determined Contribution (NDC), and they amount to the most significant progress made to date on the priorities of the climate agenda. The IDB Group has positioned itself as a strategic partner for Guatemala through technical support, resource mobilization and the portfolio, so as to support the country's sustainable economic recovery.

The IDB Group in Honduras

US$ 356 million in financing approved by the IDB Group in 2021,
mainly for the health and social-protection response to the pandemic, as well as support for recovery from Eta and Iota, continued sectoral reforms in transportation and logistics, and water and sanitation investments in rural areas. Also noteworthy is the Bank's support in response to the fire that broke out on Guanaja Island in October 2021.

New projects

Programa de Agua Potable y Saneamiento en Honduras Drinking Water and Sanitation Program in Honduras (US$ 45 million, IDB). This program will benefit nearly 31,000 households with new and rehabilitated connections to drinking water and sanitation services in rural areas and in cities with fewer than 30,000 inhabitants, thereby improving the life quality of populations lacking these basic services. It will also help strengthen water security, and will improve management among service providers to ensure the sustainability of infrastructure investments and resilience to climate change.

Honduras Freight Transportation and Logistics Sector Reform Program III (US$ 118.5 million, IDB). To improve Honduras's logistics performance, this third phase of a programmatic series was approved to strengthen integrated planning in the transportation sector and to modernize trade facilitation processes. The reforms will help modernize logistics sector services and their entry into international markets, laying the groundwork and incentives for the development of specialized logistics infrastructure, quality transport and logistics services, and the consolidation of the Central American Customs Union in an environment of greater transparency.

Program to Support Vulnerable Populations Affected by Coronavirus (COVID-19) (US$ 45 million, IDB). This operation seeks to improve quality of life for the poorest in Honduras by ensuring minimum life quality standards amid the crisis caused by COVID-19 and Hurricanes Eta and Iota. To that end it will support implementation of Honduras's main social protection initiative, the Bono de Vida Mejor Program, whose direct beneficiaries are 72,000 rural households in extreme poverty. The Bank also reformulated resources from the portfolio in execution through the *Immediate Public Health Response Program to Contain and Control Coronavirus and Mitigate its Effect on Service Delivery in Honduras* (US$ 53.8 million). These resources help reduce COVID-19 morbidity and mortality, and mitigate other indirect health effects of the pandemic by strengthening health care.

Emergency Program in Response to Tropical Storm Eta (US$ 15.5 million, IDB). This program supports the transition of the population affected by Tropical Storm Eta towards resumption of their regular social and economic activities, by reestablishing access to basic public services such as drinking water, road infrastructure, and debris removal.

Contingent Loan for Natural Disasters and Public Health Emergencies (US$ 400 million, IDB). This contingent loan seeks to cushion the impact of a severe or catastrophic natural disaster or health emergency by providing quickly accessible resources to cover extraordinary public expenditures geared to caring for the affected population. The support will enable Honduras to build its capacity to respond swiftly and effectively to future emergencies, including humanitarian assistance and the rehabilitation of public services.

Reorienting Resources for the Guanaja Emergency. In 2021 Guanaja Island was hit by a fire that consumed much of its infrastructure, leaving many families without housing, businesses or food. The government declared a state of emergency in response, and the IDB Group—joining forces with the Honduran Council of Private Enterprise (COHEP)—allocated technical assistance to mitigate the immediate damage and help those most affected. US$ 343,000 was redirected to buy basic needs and school supplies for more than 200 affected children. Moreover, US$ 90,000 was provided to support productive activities, and investment grants of US$ 660,000 were redirected. This made it possible in December to hire a firm that will begin energy rehabilitation work on the island for US$ 14.5 million.

Innovative Energy Solutions for Health Services in Honduras (US$ 2 million IDB Lab). This project will help prevent the Honduran health system from becoming overburdened as a result of the COVID-19 pandemic. It will also improve the coverage and quality of health services by deploying outreach clinics designed using shipping containers and solar energy sources.

Digitization of the Micro and Small Business Sector - Digital HUB 504 (US$ 5.9 million, IDB Lab, including cofinancing from the European Union). Resources were allocated to accelerate the sector's digital transformation and ensure its survival amid the health crisis.



The IDB Group in HONDURAS

Program for the climate-resilient restoration of forests and forestry for sustainable water-related ecosystem services.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	170,0	160,0	477,6	229,9	285,0	224,0
Technical cooperation	4,1	4,6	7,4	8,7	6,6	5,2
Investment grants	2,2	6,1	15,3	29,9	1,6	-
Private Sector						
IDB Invest	51,0	52,0	168,0	138,0	209,0	124,0
Long-term	12,0	9,0	46,0	5,0	105,0	1,0
Short-term	39,0	43,0	122,0	133,0	104,0	123,0
IDB Lab*	3,2	2,1	3,6	2,0	7,5	2,7

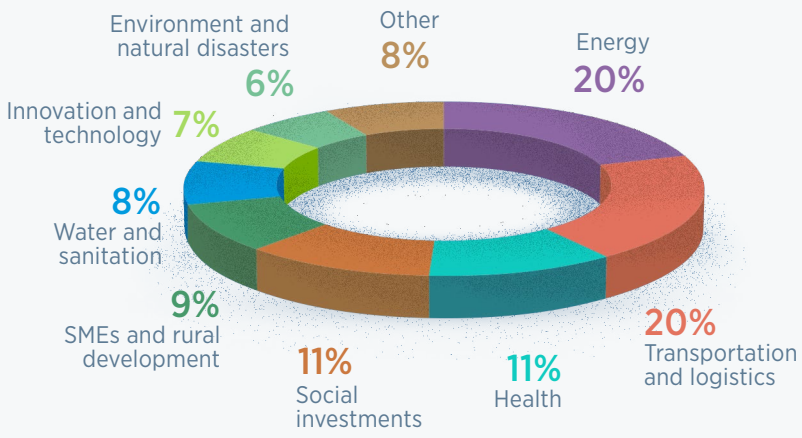
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 26 operations totaling US$ 1,344 million, with an available balance of US$ 590 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 11 operations with an exposure of US$ 165 million to support financial institutions, foreign trade facilitation, and business development in the textile manufacturing and renewable energy sectors.

IDB Lab

- 22 operations totaling US$ 47.3 million, centering on pandemic response, hurricane emergencies, and productivity improvements. The SEP has 12 operations totaling US$ 6.3 million.

COVID-19: The IDB's Response in Honduras



By December 2021, there had been more than 378,000 cases of COVID-19 in Honduras and more than 10,000 deaths, with a case fatality rate of 2.7 percent. At its peak, the pandemic caused a 75 percent occupancy rate in hospital wards, and 95 percent occupancy in intensive care units (ICUs). There was a significant decline in essential services such as prenatal care, care for children under five, consultations and hospital admissions for diabetes and hypertension, and elective surgeries.

The Dr. Enrique Aguilar Cerrato Hospital in Intibucá is one of the beneficiaries of the program to improve the management and quality of maternal and neonatal health services.

The increase in cases and daily deaths due to the pandemic overwhelmed the capacity of health services. That circumstance made it urgent to invest more resources to close the gaps, respond to the disease and take key actions to prevent and contain transmission, thereby mitigating the health, economic, and social consequences of the crisis.



The Leonardo Martínez Valenzuela Hospital in San Pedro Sula was one of those to benefit from supplies of hospital bed equipment.

To support Honduras and its health system in tackling the pandemic, at the request of the Government of Honduras, between 2020 and 2021 the Bank approved two operations to reformulate resources for the immediate public health response to contain and control the Coronavirus, and to mitigate its effect on the provision of services. These totaled US$ 104 million. They supported the creation of more than 218 rapid response teams (RRTs) of doctors and nurses, which have made it possible to monitor COVID-19 cases in primary care. Personal protection equipment was also provided to 47 health units, four regional laboratories were provided with consumables and reagents, and two of these received equipment for case detection and diagnosis. The health care response was strengthened with the allocation of 41 ambulances for the hospital network, and support was provided to supply 1,285 hospital beds and 106 ICU beds.

This support has already yielded almost 897,000 medical care visits; more than 604,000 diagnostic tests in triage; treatment of more than 33,000 patients in hospitals and 1.5 million as outpatients; about 14,000 communities visited by RRTs to ensure the timely detection and tracking of cases; and the creation of 90 Family Health Teams, which supported the medical squads and treated more than 10,000 cases.

To prevent and contain transmission, the IDB supported implementation of the communications campaign to encourage vaccination against COVID-19, as well as the purchase of equipment for the cold chain. An estimated 2 million doses of vaccine will be acquired.

In 2022 the IDB will continue to support Honduras in its efforts to prevent and contain transmission of the virus, strengthening the provision of health services and vaccination, as well as fostering the reintegration of young Hondurans into the labor market and supporting post-pandemic economic recovery.

The IDB Group in Nicaragua

US$ 2.7 million in technical cooperation resources approved by the IDB Group in 2021, mainly to build capacity for water and sanitation solutions in rural communities, promote the use of clean energy by vulnerable populations on the Caribbean Coast, and improve the availability of information on the nutritional status of the school children in the same area. Activation of the contingent loan for natural disasters following Eta and Iota made it possible to rebuild bridges and care for the affected populations through food distribution.

New projects

Youths Working to Improve Access to Water and Sanitation in Rural Communities in Nicaragua (US$ 300,000, IDB). Substantial investments have been made in water and sanitation in Nicaragua over recent years, but rural systems still need improvement. This technical cooperation initiative supports the sustainability of investments in this sector in Nicaragua by: i) strengthening microenterprises linked to the sector; ii) identifying new enterprises, mainly in the most vulnerable communities; and iii) improving the technical and professional skills of young people living in vulnerable conditions, thereby facilitating job creation for this sector of the population. The project is expected to benefit 400 young people through technical training related to the creation of water and sanitation solutions, in administration, accounting, and computer skills. In rural areas, workshops will be held for young professionals on designing rural aqueducts, wastewater treatment, and the circular economy, among other topics.

Promoting the Use of Clean Technologies to Support Job Creation for Vulnerable Groups on the Caribbean Coast (US$ 275,000, IDB). To reduce dependence on fossil fuels, lessen the climate impact of greenhouse gas emissions, and lower energy production costs, this technical cooperation project aims to foster the use of clean technologies among vulnerable populations by developing programs on sustainable energy and efficient energy use on the Caribbean Coast. Specifically, it will support: i) the design and implementation of sustainable energy projects led by women to develop productive activities, potentially in the tourism, fishing, agro-industry, and service sectors in general; and ii) training programs for youth organizations and people with disabilities, to address renewable energy and energy efficiency needs in uses such as water heating, refrigeration, air conditioning, and lighting, among others.

Analysis of the Nutritional Status of School Children on the Caribbean Coast (US$ 150,000, IDB). This technical cooperation project will assess the nutritional status of vulnerable student populations in Nicaragua's Northern Caribbean Coast Autonomous Region (RACCN). These have been affected by the COVID-19 pandemic and by hurricanes Eta and Iota, which hit the region at the end of 2020. Specifically, the initiative will finance a survey of the beneficiaries of the Comprehensive School Nutrition Program in this area of the country. The food and nutritional practices of the school-age population will also be analyzed, with a view to designing proposals to deal with the issue in line with local circumstances. The information collected and the diagnosis presented will aid a better understanding of the situation of school-age children in the municipalities of that part of the country, and will inform inputs to guide the design of policies and/or initiatives in this sector going forward.



The Bilwi City Drinking Water Project benefits more than 11,500 families, including 400 families from indigenous communities in rural areas of Nicaragua's Caribbean Coast.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	208.4	335.0	-	-	78.0	-
Technical cooperation	9.4	3.9	3.0	2.9	3.4	2.7
Investment grants	17.0	23.6	1.3	5.2	-	-
Private Sector						
IDB Invest	15.0	75.0	102.0	150.0	5.5	-
Long-term	-	32.0	49.0	82.0	-	-
Short-term	15.0	43.0	53.0	68.0	5.5	-
IDB Lab*	5.2	0.8	-	1.5	-	-

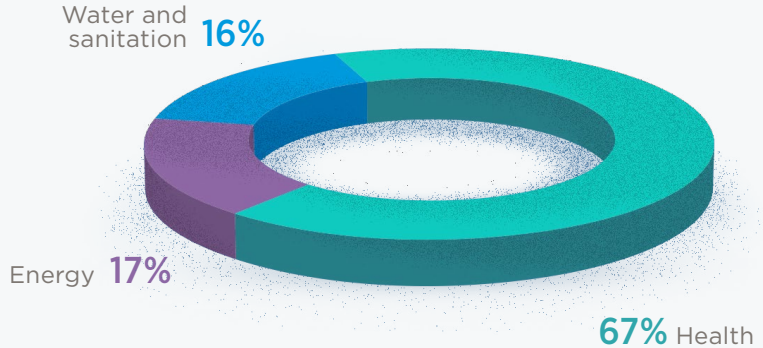
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 12 operations totaling US$ 819 million, with an available balance of US$ 169 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 11 operations with an exposure of US$ 87 million to support the agribusiness, manufacturing and tourism sectors; SME financing; access to social housing; and energy infrastructure development.

IDB Lab

- 5 operations totaling US$ 5.3 million focused on natural capital and climate change. The SEP has 5 operations totaling US$ 2.7 million.

Boosting reconstruction on the Caribbean Coast of Nicaragua after Eta and Iota



Because of its geographic location and the effects of climate change, Nicaragua is highly exposed to very severe natural disasters such as earthquakes, hurricanes and volcanic eruptions. In 2019, the country ranked sixth on Germanwatch's long-term Global Climate Risk Index. Although the impacts of natural phenomena affect the whole country, the Caribbean Coast is one of the most vulnerable areas, and 39 percent of its population—mostly indigenous peoples and Afro-descendant communities—are in poverty.

In coordination with the World Food Program, food was delivered to 198,000 children and teenagers.

In November 2020, Hurricanes Eta and Iota, category four and five, respectively, made landfall in the Northern Caribbean Coast Autonomous Region and Jinotega, affecting 3 million Nicaraguans (46 percent of the country's population). Economic losses amounted to US$ 743 million (6.2 percent of GDP), while production losses were equivalent to 2.8 percent of agricultural output.

The hurricanes isolated, above all, the communities of the Northern Caribbean Coast and affected the provision of basic social services, impacting schools, roads, hospitals, bridges, health facilities, water and sanitation systems, electrical infrastructure, and housing. This situation, coupled to the impacts of COVID-19, demanded a swift response for the local population.

To support immediate response activities and provide humanitarian assistance to the affected communities, in December 2020 the Bank confirmed the availability of US$ 35 million of the coverage that Nicaragua has had in place since 2013 through the Contingent Credit Facility for Natural Disaster Emergencies (CCF). The program focused on the transportation and energy sectors, given their importance in quickly meeting the social needs of the population and connecting them with the rest of the country; and on providing food aid through the World Food Program (WFP).

These actions were implemented in a record eight months. Twenty-three bridges were rehabilitated, allowing the provision of short-term emergency assistance to 250,000 inhabitants, and the region's only access route to the rest of the country was reconnected. Additionally, 276 kilometers of electrical distribution networks were rehabilitated, benefiting more than 47,000 families. And, in coordination with the WFP, food was delivered to almost 198,000 children and teenagers at risk of severe hunger in the areas most affected by the hurricanes.



The IDB supported immediate response actions, and provided humanitarian assistance and food to affected communities in Nicaragua.

In line with the IDB's Vision 2025, it is important to support the region in building resilience to the increased negative impacts of climate change, especially in countries like Nicaragua that are highly vulnerable to natural emergencies. The CCF has proven to be an effective instrument to help cushion the impact that severe or catastrophic natural disasters can have on a country's public finances. Additionally, by providing for Integrated Natural Disaster Risk-Management Plans, countries strengthen their resilience, preparedness, and response capacity to these events.

The IDB Group in Panama

US$ 719 million in financing approved by the IDB Group in 2021, mainly to boost competitiveness, help reduce gender inequality, support access to more COVID-19 vaccines, improve the learning and skills of migrant school children, and foster the recovery of MSMEs. The IDB Group's Strategy with Panama for the period 2021–2024 was also approved, identifying the following as priority areas: i) modernization of public management; ii) improving the provision of basic services; and iii) reactivating and diversifying productive activity.

New projects

Program to Support Gender Equality Policies (US$ 150 million, IDB). To continue helping to reduce gender inequality in Panama, this second operation of a programmatic series was approved to implement policies that promote women's physical, economic and decision-making autonomy, as well as to strengthen the institutional framework and management capacity of the country's gender policies in the framework of recovery from COVID-19.

Immediate Response Public Health Program to Contain and Control Coronavirus and Mitigate its Effects on Services (US$ 30 million, IDB). The program aims to reduce morbidity and mortality while also mitigating the pandemic's indirect repercussions for the health of Panamanians. It finances the contracts signed under the COVAX facility and with the AstraZeneca laboratory, to the benefit of more than 1 million Panamanians who will be protected with a complete vaccination schedule. Additionally, resources from the *Social Inclusion and Development Program* (US$ 15 million) were redirected to pay for cash transfers under the Opportunities Network Program, as well as for improvements in the Integrated Early Childhood Care Centers, enabling them to reopen.

Global Credit Program to Promote Sustainability and Economic Recovery in Panama (US$ 150 million, IDB). This program will provide access to medium-term financing for MSMEs to support the recovery of their productive capacity and meet their needs for productive reconversion. Priority will be given to MSMEs affected by the pandemic in their agri-food value chains, agricultural production, and food processing and commerce. This will directly benefit 1,667 MSMEs, at least 32 percent of which are headed by women, boosting the reactivation of employment in Panama.

Program to Improve Efficiency, Quality and Inclusion in Panama's Education Sector (US$ 15 million IDB). This investment grant seeks to improve the learning levels and skills of students in the public education system by widening access for migrant, refugee, and host-community children and teenagers. It will benefit 25,000 students and, indirectly, more than 200,000 students in priority schools in border areas in the provinces of Darién and Bocas del Toro.

Program to Foster Competitiveness and Economic Diversification II (US$ 150 million, IDB). To foster sustainable economic growth and support Panama's recovery efforts, this second operation in a programmatic series will help implement policies to improve the country's competitiveness by nurturing a business-friendly digital environment, strengthening the national quality system, and boosting the development of emerging sectors as sources of economic growth.

SME Financing (US$ 80 million, IDB Invest): To support Panamanian SMEs affected by the health and economic crisis arising from the pandemic, IDB Invest made available: i) a package of unsecured loans to Capital Bank Inc. (US$ 30 million) to provide working capital, capital investment, and fixed-asset resources to its SME clients, including technical assistance to design a digitization strategy; ii) financing of up to US$ 50 million to Banco Aliado to strengthen its capital structure and enable it to provide long-term financing to SMEs in Panama, together with technical assistance to develop the corresponding business unit.

Building Hospitals in Puerto Armuellas, Chiriqui and Almirante, Bocas del Toro (US$ 30 million, IDB Invest). Using an innovative solution, IDB Invest approved a Revolving Credit Line and the Working Capital Facility to support the building of both hospitals, providing liquidity to construction companies in the social and health sector that had been affected by the sector's payment cycles, thereby improving the cash-conversion phase of accounts receivable. The scheme involves IDB Invest's purchase of uncollected invoices (rediscount), which the Panamanian Social Security Fund will pay later to Rigaservices, a family-owned construction company with more than 30 years of experience in building social infrastructure.

Digital Transformation of Ecotourism and Conservation Led by Indigenous Communities (US$ 500,000, IDB Lab). Some 2,400 beneficiaries in indigenous communities will be supported through the digital transformation of their ecotourism activities, improvement in their service offerings, and their financial inclusion.

Enhancing Cybersecurity and Youth Employment in Panama (US$ 850,000, IDB Lab). IDB Lab resources will be used to nurture skills development and create jobs related to cybersecurity in Panama, with an emphasis on women's participation in the sector, as well as widening SMEs' access to affordable cybersecurity services. The program will benefit 400 young people between the ages of 18 and 29 (20 percent of them women) who will receive scholarships to train in these skills, and 200 of whom will be placed in jobs.



The IDB Group in PANAMA

Construction of a third set of locks was one of the components of the corporate loan to the Panama Canal Authority to support the expansion of the Canal.

IDB Group approvals

US$ million

	2016	2017	2018	2019	2020	2021
Public Sector						
Loans	602.0	757.0	682.0	580.0	830.0	536.0
Technical cooperation	4.1	5.7	5.3	3.8	7.0	3.3
Investment grants	-	-	-	2.9	-	-
Private Sector						
IDB Invest	123.0	68.0	168.0	164.0	84.0	178.0
Long-term	109.0	32.0	136.0	120.0	4.0	140.0
Short-term	14.0	36.0	32.0	44.0	80.0	38.0
IDB Lab*	0.9	0.7	0.8	1.7	2.0	1.8

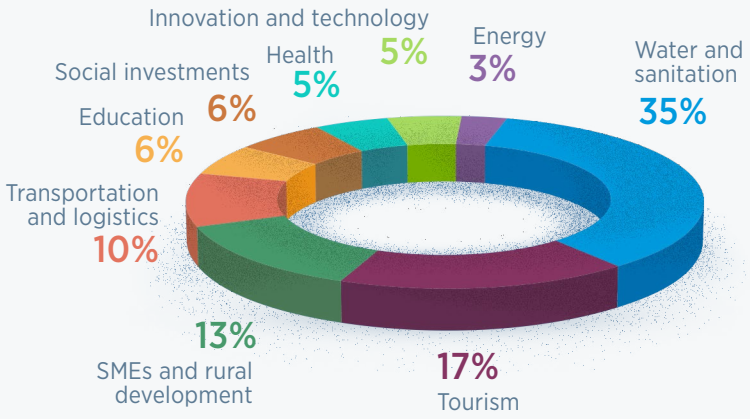
* From 2019 onwards, IDB Lab data include projects from external funds and the Social Entrepreneurship Program (SEP).

Projects in execution

Public sector

- 25 operations totaling US$ 1.971 million, with an available balance of US$ 1.160 million

Distribution of public-sector portfolio by sector
(% of available balance)



Private sector

IDB Invest

- 14 operations in execution with an exposure of US$ 490 million, focused on SMEs' access to credit, logistics (Panama Canal), and foreign trade finance. Especially noteworthy is the issuance of Latin America's first gender social bond (US$ 50 million).

IDB Lab

- 12 operations totaling US$ 6.2 million focused on responding to the pandemic in the health sector, developing talent with digital skills, the productive inclusion of young people, indigenous communities and migrants, and strengthening SMEs in the creative industries and digital ecosystem. The SEP has 3 operations totaling US$ 2 million.

Women as a priority for post-pandemic recovery in Panama



Since 2016, the Bank has been partnering with the World Economic Forum to implement the Gender Parity Initiative in LAC, supporting public-private partnerships geared to fostering economic empowerment in the region. Between 2017 and 2019, the IDB supported national assessments of economic gender barriers and gender-parity action plans in several countries. In 2019, Panama became the first country in the Isthmus to approve a policy reform program to support and advance gender equality. The second operation in the series was approved in 2021.

One of the goals of the post-COVID economic recovery project for indigenous coffee producers is to improve the processing and sale of coffee through innovative strategic partnerships between the private sector and indigenous peoples.

Gender equality has a direct impact on the well-being of women, their families, and on countries' post-pandemic recovery. It also affects poverty reduction, economic growth, and sustainable development. The Government of Panama has been promoting policies in favor of gender equality. Nonetheless, the reforms have to be taken further in order to eliminate the inequalities affecting the female population. In 2019, Panama ranked 94th among the 189 nations on the Gender Equality Index.

Panamanian women have borne the heaviest burden during the crisis, facing a greater risk of infection as frontline or essential workers. As far as employment is concerned, they have disproportionately lost jobs and income: the unemployment rate for women is almost double that of men (25 percent against 13 percent). In part this is because women comprise the majority in the most affected sectors, such as tourism, restaurants, and retail. Some 46.5 percent of employed women work in sectors in which the pandemic has had a highly negative impact, as against a figure of 29.6 percent for men. With the almost total closure of childcare services, women's personal responsibilities have risen unequally relative to men, causing their involuntary departure from the labor market. Moreover, the measures taken during the crisis have impeded access to sexual and reproductive health services, increasing domestic violence and limiting victims' access to timely help.

Against that background, with IDB support, the Government of Panama has taken measures to promote women's physical, economic and decision-making autonomy, building the capacity to manage gender policies and institutions. These steps have been taken in the framework of the **Program to Support Gender Equality Policies,** a programmatic series of two operations (approved in 2019 and 2021) providing budgetary support for policy reforms in this area.

Important milestones were reached on gender equality during the first operation, such as creating the Special Police Service for Domestic and Gender Violence; updating regulations and protocols for integrated women's health programs and operational strategies for compliance with them; and improving regulations on caring for and preventing teenage pregnancy. The National Council for Gender Parity has been set up with public and private participation. Its action plan includes commitments to improve women's job prospects, close economic gaps, and promote employability and female business leadership. The Interinstitutional Board of Care was created (setting out a strategy to expand care services and facilitate women's access to the labor market), and the Indigenous Women's Advisory Committee was set up to promote their empowerment. Finally, measures were taken to improve gender policy



The Viral Transport Media (VTM) Program to Tackle COVID-19 develops a sustainable and scalable model for the first local VTM production line, a crucial input for diagnosis of the virus.

management capacity, such as strengthening the National Women's Institute (INAMU) and expanding its network of centers (CINAMU), as well as creating an organizational certification program, the Seal of Equality, for public-sector entities.

The second operation sought to implement and complete the reforms begun in the first one as part of the response to and recovery from COVID-19. The institutional framework set up in the first operation enabled interinstitutional and multisectoral coordination to move forward with actions in the area of gender equality, the importance of which became more apparent as the pandemic unfolded. For example, the National Council for Gender Parity, comprising public and private sector actors, set out a new action plan to address the economic crisis and secure a faster recovery that is more equitable for women.

Actions undertaken in the joint series have included promoting the certification of private companies with the gender equality seal, by means of a pilot program in 11 businesses nationwide; 100 more are expected to join the gender parity initiative. With technical assistance from the UNDP, moreover, a framework will be devised to implement a results-based budget with gender labeling. This will make it possible to mainstream this issue in the financial planning and execution of state agencies.

Overall, the series will benefit victims of gender-based sexual violence and help improve the health of women, including those living in indigenous communities. It will also aid their professional development and entry into the labor force by increasing opportunities for those most affected by multidimensional poverty and by ethnic and gender inequalities.

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Inequality and social discontent: how to address them through public policy

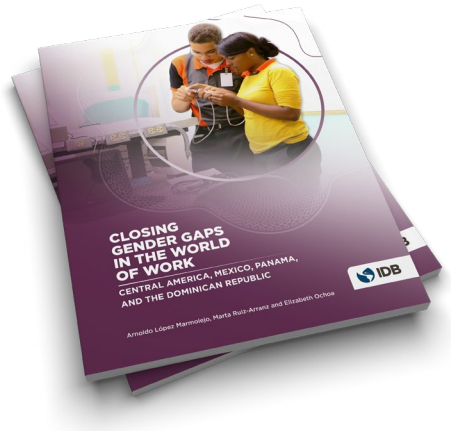
This study analyzes current trends and the impact of the pandemic on inequality and poverty, as well as the risks this poses to political and social stability, and makes recommendations on improving the redistributive role of fiscal policy and enhance inclusiveness.

Go to the publication

Closing gender gaps in the world of work: Central America, Mexico, Panama and the Dominican Republic

This study analyzes gender gaps and their links to women's entry into the labor market. These gaps hinder progress towards gender equity and hold back welfare gains. The study also presents a road map to addressing the gaps, drawing on the knowledge produced by eight technical notes published in 2021. It further documents the Bank's work in implementing projects that foster gender equality in the region.

Go to the publication





The effect of COVID-19 on firms and employment in Central America

This analysis of the effect of the pandemic on businesses and employment finds that one in four formal businesses in El Salvador, Guatemala, Honduras, and Nicaragua has closed, and monthly sales have fallen by a third on average.

Go to the publication

Migration and remittances in 2020 in Central America, Haiti, Mexico, Panama and the Dominican Republic: Impact of COVID-19 and the hurricanes, and medium-term outlook

This study examines the impact of the COVID-19 crisis on the labor situation of migrants, the sending of family remittances, and forced or voluntary returns. It also assesses the impact of the hurricanes and the crisis on the decision to emigrate. The study's findings reveal a drop in remittances and migrant flows at the start of the pandemic, and in both cases a quick rebound to record levels.

Go to the publication





Social impact of the pandemic in Panama and analysis of the efficiency of cash transfer programs

This study estimates the impact of the pandemic on poverty and inequality in Panama, and assesses what contribution the country's main conditional cash transfer programs make to poverty reduction.

Go to the publication

Policy on credit guarantees as access to financing in the COVID-19 crisis

This regional technical note analyzes credit guarantee policies as access to financing in the COVID-19 crisis. It documents the impact of the pandemic on MSMEs in particular, notably their problems of access to financing, and examines the elements and characteristics of guarantee programs as an instrument to tackle this problem on the basis of various international experiences.

Go to the publication





Housing conditions and the housing deficit in Panama's decade of construction

This technical note analyzes the performance of the construction sector in Panama, most particularly the residential real estate sector. It also studies general trends in housing conditions, and defines and conceptualizes the housing deficit, which has worsened as a result of the COVID-19 crisis.

Go to the publication



Potential VAT revenue from the digital economy in Central America, Panama and the Dominican Republic (CAPDR)

This study presents the key challenges facing the digital economy as regards indirect taxation, especially value added tax (VAT). It also makes an estimate of the potential tax revenue from levying VAT in CAPDR countries on the different categories of the digital economy.

Go to the publication

Towards the development and sophistication of Panama's financial sector

This paper analyzes the performance of Panama's financial sector, assesses its level of development and competitiveness, and suggests possible options for modernizing it and boosting its capacity as an agent of sustainable post-COVID-19 economic recovery.

Go to the publication





BIDeconomics Belize: building a sustainable, resilient and inclusive Belize

This study analyzes the challenges and opportunities for promoting inclusive and sustainable development in Belize at the sectoral level. Reviving economic growth and removing structural bottlenecks requires addressing three priority areas: anchoring fiscal policy; transforming the export sector through diversification, integration and innovation; and providing social protection and skills.

Go to the publication

BIDeconomics Honduras: Post-pandemic opportunities for greater growth for all

This document presents an update on challenges to the attainment of sustainable and inclusive development in Honduras. To give impetus to development in Honduras, four key challenges must be addressed: the institutional arrangements and transparency of fiscal matters; expanding productive and social infrastructure; improving public services; and promoting the development of productive activities.

Go to the publication





Maneuvering uncertainty: scenario planning in Belize

This study presents two scenarios for Belize in 2030. These scenarios identify potential challenges and the implications should they materialize. It also makes recommendations on how Belize can be better prepared for these potential challenges, and how the IDB can support resilience-building in Belize to address such scenarios.

Go to the publication

Where are the unbanked in Belize?

This study uses machine-learning small-area estimation techniques to develop granular estimates of financial inclusion at the smallest geographic level, known as enumeration districts. The aim is to contribute to the efficient and effective implementation of the Central Bank of Belize's National Financial Inclusion Strategy, which was launched in 2019.

Go to the publication





Nowcasting to predict economic activity in real time: the cases of Belize and El Salvador

This study presents machine-learning models adjusted to yield a nowcast, or real-time estimate, of quarterly GDP for Belize and El Salvador. The findings show that machine-learning techniques can produce accurate forecasts between 60 and 90 days before their official publication.

Go to the publication

The effect of dual schooling on female labor participation in the Dominican Republic

This technical note analyzes the incidence of an increase in children's school hours on the female labor supply. Using a non-experimental difference-in-difference methodology, the study compares the labor-force participation of mothers eligible for the Extended School Day program and those who are not.

Go to the publication





Gender gap in access to financing in Central America and the Dominican Republic

This technical note analyzes the gender gap in access to finance using three databases: Global Findex, SME Finance Forum, and Enterprise Survey. In no case, neither at the personal nor at the corporate level, has it been possible to eliminate the gaps by including observable factors. Hence women in the region are at a great disadvantage, which has an impact on productivity, fertility, and the rate of accumulation of human capital.

Go to the publication

Gender inequality in labor-market participation and pay in the CID countries

This technical note analyzes the gender gap in access to finance using three databases: Global Findex, SME Finance Forum, and Enterprise Survey. In no case, neither at the personal nor at the corporate level, has it been possible to eliminate the gaps by including observable factors. Hence women in the region are at a great disadvantage, which has an impact on productivity, fertility, and the rate of accumulation of human capital.

Go to the publication



Determinants and effects of teenage pregnancy in Central America, the Dominican Republic and Haiti

This study examines trends in teenage pregnancy and its determinants. The slow decline in teenage fertility is related to high levels of socioeconomic inequality, the trend toward a lower age of sexual debut, the rise in the proportion of sexually active teenagers, the persistence of early unions, and the low but rising prevalence of modern contraceptive use.

Go to the publication





Gender budgeting: lessons for Central American Countries and the Dominican Republic

This technical note analyzes how the various aspects of the countries' budgetary process impact gender gaps, thereby giving rise to the gender budgeting approach. The study describes and discusses this approach and draws policy lessons for CID countries.

Go to the publication

Assessing the effect of gender equality before the law on female labor participation and GDP per capita in Central America, Panama and the Dominican Republic

This technical note analyzes whether gender equality under the law helps increase women's participation in the labor force, and if it therefore boosts per capita GDP in the countries of Central America, Panama and the Dominican Republic.

Go to the publication





Empowering women's leadership in the CID region: opportunities and challenges

This technical note presents the economic benefits of a better gender balance and, by identifying obstacles to female empowerment, analyzes the productivity gap between firms managed by women and those led by men, which is as much as 30 percent in the CID countries. It also identifies the variables that help explain this gap.

Go to the publication

Effect of violence against women on victims and their children: evidence from Central America, the Dominican Republic and Haiti

Among the most significant findings of this technical note is that violence against women negatively affects the victims' physical and reproductive health, as well as their preferences in matters of fertility. It also presents evidence that violence against mothers has an adverse effect on children's progress in school and overall health.

Go to the publication



Annex 1. IDB Group operational data for the region

Approvals	Average 2009 - 13		2014		2015		2016		2017		2018		2019		2020		2021	
(Amount in US$ millions)	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Sovereign guaranteed loans - IDB	**26**	**1,749**	**17**	**1,811**	**23**	**2,061**	**18**	**1,620**	**16**	**1,632**	**21**	**2,476**	**22**	**2,243**	**27**	**3,551**	**26**	**2,162**
Non-reimbursable operations - IDB	**99**	**81**	**113**	**95**	**143**	**69**	**104**	**65**	**105**	**89**	**92**	**50**	**97**	**73**	**91**	**45**	**78**	**41**
Investment grants	4	40	5	45	6	18	6	19	3	30	3	20	7	40	7	10	2	14
Technical cooperations IDB	95	41	108	50	137	51	98	46	102	59	89	30	90	34	84	34	76	27
Private sector approvals (Non-sovereign guaranteed)																		
IDB Invest[1]	**81**	**524**	**56**	347	**59**	**536**	**53**	**467**	**61**	**489**	**97**	**844**	**103**	**891**	**41**	**1,339**	**46**	**1,160**
Long term	27	351	30	194	39	358	10	163	10	168	22	417	14	370	11	454	23	547
Short term (Trade Finance Facilitation Program - TFFP)	54	173	26	153	20	178	43	304	51	321	75	427	89	521	30	885	23	613
IDB Lab[2]	**15**	**13**	**19**	14	**17**	**19**	**17**	**15**	**15**	**12**	**15**	**12**	**19**	**18**	**27**	**18**	**26**	**13**
Total Approvals, IDB Group		**2,367**		**2,267**		**2,685**		**2,167**		**2,222**		**3,382**		**3,226**		**4,952**		**3,377**

1 In 2016 the private sector windows of the IDB Group were merged into IDB Invest. The approval data for IDB Invest includes the legacy portfolio from the old IDB private sector windows, the former Inter-American Investment Corporation, and since 2016, IDB Invest.
2 In 2018 the Multilateral Investment Fund (MIF) became IDB Lab.

Annex 2. IDB Sovereign-guaranteed loan approvals in 2020

Country	Operation name	Amount (US$)
Belize	Program to Support the Health Sector to Contain and Control Coronavirus and to Mitigate its Effect on Service Provision	2,900,000
Belize	Support to the Financing of the Purchase of COVID-19 Vaccine and its Implementation	2,100,000
Belize	Global Credit Program for Safeguarding the Productive Sectors and Employment	15,000,000
Belize	Strengthening Public Expenditure Management in Belize	8,000,000
Costa Rica	Fiscal Sustainability Support Program II	250,000,000
Costa Rica	Emergency Program for Fiscal Strengthening and Restoring Growth	250,000,000
Dominican Republic	Rehabilitation and Expansion of Puerto Manzanillo	100,000,000
Dominican Republic	Program to Strengthen Civil Service Management in the Dominican Republic	30,000,000
Dominican Republic	Power Sector Sustainability and Efficiency Program III	250,000,000
Dominican Republic	Program to Improve Connectivity for Digital Transformation in the Dominican Republic	115,000,000
Dominican Republic	CCF Contingent Loan - COVID-19 Coverage	30,000,000
Dominican Republic	Support for Consolidation of an Inclusive Social Protection System in the Dominican Republic	100,000,000
El Salvador	Social Digital Connectivity Program	85,000,000
El Salvador	Low-Income Housing Finance Program	50,000,000
El Salvador	Program for Modernization of the Statistics System of El Salvador	44,000,000
Guatemala	Program for the Digital Transformation of Guatemala for Inclusive Access to Connectivity	70,000,000
Honduras	Potable Water and Sanitation Program in Honduras	45,000,000
Honduras	Honduras Transportation and Freight Logistics Sector Reform Program III	118,500,000
Honduras	Tropical Storm ETA Emergency Response Program	15,500,000
Honduras	Support for Vulnerable Populations Affected by Coronavirus (COVID-19)	45,000,000
Panama	Program to support gender equality policies II	150,000,000
Panama	Global Credit Program for Promoting the Sustainability and Economic Recovery of Panama	150,000,000
Panama	Sustainable and Inclusive Agricultural Innovation Project	41,000,000
Panama	Economic Diversification and Competitiveness Promotion Program II	150,000,000
Panama	Immediate Public Health Response to Contain and Control Coronavirus and Mitigate its Impact on Services	30,000,000
Panama	Program for the Improvement in the Efficiency, Quality and Inclusion of the Educational Sector of Panama	15,000,000
	26 operations	**2,162,000,000**

El Salvador	Contingent Loan for Natural Disaster and Public Health Emergencies	400,000,000
Guatemala	Contingent Loan for Natural Disaster and Public Health Emergencies	400,000,000
Honduras	Contingent Loan for Natural Disaster and Public Health Emergencies	400,000,000
	3 contingent operations	**1,200,000,000**

Annex 3. Technical cooperation program approvals

Country	Operation name	Amount (US$)
Belize	Action Plan C&D	487,272
Belize	Support Strengthening Public Expenditure Management in Belize	150,000
Belize	Support to Integrated Water Resources Management	250,000
Belize	Support to Economic Recovery through Trade and Investment in Belize	150,000
Belize	Support for the Execution of EQIP II	150,000
Belize	Support migration initiatives in Belize	150,000
Belize	Operational Support to the Health Sector in Achieving Timely Vaccine Availability and Facilitating Vaccine Accessibility	200,000
Costa Rica	Action Plan C&D	490,497
Costa Rica	Support for the Emergency due to the Storm on the Caribbean of Costa Rica	200,000
Costa Rica	Regulatory Improvement for a Competitive Business Environment in Costa Rica	165,000
Costa Rica	Support for the Development of the National Hydrogen Strategy towards a Decarbonized Economy	500,000
Costa Rica	Program for Strengthening the Competition Authorities	250,000
Costa Rica	Support for the guiding framework for the responsible and ethical use of Artificial Intelligence in Costa Rica	100,000
Costa Rica	Evaluation of a New Model of Hybrid Learning and Skill Certification for Technical Education	200,000
Costa Rica	Evaluation of the Effectiveness of Virtual Training for Workers affected by COVID-19	300,000
Costa Rica	Aging Facility: Development of service prototypes for dependency care and support to caregiving in Costa Rica	470,000
Dominican Republic	Action Plan C&D	619,331
Dominican Republic	Mainstreaming climate resiliency and green solutions into Dominican recovery investments	650,000
Dominican Republic	Technical Support for the Comprehensive Reform of the Housing and Urban Planning Sector in the Dominican Republic	300,000
Dominican Republic	Sustainable Management and Climate Change Adaptation of Irrigation	300,000
Dominican Republic	Competitiveness and Sustainability Studies for the Destination of Santo Domingo	200,000
Dominican Republic	Support for Strengthening Tax Policy and Enhancing the Quality of Public Spending	185,000
Dominican Republic	Support to the Consolidation of Knowledge and Generation of Technological Inputs for the Strengthening of the Civil Service in the Dominican Republic	150,000
Dominican Republic	Support for Conducting a Time Use Survey	100,000
Dominican Republic	Supporting the implementation of the Dominican Republic's energy efficiency program	465,000
Dominican Republic	Support for Third Stage of the Electricity Sector Sustainability and Efficiency Program	300,000

Annex 3. Technical cooperation program approvals

Country	Operation name	Amount (US$)
Dominican Republic	Support for the development of the Mobility Reform Program, Land Transportation and Road Safety in the Dominican Republic	300,000
Dominican Republic	Support to labor market recovery in Dominican Republic through digital transformation	125,000
Dominican Republic	Dominican Republic: Interinstitutional Strengthening Support on Migration	200,000
Dominican Republic	Private Participation in the Electricity Distribution Companies (EDEs) in Dominican Republic	250,000
Dominican Republic	Support the Strengthening of the Social Protection Sector in Dominican Republic	400,000
El Salvador	Action Plan C&D	733,473
El Salvador	Innovative Platform for Reducing Landslides and Debris Flows Risk in El Salvador	300,000
El Salvador	Support Digital Transformation in El Salvador	500,000
El Salvador	Strengthening the institutional capacity for measuring fiscal risks	250,000
El Salvador	Support for the Promotion of a Safe, Inclusive and Productive Mobility in El Salvador	150,000
El Salvador	Model for Social Inclusion of Children with Disabilities in the Education and Health Sector	200,000
El Salvador	Matching Skills to Thrive in the Digital Platform Economy	450,000
Guatemala	Action Plan C&D	769,076
Guatemala	Efficient Use of Firewood and Alternative Fuels in Indigenous and Rural Communities in Guatemala	2,926,400
Guatemala	Structuring and Co-financing of the CA-9 North Corridor	450,000
Guatemala	Improving the Pedagogical Skills in Virtual Environments of Trainers Working in Programs for Vulnerable Youth in Guatemala	350,000
Guatemala	Preventing migration and promoting integration of migrant returnees through sports in Guatemala	105,000
Guatemala	Operational Support for the Execution of the PRORISS (GU-L1163)	300,000
Honduras	Strategy to support the consolidation of economic recovery and institutional support to accelerate public investment in the context of COVID-19	450,000
Honduras	Action Plan C&D	926,854
Honduras	Design of a Program for the Training of Specialists in Intensive Care and Emergencies in Honduras.	200,000
Honduras	Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras	750,000
Honduras	Support for strengthening and modernization of the Honduras National Post Office	170,000
Honduras	Master plan for Investments to Increase Water Availability for Human Consumption and Agriculture in the Dry Corridor	953,000
Honduras	Support for the Second Phase of the Water and Sanitation Services Reform Program in the Central District	350,000
Honduras	Support for the National Program for Digital Transformation in Education (PNTED)	817,764
Honduras	Capacity Building for the Prevention of Femicide in Honduras	350,000
Honduras	Support for the youth employment recovery in Honduras.	200,000

Annex 3. Technical cooperation program approvals

Country	Operation name	Amount (US$)
Nicaragua	Support for the Design and Implementation of the IDB Group Strategy with Nicaragua.	200,000
Nicaragua	Baseball Forever: Strengthening Community Integration Through Baseball	250,000
Nicaragua	Promoting Youth Employment Through Digital Development	303,411
Nicaragua	Action Plan C&D	918,251
Nicaragua	Promote the Use of Clean Technologies to Support Employment Generation in Vulnerable Groups on the Caribbean Coast	275,000
Nicaragua	Young People Working to Improve Access to Water and Sanitation in Rural Communities in Nicaragua	300,000
Nicaragua	Support for Strengthening the Water and Sanitation Sector in Nicaragua	339,353
Nicaragua	Analysis of the Nutritional Status of Student Populations on the Caribbean Coast	150,000
Panama	Action Plan C&D	480,095
Panama	Emergency Technical Cooperation - Support for the Tropical Storm N°5 - Emergency in Panama	200,000
Panama	Support for the Implementation of Living Heritage in Panama	300,000
Panama	Support for the Development of a Guarantee Fund in Panama	70,000
Panama	Support for Institutional Strengthening to promote green innovation in Panama	160,000
Panama	Improving the Efficiency of Expenditures and Collection in Panama through a Fiscal Ecosystem	200,000
Panama	Support for the Digital Transformation of the Judicial System in Panama	100,000
Panama	Support for the Implementation of the Universal Access to Energy Program	200,000
Panama	Support to the Energy Transition Agenda in Panama	250,000
Panama	Support to the Transportation Sector in Panama	250,000
Panama	Support to the Implementation of the Program to Support Gender Equality Policies - Phase II	250,000
Panama	Support for the implementation of the Program to Improve Efficiency and Quality in the Education Sector	200,000
Panama	Support for Innovation in the Management of Social Programs Administered by MIDES	350,000
Panama	Improving Public Investment in Primary Health Care for the Indigenous Regions (Comarcas)	300,000
	76 operations	**27,454,777**

Annex 4. Investment grant approvals

Country	Operation name	Amount (US$)
Dominican Republic	Integrated Tourism and Urban Development Program for the Colonial City of Santo Domingo	3,827,762
Guatemala	Efficient Use of Firewood and Alternative Fuels in Indigenous and Rural Communities in Guatemala	10,053,600
	2 operations	**13,881,362**

Annex 5. IDB Invest approvals (long term)

Country	Operation name	Amount (US$)
Belize	Recinos Imports	5,000,000
Belize	Belize Electricity Limited Corporate Loan	30,000,000
Belize	BSI-ASR II	15,000,000
Costa Rica	Calox	14,000,000
Costa Rica	Guerrero Green Park	17,000,000
Costa Rica	BNCR - Subordinated Social Bond	45,000,000
Costa Rica	MSME COVID19 Response Fund	8,750,000
Dominican Republic	Grupo Pinero CV19 Facility	60,000,000
Dominican Republic	Promerica DR Subordinated Debt	10,000,000
El Salvador	Sustainable Bond - Promerica El Salvador	20,000,000
El Salvador	Orion IP & Free Zone	25,000,000
Guatemala	ProducePay	1,600,000
Guatemala	Pantaleon S.A.	50,000,000
Guatemala	Banco Agromercantil Subordinated Loan for the Financing of the Green Ecosystem and SMEs	70,000,000
Panama	LaQuince	7,500,000
Panama	Capital Bank SME Financing Partnership	30,000,000
Panama	Banistmo - Tourism Sector Portfolio Guarantee	31,000,000
Panama	ACCION Digital Transformation Fund	625,000
Panama	Banco Aliado SME Subordinated Financing Partnership	50,000,000
Regional	CASEIF IV Central America Fund	8,888,889
Regional	Portland - Covid19 Facility	4,000,000
Regional	Atento Regional Revolving Facility	18,181,818
Regional	La Hipotecaria Wareshousing Facility - Panama & El Salvador	25,000,000
	23 operations	**546,545,707**

Annex 6. IDB Lab approvals

Country	Operation name	Amount (US$)
Belize	Belizing Tourism Innovation Lab	400,000
Costa Rica	INTO Experiential Camps & Lodges	500,000
Costa Rica	New Skills for the Agriculture of the Future	400,000
Dominican Republic	ECO-DELIVERY: Electro Mobility, Environment and Intelligence	750,000
Dominican Republic	COVID-19 SAFE ISLANDS: Decentralized Pass Travelers	150,000
Dominican Republic	FÁCIL: Financial Inclusion For The Silver Economy	150,000
Dominican Republic	RESET: Promoting e-Commerce in Microenterprise and Small Business	250,000
El Salvador	gigES: WorkerTech for Independent Workers and the Informal Sector in El Salvador	1,500,000
Guatemala	Partial Guarantee Mechanism to Promote the Use of Agricultural Technologies and Practices among Small Farmers in Guatemala	75,000
Guatemala	Partial Guarantee Mechanism to Promote the Use of Agricultural Technologies and Practices among Small Farmers in Guatemala	300,000
Guatemala	Wayfi S.A. Last Mile Internet For Unattended Segments	1,000,000
Guatemala	Wayfi S.A. Last Mile Internet For Unattended Segments	200,000
Guatemala	Guatemala Training And Working Opportunities For Current And Former Incarcerated People. (Gu-G1016) (Gu-T1333)	100,000
Guatemala	Guatemala Training And Working Opportunities For Current And Former Incarcerated People. (Gu-G1016) (Gu-T1333)	100,000
Guatemala	Partial Guarantee Mechanism to Promote the Use of Agricultural Technologies and Practices among Small Farmers in Guatemala	1,000,000
Guatemala	Partial Guarantee Mechanism to Promote the Use of Agricultural Technologies and Practices among Small Farmers in Guatemala	1,000,000
Guatemala	ALMA: Automated Medical Logistics Assistant to improve acces to health services in Guatemala	725,000
Guatemala	Private Scheme of Partial Guarantees to Promote the Use of Sustainable Agricultural Technologies and Practices in Small Farmers in Guatemala	300,000
Honduras	Investing In The Banana Value Chain In Honduras With Renewable Energy And Data	500,000
Honduras	Investing In The Banana Value Chain In Honduras With Renewable Energy And Data	250,000
Honduras	Innovative Energy Solutions for Health Service Delivery in Honduras	1,400,000
Honduras	Innovative Energy Solutions for Health Service Delivery in Honduras	500,000
Panama	Promoting Cybersecurity And Youth Employment In Panama	520,000
Panama	Promoting Cybersecurity And Youth Employment In Panama	330,000
Panama	Digital Transformation of Indigenous-Led Ecotourism and Conservation	500,000
Panama	Banesco Entrepreneurs: Promoting Economic Development for the Migrant Population andVulnerable Host Communities in Panama	415,450
	26 operations	**13,315,450**

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