2020 Partnership Report

PARTNERSHIPS IN A TIME OF TRANSFORMATION

IDB

About this Report

In 2020, the Inter-American Development Bank (IDB Group) kicked off the new decade faced with a novel, unprecedented challenge: the COVID-19 pandemic. Fortunately, as the IDB Group sought to help the region's governments and companies navigate the social, economic, and health-related implications of this crisis, it did so with the support of a robust partnership network and a track record of collaborating with partners to amplify its impact. In 2020, the IDB Group was able to further leverage partnerships in this period of great transformation, continuing its efforts to advance the United Nations Sustainable Development Goals (SDGs) and confront the new obstacles generated by the pandemic in partnership with governments, companies, philanthropic actors, academic institutions, and others. The pages of this report provide greater insight into these efforts, revealing partnerships to be an unrivaled tool for transforming challenges and uncertainty into opportunities for growth.

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A letter from IDB President Mauricio Claver-Carone

2020 was a transformational year not just for our region, but for the Inter-American Development Bank (IDB) as well. I became President of the IDB in October, its first new leader in 15 years. And as I took the helm of this organization that has long been a beacon of support, innovation, and knowledge for Latin America and the Caribbean, I did so cognizant that our countries were experiencing the worst social and economic crisis in the IDB's 61-year history. As such, I believe our continued success as an institution will hinge on our ability to transform these challenges into opportunities for sustainable, inclusive, climate-resilient growth. And I recognize that our robust network of government, corporate, academic, and civil society partners will be a critical part of the solution.

Fortunately, we are off to a great start. For the IDB and our entity for the private sector IDB Invest, 2020 represented a record-breaking year in terms of the financial support we delivered our region's governments, companies, and communities. Our partners joined us in ensuring the region's needs were being met and as a result, we mobilized more than $4.37 billion in 2020, making it one of the IDB's best years for collaboration and resource mobilization despite the economic and social toll COVID-19 inflicted on our partner organizations. And in early 2021, following a historic Private Sector Partners Roundtable that convened 40 corporate executives and a Joint Declaration signed by the world's most innovative firms, I can confidently say that our partners are unwavering in their commitment to Latin America and the Caribbean and to working with the IDB Group in pursuit of a post-pandemic recovery.

Moving ahead, I look forward to strengthening ties with our partners across the public, private, non-profit, and academic sectors. I look forward to engaging new allies in our quest stimulate recovery. And I look forward to working with you all to implement our "Vision 2025," which over the next five years will stimulate private sector-led growth in Latin America and the Caribbean. Across the IDB, IDB Invest, and our innovation laboratory IDB Lab, these efforts will continue advancing progress across all sectors, with a focus on creating meaningful jobs to reactivate our economies and improve lives.

In particular, these efforts will place special emphasis on prioritizing climate change and green growth, empowering women and traditionally marginalized populations, fostering digital transformation, and supporting Small and Medium Enterprises (SMEs) across the region, which are today the heart of our economies and which tomorrow can be the engine for driving economic reactivation. A key aspect of this work will seize on the shift toward nearshoring that is occurring around the world as companies, recognizing the fragility of global value chains, strive to bring their value chains closer to consumer markets. My vision is to make Latin America and the Caribbean the destination for private investment and job creation, and to work in coordination with our global partnership network to make this vision a reality.

In partnership,
Mauricio Claver-Carone
President, IDB

About the IDB Group

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

About the IDB

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

About IDB Invest

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

About IDB Lab

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

In 2020, the IDB mobilized **$4.37 billion in resources** from its diverse partnership network and formalized valuable collaborations through **30 institutional agreements.** Of this, **$1.6 billion was mobilized to support the COVID-19 response specifically.**

The year 2020 was filled with countless hardships. The COVID-19 pandemic took far too many lives and impacted the physical and mental wellbeing of citizens around the world. Lockdown measures and supply chain disruptions bruised economies and boosted unemployment. In countries everywhere, the virus worsened inequality by taking a disproportionate toll on women, communities of color, and other vulnerable groups. And the social and economic fallout of the crisis has threatened to reverse hard-won progress in pursuit of the Sustainable Development Goals (SDGs).

Yet at the Inter-American Development Bank (IDB), we believe that the most challenging times offer the greatest opportunities for generating positive change. In this sense, the pandemic prompted us to reconsider our priorities for the better. By underscoring the unprecedented global interconnectedness seen today, COVID-19 highlighted the importance of investing in global public goods like climate change. It reminded us that empowering women and combating inequality are non-negotiable pieces of the economic reactivation puzzle. It revealed the extent to which technology is critical to productivity and inclusion and encouraged us to put digitalization at the heart of sustainable development efforts. While it battered businesses around the world, the pandemic reignited our commitment to the micro, small, and medium-sized enterprises that are the true engines of our region's economy.

And most of all, the pandemic emphasized the importance of partnerships as a vehicle for responding to crises and cultivating lasting, positive change.

Since his first day as President, the IDB Group's new leader Mauricio Claver-Carone has advocated for this approach, which looks to the pandemic as impetus for reimagining the region's future, reviewing our priorities, and reinvigorating our commitment to innovating and collaborating with partners. And since the very onset of COVID-19, the dedication of our robust partnership network to supporting the region was made abundantly clear. As such, it our belief at the IDB that by working strategically, collaboratively, and creatively we can foster a sustainable and inclusive recovery in Latin America and the Caribbean.

The IDB's Office of Outreach and Partnerships (ORP) was created amid the 2008–2009 global financial crisis — a time of tumultuousness for countries around the world and a particularly uncertain one in the realm of development finance. Just over a decade later, the rich partnership network we have cultivated over the years continues delivering for our region in moments of need. We thank you all for working with us to support our continues in this difficult time. And we look forward to strengthening our partnerships with you and welcoming new allies aboard in pursuit of recovery and sustainable development in Latin America and the Caribbean.

Sincerely,
Bernardo Guillamon
Manager
Office of Outreach and Partnerships (ORP)

Executive Summary

A belief in partnerships as a vehicle for unlocking innovation, knowledge, and capital for sustainable development is a longstanding, guiding principle of the IDB Group's work in Latin America and the Caribbean. And in 2020, the IDB Group put this principle to the test like never before. Following several years of lukewarm growth and a growing recognition that the public sector is incapable of financing the United Nations Sustainable Development Goals (SDGs) on its own, the IDB Group had already been ramping up efforts to diversify its partnership network, design innovative financing tools to catalyze more resources and amplify impact, and position the LAC region as a worthy recipient of public and private, traditional and non-traditional financing flows. Yet the spread of the COVID-19 pandemic added greater urgency to these efforts, particularly as the economic, social, and health-related consequences of the crisis threatened to reverse progress on poverty reduction and SDG implementation, tighten budgets, and worsen inequality. Fortunately, the governments, corporations, investors, academic entities, philanthropic organizations, international institutions, and civil society actors that partner with the IDB Group were quick to take action and never wavered in their commitment to advancing sustainable development in the region.

This report showcases these efforts, highlighting the ways in which partners enriched the IDB Group's pandemic response and continued supporting the region's broad, ever-evolving development agenda throughout the year. The report opens with an overview of the transformative year behind us and the IDB Group's institutional response to the pandemic, including the four priority action areas it identified to guide its work — public health preparation and response, safety nets for vulnerable populations, economic productivity and employment, and fiscal policies to ameliorate economic impacts. It then takes a deeper look at health-focused partnerships, including efforts to address the health-related impacts of COVID-19, bolster governments' capacity to acquire and distribute medical equipment and vaccines, and continue the implementation of non-pandemic initiatives to improve health outcomes and the wellbeing of LAC citizens.

Next, in line with the novel development agenda put forth by the IDB's new President Mauricio Claver-Carone, the report emphasizes the critical importance of promoting digital transformation and digital solutions to address persisting development challenges. It reveals how partners — particularly private sector partners — can be critical catalysts of digitalization in Latin America and the Caribbean. In addition, given the IDB Group's growing commitment to ensuring LAC citizens are prepared to thrive in tomorrow's labor market, the report shines a spotlight on the importance of fostering 21st century skills and creating dignified employment opportunities as central vehicle for economic recovery. In a similar vein, Chapter 5 underscores the essential role of entrepreneurship, SMEs, and private sector development in reigniting the region's growth. As President Claver-Carone has stated, small businesses and entrepreneurs are the engines of the region's economy. This report reveals the extent to which IDB Group partners share this vision and a commitment to helping the region's private sector thrive.

Latin America and the Caribbean will only truly prosper once growth is achieved in an inclusive, equitable way. Thus, Chapter 6 underscores the importance of empowering women and prioritizing diversity in a cross-cutting manner, ensuring that women and marginalized populations are specifically targeted in projects and initiatives across sectors. Similarly, the topic of climate change addressed a few chapters later remains a transversal priority for the IDB Group, one regarded by President Claver-Carone's administration as critical to achieving a sustainable, resilient recovery in the region. As such, climate change adaptation and mitigation, conservation, sustainable agriculture, improved disaster response, and sustainable urbanization remain key pillars of the IDB Group's work. And diverse sectors including sustainable infrastructure, covered in Chapter 11, reflect the many areas in which green growth can and should be prioritized and achieved.

Enhancing the region's capacity to address persisting and emerging development challenges remains a central focus for the IDB Group. Thus, as Chapter 10 reveals, the IDB Group and its partners doubled down on efforts to strengthen the region's institutions in 2020, with a focus on bolstering transparency and anti-corruption efforts and enhancing citizen security. As Chapter 8 reminds us, relatively novel challenges like the region's migration crisis demand more capable institutions and greater agility, flexibility, and responsiveness, as well as ample and continuous support from public and private sector partners alike.

Finally, as Chapters 7 and 12 reveal, the IDB Group is consistently focused on improving *how* it works and the value proposition it offers both its partner organizations and the LAC region in general. Thus, in 2020, IDB Group specialists continued innovating in the design of financing instruments that take every dollar further, enhance the impact of partner contributions, and unlock added benefits for LAC countries. Co-financing once again remained a preferred instrument for partner support, and thus the IDB Group continued its efforts to streamline and facilitate co-financing arrangements with partners that enable greater resource mobilization for the region. In addition, the mobilization of knowledge and innovation from partners remained a key focus of the IDB Group's work, with academic collaborations a continued priority for the IDB Group as it works to channel expertise and novel solutions to countries throughout the region.

CHAPTER 1

A Time of Transformation, a Bank in Action: the IDB Group's Response to COVID-19

The COVID-19 pandemic transformed life in Latin America and the Caribbean (LAC) and around the world. In addition to devastating health implications and loss of life, in 2020 the region saw a 7.4 percent contraction of GDP, 34 million people lose their jobs, and at least 40 million fall into poverty. Yet from the onset of the crisis, the IDB, its entity for the private sector IDB Invest, and its innovation laboratory IDB Lab hit the ground running, mobilizing the IDB Group's full resources and capabilities to help countries and companies navigate the social, economic, and health-related impacts of the pandemic.

The COVID-19 pandemic triggered a 7.4 percent contraction of GDP in LAC, while 34 million people lost their jobs and at least 40 million fell into poverty.

Responding effectively required the IDB Group to be flexible, efficient, and creative. As such, it approved a proposal to apply contingent credit facilities for natural disasters to public-health risks. To provide guidance and centralize information, it created a platform featuring real-time updates, events, and knowledge products. In coordination with country partners that confronted the disease early on, it compiled and disseminated best practices. And critically, IDB Group staff rapidly shifted to the "new normal" of remote work, tweaking processes and procedures to fast-track response efforts.

As a result, in 2020, the IDB's sovereign guarantee disbursements were up 55 percent compared with the previous year. Throughout the year the IDB channeled $8.08 billion to tackle COVID-19, while its total sovereign guarantee approvals reached a record $12.6 billion. IDB Invest nearly doubled 2019 numbers by approving $9 billion. And IDB Lab increased its number of operations by 40 percent to reach a total of 126, of which 20 were pandemic-related prototypes.

In 2020, the IDB channeled more than $8 billion to address the COVID-19 crisis in LAC, as IDB Invest and IDB Lab also had record years.

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In these efforts, partners proved essential. As soon as the severity of the crisis became clear, the IDB tapped its global web of collaborators to expand the region's network of critical equipment suppliers. Partners from the public, private, philanthropic, and academic sectors redirected existing funding to address immediate needs and provided new financial contributions, cutting-edge technologies and solutions, knowledge and best practices, and access to platforms for generating dialogue, co-creating solutions, and strengthening collaborations. Throughout the year, these efforts translated into $4.37 billion in resources mobilized from partners.

IN 2020, THE IDB IDENTIFIED FOUR PRIORITY ACTION AREAS TO GUIDE ITS COVID-19 RESPONSE:

- **Public health preparation and response capacity**
- **Safety nets for vulnerable populations**
- **Economic productivity and employment**
- **Fiscal policies to ameliorate economic impacts**

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Japan: First in Line to Support LAC's Pandemic Response

By April 2020, the **Government of Japan** had become the first partner to officially join forces with the IDB Group in response to COVID-19. Throughout the year, Japan worked through the IDB-managed *Japanese Trust Funds* to approve 10 projects for $7.3 million, reaching 17 countries across the region through various angles.

On the public health front, Japanese funding bolstered the capacity of and coordination between public health ministries as they worked to respond to the crisis, and to help members of the Council of Health Ministers implement COVID-19-related measures. To facilitate detection and mitigate the impact of non-health crises, Japan helped strengthen national early warning systems and integrate both disaster and health epidemic and pandemic emergency scenarios. To mitigate the social costs of the pandemic, particularly those borne by the region's most vulnerable people, Japanese financing leveraged technology to guarantee continued education during isolation for children with disabilities. Finally, to support economic reactivation, Japan supported efforts to develop post-COVID reopening business strategies and ensure the economic recovery of indigenous populations.

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With Sweden, Breaking the Innovative Finance Mold

To finance the Sustainable Development Goals and recovery in LAC, the international community faces a massive financing gap that governments cannot fill on their own. To further complicate matters, the IDB Group's capacity to help is limited by the envelope that caps how much it can support each country. Especially in vulnerable nations, this means critical challenges go unaddressed. And now that COVID-19 has triggered a global recession, countries need more support than ever.

To address these capital constraints, the IDB joined forces with the **Government of Sweden** to develop an innovative risk transfer mechanism that expands its financial capacity. This mechanism provides a guarantee of $100 million dollars from Sweden on the IDB's lending portfolio to Brazil, which captures a high percentage of total IDB lending to the region.

As a result, the IDB can guarantee high-exposure, high-risk countries to generate capital for more vulnerable nations facing greater financing needs. For example, the capacity generated by this guarantee allows the IDB to increase lending by $300 million in Bolivia, Colombia, and Guatemala — countries with less exposure.

The first operation financed by this guarantee targeted COVID-19 relief efforts in Guatemala, specifically to sustain the quality of life and incomes of vulnerable populations impacted by the pandemic through the *Fondo Bono Familia* program. Guatemala's Ministry for Social Development will implement the program, while the IDB will provide technical assistance and $100 million in financing enabled by the Swedish guarantee.

The COVID-19 pandemic is a challenge to societies all around the world. Those hardest hit are the poor, especially informal workers and women. This is a global challenge that can only be met through new partnerships based on innovation. This unique collaboration between Guatemala, the IDB and Sweden is a great example of such a partnership."

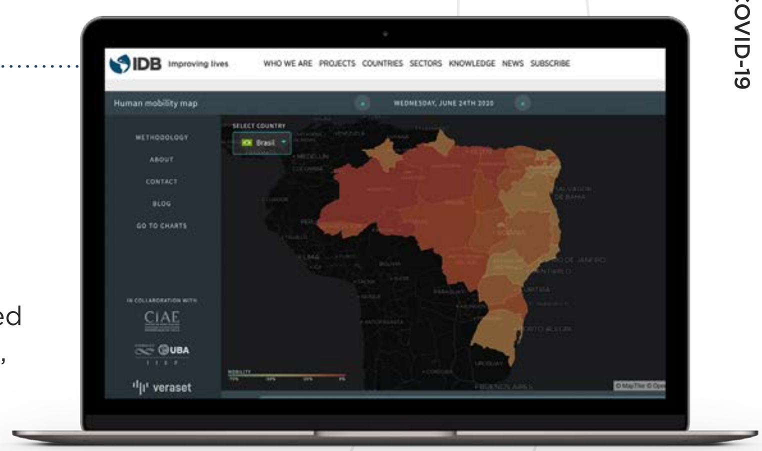
Anders Kompass
Sweden's Ambassador
to Guatemala

Although guarantees are not a new concept, this partnership with Sweden is innovative in its use of a guarantee to de-link the guaranteed country from countries where the additional capacity is deployed. Notably, this structure surpasses the 1:1 leverage achieved by most project guarantees, unlocking $3 for development for every $1 guaranteed.

To Curb COVID-19, Korea Channels Expertise and $53 Million to LAC

Another essential partner in the IDB's COVID-19 response has been the **Government of Korea,** which early into the crisis co-financed a policy-based loan to help Paraguay address the pandemic. Complementing an IDB loan of $160 million with $50 million from the IDB-managed *Korea Infrastructure Development Co-Financing Facility,* through this project Korea is supporting healthcare spending, temporary cash transfer programs, small businesses, and struggling companies, while encouraging knowledge sharing based on its own experience tackling the pandemic.

In addition, four projects worth $3 million were approved by the *Korean Trust Funds,* funds financed by Korea and administered by the IDB. As part of this package, $1 million will support efforts to share Korea's ICT-based healthcare network, a $1 million project will encourage Korean startups to support technological exchange, $800,000 helped build remote learning platforms in Uruguay, and $200,000 supported a self-quarantine monitoring application in Peru.



With Amazon Web Services, Leveraging Big Data to Tackle COVID-19

The onset of the pandemic generated an urgent need among governments for comprehensive, up-to-date, and disaggregated information on human mobility. Against this backdrop, the IDB joined forces with **Amazon Web Services (AWS)** to create an innovative new project using geo-referenced cell phone data to document the impacts of the pandemic and social distancing measures on mobility. A key component of this effort is the "People's Mobility Map" website, launched in April to reflect, in real-time, mobility patterns at the national and sub-national level for 22 countries in the region.

To this effort, AWS contributed $10,000 in credits for the use of the company's big data processing tools. And importantly, they offered technical support and advice during the project's early stage, helping to design a digital architecture for the website and ensure the right processing tools were used. As a result, the project was able to deliver the website within one month.

The project also published a working paper titled "#StayAtHome: Social Distancing Policies and Mobility in Latin America and the Caribbean" and four blog posts on big data and the pandemic.

Spain approved a $1.5 million project to support digitalization in the tourism sector, seeking to reactivate this industry has that been so affected by COVID-19 and address structural challenges as well.

Spain Invests €13.74 Million in IDB-Managed Strategic Fund

The **Government of Spain,** through its **Ministry of Economy and Digital Transformation,** has expanded its historic partnership with the IDB through a contribution of €13.74 million to the Spanish General Cooperation Fund. The contribution reinforces Spain's commitment to the region as it strives to recover from COVID-19 and the hurricanes that hit Central America in late 2020.

Since its creation in 2001, the fund has financed 246 projects related to digital transformation, infrastructure investment promotion, regional integration, and many other topics. To date, Spain has contributed more than $100 million to the fund. Its resources are also available to IDB Invest and IDB Lab, enabling support to private enterprises, entrepreneurship, and other topics that are critical to recovery.

This new contribution to the Fund is a sign of the importance the Government of Spain gives to the recovery and prosperity of the…region and…of confidence in the Inter-American Development Bank as a priority partner in Latin America and the Caribbean, to lead this path of sustainable and inclusive economic growth that ensures the greatest prosperity for its inhabitants."

Ana de la Cueva
Spain's Secretary of State for Economy and Business Support

Supporting SMEs with Spain's IE Business School

As part of its collaboration with the IDB, Spain's prestigious **IE Business School** quickly mobilized support to LAC as it navigated the impacts of COVID-19. The partners collaborated in the context of *ConnectAmericas,* an IDB-led platform that helps small and medium enterprises (SMEs) in the region export and grow their business. Drawing from faculty expertise and a robust portfolio of online business courses, the university crafted relevant content for *ConnectAmericas* free of charge and provided *ConnectAmericas* users with full scholarships to certificate programs related to digital marketing, data science, and other topics. Finally, the partners hosted a Masterclass for SMEs led by Eduardo Pedreño, Associate Professor for Innovation and Digital Transformation at IE, on adapting digital marketing strategies in times of crisis.

To help address the health crisis surrounding COVID-19, in 2020 the IDB worked through *ConnectAmericas* to identify and map suppliers of pandemic-related goods and services. Through an interactive map, *ConnectAmericas* geo-referenced more than 2,000 companies in its network that offer masks, ventilators, hospital management solutions, telemedicine, and other relevant products and services, while providing a form through which interested firms could register to help address the emergency. See more about *ConnectAmericas* on page 43.

In 2020, the Spanish Promotion Agency ICEX presented its report "Global LatAm" to the *ConnectAmericas* audience, sharing its research regarding the status, trends, and challenges facing the region's firms and its increasingly international economy.

CHAPTER 2

Keeping Communities Healthy

The health crisis caused by the coronavirus pandemic presents a historic challenge. Thus far, COVID-19 has claimed more than 500,000 lives across Latin America and the Caribbean. The pandemic has also shed light on the limitations of healthcare services across countries and the disproportionate burden borne by the region's most vulnerable populations. In this context, the IDB has and will continue to play a key role in coordinating regional efforts, providing financial support, and helping countries access key resources to address this crisis. And across the board, the IDB Group and its partners have doubled down on efforts to advance the health and wellbeing of communities across the region.

Coalition of International Organizations Support COVID-19 Response

The IDB is actively partnering with a group of international organizations to provide countries critical support during the COVID-19 crisis. To this end, the IDB successfully negotiated agreements with the **Pan American Health Organization (PAHO)**, the **United Nations Development Program (UNDP),** and **United Nations Office for Project Services (UNOPS),** making it possible for IDB borrowing member countries to work with these organizations in the context of IDB-financed operations related to the pandemic.

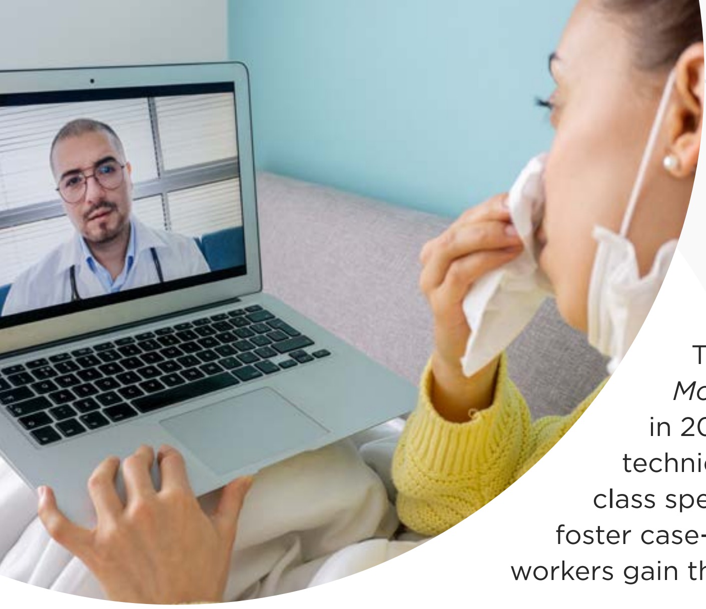
As a result, the IDB channeled $54.5 million to PAHO, UNDP, and UNOPS to procure training for medical professionals, technical assistance to establish COVID-19 protocols, diagnostics, medical equipment, and personal protective equipment, among other items. Through these arrangements, countries including Ecuador, Haiti, Honduras, and Nicaragua have been better able to access resources, expertise, and support to enhance their COVID-19 response. In addition, the IDB collaborated with the **World Food Program** in Haiti, channeling $40.7 million in support of vulnerable populations.

Moreover, the IDB and PAHO are closely collaborating to contribute to the success of the *COVAX Facility* administered by **Gavi, The Vaccine Alliance,** a program that strives to deliver COVID-19 vaccines to lower-income countries. The IDB is working to ensure vaccine doses will be delivered to LAC countries as soon as they are available. Already, the IDB has financed early COVAX payments to ensure access to vaccines in Argentina, Belize, Ecuador, and Trinidad and Tobago.

Critically, in December, the IDB pledged to mobilize $1 billion to help LAC countries acquire and distribute COVID-19 vaccines. The funds will complement $1.2 billion committed by the IDB in 2020, as well as other funds programmed for 2021, to save lives through better testing and tracing, enhanced clinical management, and other measures. The IDB will support countries in three main areas: the purchase of vaccine doses through multilateral efforts like the *COVAX Facility* or individual efforts by countries, institutional strengthening to help countries effectively deploy vaccines, and investment to build immunization capacity and finance operational costs.

With The Rockefeller Foundation, Creating a COVID-19 Community of Practice

With financial support from **The Rockefeller Foundation,** the IDB is fostering knowledge sharing and collaboration to tackle COVID-19. With a contribution of nearly a half million dollars from the Foundation, the partners are adapting the methodology used by its Pandemic Solutions Group to create a community of practice to foster pandemic-related collaboration and knowledge exchange among subnational governments in Argentina, Brazil, and a group of Caribbean countries. The partnership aims to improve current practices, facilitate the adoption of promising initiatives, and promote a more integrated and cohesive response to the pandemic.



In Uruguay, Scaling Project ECHO to Address COVID-19

The *Extension for Community Healthcare Outcomes (ECHO) Model,* launched by the **University of New Mexico (UNM)** in 2003, uses interactive video technology and adult learning techniques to connect community health providers with world-class specialists for real-time, collaborative sessions. Intended to foster case-based learning and mentorship, the sessions help local workers gain the expertise to provide top-of-the-line medical services.

In 2014, the ECHO Model reached Uruguay through a partnership established between UNM and Uruguay's ***Universidad de la República (Udelar).*** Led by the renowned doctor Henry Cohen, ECHO Uruguay uses tele-clinics to facilitate training and connect university specialists with medical professionals from around the country. In 2018, the IDB and Udelar joined forces to expand the scope of ECHO Uruguay to include a focus on non-communicable diseases and other health challenges, and to finance training for an additional 2,500 medical professionals and 30 professors. Thanks to this partnership, ECHO was rapidly scaled and expanded to address some of the health challenges associated with COVID-19 in Uruguay, as well as 12 other LAC countries. In 2020, the IDB approved $750,000 in new financing to expand ECHO to Belize, Ecuador, and El Salvador, made possible by the **Government of Japan** through the *Japanese Trust Funds.*

As part of the Bank's COVID-19 response in Uruguay, the IDB and Uruguay's *Agencia Nacional de Investigación e Innovación (ANII)* joined forces to finance the production of 10,000 COVID-19 diagnostic kits when the pandemic first hit in March 2020. ATGen, Pasteur Institute, and Udelar led production of the kits.

In the Health Sector, Brazil's NIC.br and the IDB Team Up

In 2020, the Brazilian non-profit **NIC.br** joined forces with the IDB to improve information collection in the health sector. In a new agreement, the partners outlined joint efforts to ensure quality in the design and implementation of surveys that measure access to and the use of communication and information technologies for health-related purposes. NIC.br is the entity responsible for implementing the work of the Brazilian Internet Steering Committee, a multi-stakeholder organization that coordinates internet service initiatives, promotes technical quality and innovation, and provides a unique governance model for the participation of society in decisions involving network implementation, management, and use.

France Pledges €3 Million to IDB's Aging Facility

For the first time in history, most people worldwide can expect to live beyond age 60. This longer life expectancy and declining fertility rates mean the population is aging at a rapid pace. Already, citizens over 60 account for 11 percent of LAC's population. And by 2050, this figure is expected to reach 25 percent.

Why is this significant? Aging increases the risk of contracting diseases, while reduced physical and mental capacity may make citizens dependent on others for daily care. The IDB estimates that in the region, nearly 8 million people over the age of 60 are already dependent, and that this figure will escalate as this demographic transition continues to unfold.

In this setting, the IDB has created the *Aging Facility* to address the multidimensional consequences of aging. Financed with €3 million from the **French Development Agency (AFD),** the initiative promotes long-term care services and support, adapts healthcare systems to the needs of dependent elders, develops initiatives that promote healthy aging, and finances elderly care services. The facility prioritizes gender equality because women are the main providers of unpaid family care and represent the largest demand for long-term care services, as well as climate-sensitive programs given that the elderly are particularly vulnerable to climate change impacts.

A key component of the facility is its long-term care policy network, *RedCuidar+*, created to strengthen the region's policy response to the challenge of aging. Supported by the **European Union's EUROsociAL+** program and **AFD,** *RedCuidar+* seeks to help countries enhance institutional and technical capacity in the area of long-term care services.

Amid COVID-19, the SPOON Project Continues Serving Young Children

In recent years, rising obesity and persistent undernutrition have generated a double burden of disease impacting the most vulnerable populations in LAC. Infant and young child feeding practices are important factors for addressing these twin challenges, while solutions that feature behavioral change strategies and nutrient supplements have the potential to reverse these trends, especially if applied in the first 1,000 days of a child's life.

With this in mind, the *SPOON Project* has been working for several years to pilot an innovative approach to preventing undernutrition and the risk of obesity in children aged 0 to 24 months. An IDB project supported by the **PepsiCo Foundation,** *SPOON* works to achieve these health outcomes in Guatemala through a comprehensive behavioral change strategy that includes enhanced child feeding practices and nutrient supplements, among other components.

Throughout the year, the project continued serving beneficiaries despite COVID-19. To this end, it developed sanitary protocols and procured medical equipment to protect beneficiaries and field workers. *SPOON* also developed a communications strategy for COVID-19 prevention at the community-level, which included distributing informational posters to households and using WhatsApp and SMS to deliver critical information through video, text, and audio messages. These measures, combined with the strong trust cultivated with communities over the course of implementation, reduced program disruption due to COVID-19 to only three months.

In addition to improving health outcomes for participating communities, *SPOON's* rigorous impact evaluations are intended to generate evidence about the efficacy of this approach and inform future policies. In July, the project's impact evaluation design was showcased and published in the *British Medical Journal*.

As a result of *SPOON*, more than 1,300 children are currently receiving nutritional supplements, while more than 650 mothers are receiving individual nutritional counseling.

The *Salud Mesoamerica Initiative* Navigates COVID-19, Shows Measured Improvements in Health Outcomes

For eight years, the *Salud Mesoamerica Initiative (SMI)* has been driving measurable improvements in maternal and infant health outcomes in the Mesoamerican countries of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama, as well as in Chiapas, Mexico. In 2020, SMI continued supporting six of these countries in these efforts.

Established in 2012, SMI is a public-private partnership managed by the IDB with financing from the **Bill & Melinda Gates Foundation,** the **Carlos Slim Foundation,** the **Governments of Canada** and **Spain,** and the **Governments of eight Mesoamerican countries.** Using an innovative results-based financing (RBF) model, the partnership encourages governments to invest in health progress and rewards them for meeting specific targets. In the process, the $132 million provided by donors has leveraged $44 million in domestic financing from beneficiary countries, all with the goal of reducing health equity gaps for the poorest 20 percent of the population.

The second wave of operations concluded in 2018, with all countries reflecting substantial improvements in access to quality health services for the poorest women and children. Moreover, Belize,

Costa Rica, El Salvador, Honduras, Mexico, and Nicaragua met predetermined targets, earning cash incentives for their performance. The third wave of operations will conclude in December 2021 in Belize, El Salvador, Honduras, and Nicaragua.

Although COVID-19 delayed implementation of some operations, SMI addressed the pandemic head-on. SMI helped countries minimize the impacts of the pandemic on health systems and ensure the delivery of essential services including reproductive, maternal, neonatal, and child health. SMI partners and beneficiary countries set out to reimagine the delivery of essential care, investing in the first level of care, implementing telemedicine home visits, and prioritizing community outreach programs to support vulnerable populations.

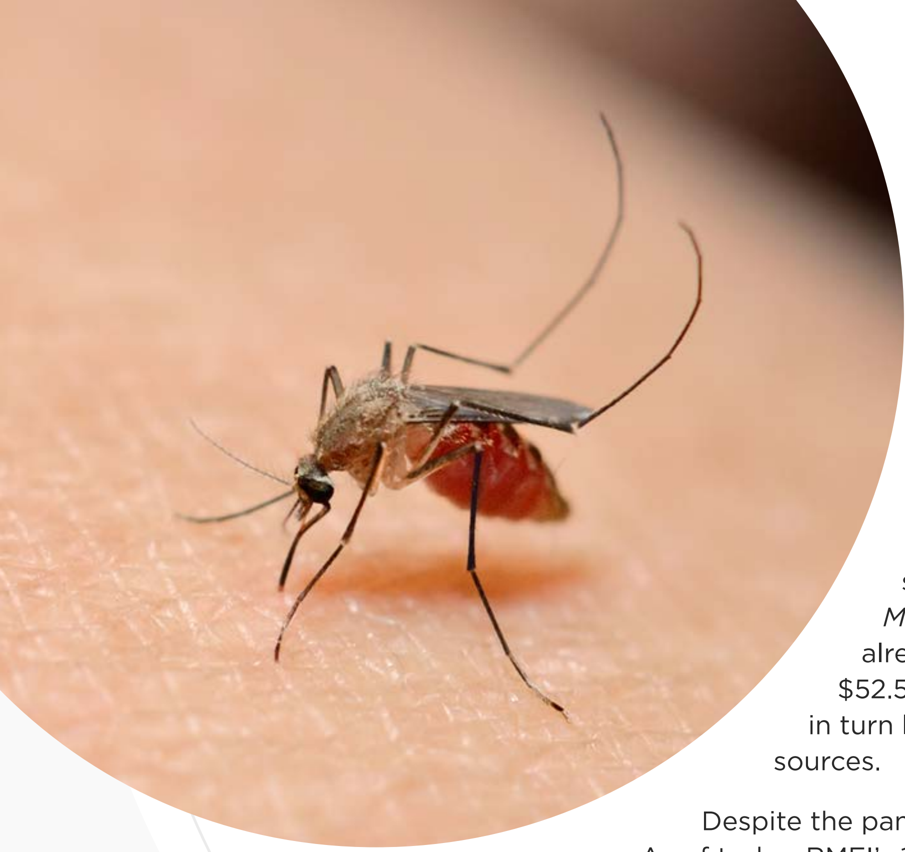
SMI's RBF model, tools, and lessons learned inspired the *Regional Malaria Elimination Initiative* and the design of new IDB-financed operations in Bolivia, Guyana, and Paraguay.

A Results-Oriented Partnership

According to impact evaluations, SMI has improved the timeliness and quality of prenatal care, coverage of institutional delivery, and quality of care for women facing obstetric and neonatal complications. In El Salvador, the RBF model doubled the number of preventive checkups compared with efforts financed by traditional loans. These checkups also resulted in better health conditions due to a 28 percent reduction among women in terms of hospitalizations for ambulatory-care-sensitive conditions. In Honduras, the coverage of institutional births by qualified personnel increased from 76 percent to 90 percent in targeted areas, with 12 percentage points of this increase attributable to SMI. Finally, SMI has shown that incentives are not only monetary; evidence from an experimental evaluation in El Salvador shows that community health teams that received in-kind incentives improved performance faster than those that did not.

NEW OPPORTUNITY

COVID-19 is not just a health crisis, with school closures affecting 23 million high school students in Mesoamerica, nearly one million of whom are not expected to return to school at all. To address this challenge, and to build on the *Salud Mesoamerica Initiative's (SMI)* success generating measurable improvements, the IDB joined with the United Nations Children's Fund and ten Mesoamerican countries to create the *Mesoamerican Education Initiative.* This alliance seeks to convene additional public and private sector partners to put young people at the center of efforts to transform the region's educational systems. Using the same results-based financing model piloted by SMI, it strives to improve education outcomes for the most vulnerable 20 percent of high school aged youth in Mesoamerica. Its goal is to generate systemic change that will double the number of young people who graduate from secondary school with adequate skills for the job market.



Moving Towards the Zero-Malaria Target

The *Regional Malaria Elimination Initiative (RMEI)* is a public-private alliance that uses a results-based financing model (RBF) to eliminate this disease in Mesoamerica and the Dominican Republic. Inspired by the success of the model used by the *Salud Mesoamerica Initiative,* the initiative has already committed a total of $102.5 million — $52.5 million of it in donor financing, which has in turn leveraged $49.69 million from domestic sources.

Despite the pandemic, RMEI's results are impressive. As of today, RMEI's 10 participating countries have updated strategic and operational plans and identified around 300 active foci where transmission is high and for which local plans have been developed. Given the initiative's regional approach, binational border agreements are also being negotiated to appropriately manage the importation and exportation of malaria cases.

At the strategic level, RMEI has helped governments align, harmonize, and prioritize investments for malaria elimination and adapt malaria service delivery mechanisms to the COVID-19 context. Moreover, RMEI has helped countries implement the novel foci management approach proposed by the **Pan American Health Organization (PAHO)** at scale, which helps the initiative maintain a local focus and builds analytical and decision-making competencies for addressing problems as they occur. Despite challenges posed by COVID-19, in 2020 foci teams were developed to manage malaria elimination activities at the local level in all countries. To date, more than 12,000 community health workers and ministry of health personnel have been trained to serve hardest-to-reach populations and more than 300,000 rapid tests to diagnose malaria have been made available at more than 1,600 diagnosis posts.

The World Health Organization and PAHO announced that seven RMEI countries are likely to eliminate malaria by 2025. In 2021, El Salvador was certified as a malaria-free country and Costa Rica and Belize are expected to soon follow. And importantly, RMEI and its use of the RBF model is expected to accelerate the achievement of the zero-malaria target.

Administered by the IDB, RMEI is a partnership between the **Governments of Central American countries, Colombia, the Dominican Republic,** and **Mexico,** as well as the donors **Bill & Melinda Gates Foundation,** the **Carlos Slim Foundation**, and the **Global Fund to Fight AIDS, Tuberculosis, and Malaria.** RMEI also receives critical support from the **Clinton Health Access Initiative,** the **Council of Ministers of Central America, PAHO,** and the **Project Mesoamerica.** RMEI strives to eliminate the indigenous transmission of malaria and prevent the re-establishment of transmission by improving health system readiness, surveillance, and response.

With the European Commission, Tackling NCDs in Jamaica

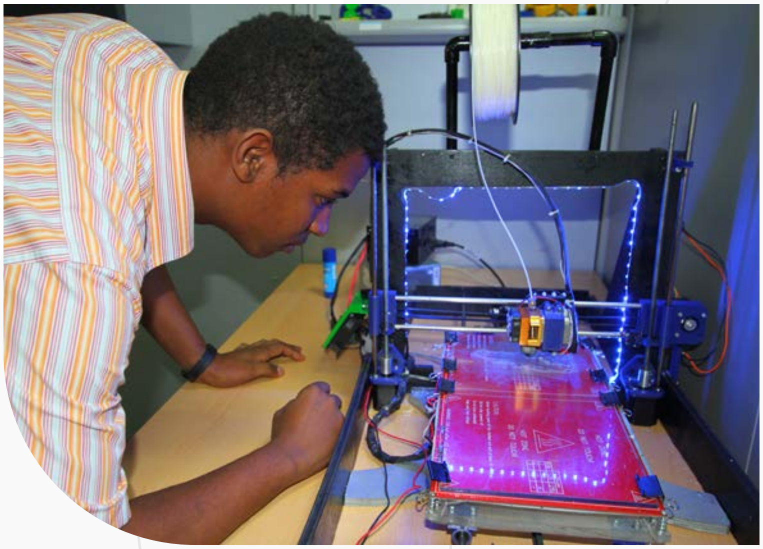
Over the years, Jamaica has experienced marked improvements in maternal and child health and controlling infectious disease. Yet it has also undergone an epidemiological transition and now faces greater challenges posed by noncommunicable diseases (NCDs) such as cardiovascular diseases, cancers, and diabetes. As a result, the country now struggles to meet growing demand for NCD services.

To address this challenge, the IDB approved a policy-based loan and investment loan to improve the health of Jamaica's population. The funds seek to strengthen policies related to NCD risk factor prevention, improve chronic disease management, enhance hospital services, and better leverage technology and informatics, among other measures. To support these efforts, the **European Commission** provided an $11 million grant through its *Caribbean Investment Facility,* a regional blending facility that leverages resources by combining grants with other funding sources.

CHAPTER 3

Fostering Digital Transformation, Delivering Digital Solutions

Digitalization pays long-term dividends in terms of growth, innovation, and social inclusion. Moreover, digital solutions can address development challenges more efficiently and effectively, while ensuring access to digital technologies and the skills to leverage them is essential to the prosperity of countries, companies, and citizens alike. With this in mind, the IDB is committed to harnessing digital solutions to solve persisting development challenges, as well as improving regulatory frameworks, fostering innovation, closing the digital skills gap, and promoting increased investment, especially in connectivity infrastructure. This section highlights how the IDB Group is working with its partners in these areas and beyond.



Preparing Youth for a Digital Future: A Partnership with Google Flourishes

In 2020, **Google.org,** the IDB, and IDB Lab kicked off efforts to create meaningful employment for young people in Brazil and Panama. Announced in 2019, the collaboration seeks to help more than 2,000 vulnerable and low-income youth secure IT employment using a four-month training model that combines Google's IT certification program, a soft skills curriculum, and job placement services.

In Brazil, 34 participants have now gone through the first cohort, while in Panama 43 students joined the program. In both countries, students were immersed in lessons on technical support, customer service, and cybersecurity, as well as soft skills related to socio-emotional relationships and communication. In addition to training, the students participated in webinars and weekly meetings to discuss career opportunities and other topics.

Implementation was not without challenges, however, as COVID-19 introduced new obstacles related to students' household income, physical health, mental wellbeing, and program access: three of every 10 students were unable to connect to sessions because they lacked access to a computer, smartphone, or stable internet connection. The partners took immediate action to alleviate as many of these concerns as possible, providing food donations and psychological support that reduced student stress and anxiety levels, while tapping local allies for donations of technological devices and data packages.

This effort is a response to troubling rates of youth unemployment, a persisting IT skills gap, and the region's continued struggle with inequality. As a result, it strives to reach young people age 18 to 29 and places special emphasis on NEETs (youth who neither work nor study), women, and Afro-descendants.

Google estimates that only 16 percent of participants from vulnerable communities complete IT certification programs. But this figure can swell to 60 percent when students are provided additional support related to social skills, career services, and more.

Digi/GOB: A Partnership to Keep Governments Running

As social distancing measures drove employers worldwide to institute telework, many struggled to maintain operations in this new online setting. In particular, many governments are poorly suited to remote work, with a 2019 IDB study revealing that only 7 percent of public transactions in LAC can be completed entirely online. As such, the very lockdown measures adopted to mitigate the risks of the pandemic threatened to interrupt public service delivery in a time of dire need.

As a cloud-hosted platform, *Digi/Gob* can be implemented in any country regardless of its level of digital infrastructure. It can also be rapidly implemented and scaled to ensure government business continuity during this crisis and beyond.

Fortunately, **everis NTT Data, Microsoft,** and the IDB joined forces early on, providing governments with an innovative, immediate digital solution through the *Digi/Gob* platform. An *ad hoc* platform that can be adapted to meet a country's needs within 2–3 weeks, *Digi/Gob* was developed by everis NTT Data in the Microsoft cloud to enable the electronic processing of public transactions and eliminate physical interactions on the back and front ends: citizens can request transactions through an on-line kiosk and civil servants can complete requested services from their homes. Thus, *Digi/Gob* can help governments continue providing public services in the short term while paving the way for a more ambitious agenda on public sector digital transformation in the longer term.

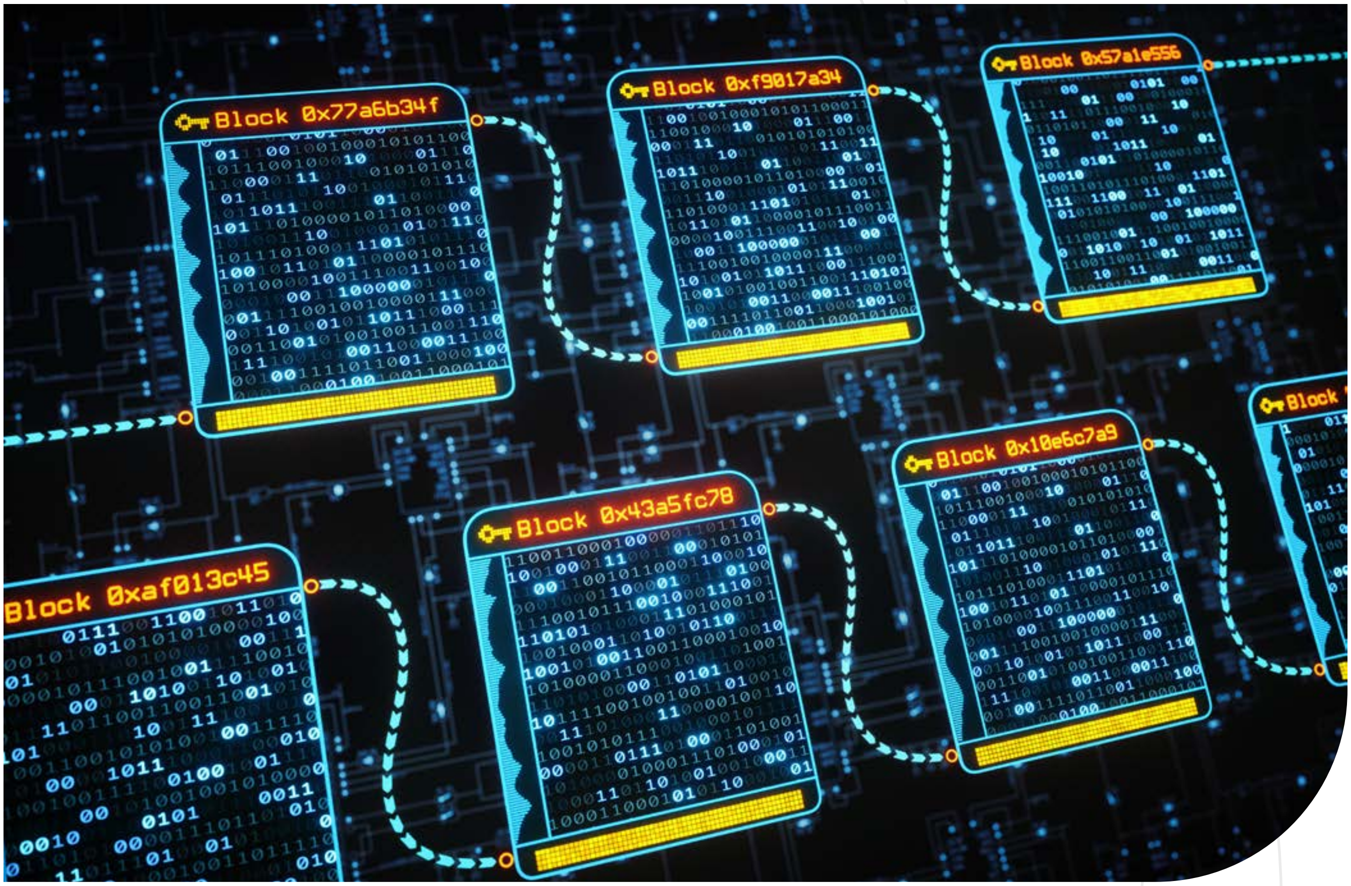
Through this collaboration, everis NTT Data and Microsoft contributed this turn-key digital solution free of charge and shared technical expertise, while the IDB worked directly with governments to achieve rapid implementation. A key aspect of this partnership is its use of the cloud to enhance effectiveness and accelerate digital transformation processes in the public sector. To date, *Digi/Gob* has been implemented in El Salvador, Guatemala, and Honduras.

"At Microsoft, we focus on providing secure cloud technology to deploy effective and viable solutions that ensure operational continuity for every sector. This partnership with the IDB and everis will help us enable one such solution for governments in Latin America, responding to a key need for the current situation and also contributing to the future digital transformation of government agencies and institutions."

Cesar Cernuda
Former President, Microsoft Latin America and Corporate Vice President, Microsoft Corporation

"In the face of COVID-19, it is our hope that this partnership will empower governments to operate effectively and efficiently as they work to minimize the negative social and economic consequences of this health crisis. In addition, we believe these efforts can lay the foundation for the sustained digital transformations of these governments, ultimately setting them up to provide more modern and comprehensive services in the long term."

Juan Yáñez
CEO, Americas region, everis NTT Data



With 40 Partners, LACCHAIN Sets Out to Achieve a 7-Digit Impact

In 2020, the *LACCHAIN* initiative continued to grow. Led by IDB Lab, *LACCHAIN* seeks to accelerate the development of the blockchain ecosystem and promote blockchain-enabled projects that advance the socioeconomic inclusion of vulnerable populations. The initiative is currently implementing more than 30 projects involving 60+ public and private entities across 12 countries. Together, these efforts intend to achieve a 7-digit impact — in other words, they intend to reach more than a million people — through greater access to social, economic, and financial services for poor and vulnerable people. To date, *LACCHAIN* is comprised of 40 partners including **Alastria, Citi Group, ConsenSys,** the **Development Bank of Brazil (BNDES), everis NTT Data, Iberclear, INATBA, Garrigues,** and **Red Clara.**

With Esri, Combating COVID-19 through Geospatial Technology

Esri, the global leader in location intelligence, and the IDB teamed up in 2020 to enhance the region's response to COVID-19 through free access to geospatial technology. Through this partnership, governments have been given access to a custom solution that, based on their specific needs, enables them to track critical equipment and assets availability, manage supply chains, and maintain business continuity.

The collaboration leverages Esri's *Disaster Response Program* to provide governments analytical models, dashboards, and control centers to monitor the spread of the virus and identify where intervention is needed. The partners are already collaborating in Argentina, Dominican Republic, El Salvador, Honduras, Mexico, and Peru, with the intention of scaling efforts in the future.

In addition to the public health response, the Esri-IDB partnership will also support the three other priority areas identified by the IDB in its efforts to address COVID-19, including the creation of safety nets for vulnerable populations, economic productivity and employment, and the development of fiscal policies to relieve economic impacts.

> **We are very proud to assist IDB in providing support to Latin America and the Caribbean. The ability to understand emergency management capacity is crucial to handling a crisis like this, and it is our mission to offer enhanced technological capabilities that empower governments around the globe to respond faster, and with the best data resources at their disposal."**
>
> *Jack Dangermond*
> *Founder and President, Esri*

SoftBank Group and the IDB Expand Partnership

In 2020, the IDB Group's partnership with **SoftBank Group** further evolved. Building on a three-year partnership agreement signed in 2019, the collaboration has channeled $144 million in investments to the region. These include credit facilities worth $130 million funneled to SoftBank portfolio companies alongside IDB Invest. To date, these efforts have focused on supporting MSMEs, vulnerable populations, communities affected by COVID-19, and the region's aging population or "silver economy."

In addition, SoftBank Group is collaborating with IDB Lab to develop region's digital ecosystem. One key initiative is the *Data Science for All* program led by IDB Lab, to which SoftBank Group has contributed $10,000 in scholarships so MSMEs and other firms can better harness data science to improve their businesses.

Finally, IDB Invest and IDB Lab have invested in SoftBank Group's Valor Opportunity Fund and Valor Fund III, respectively, financing platforms that support technology and innovative start-ups in LAC throughout the lifecycle.

Helping Higher Education Amid COVID-19

Higher education was not immune to the impacts of COVID-19, as social distancing and lockdown measures forced universities to transform operations virtually overnight. To explore these challenges and discuss opportunities for accelerating the digital transformation of higher education, the IDB joined forces with ***Santander Universidades*** and ***Universia*** to organize the *II Dialogue with LAC University Deans.*

This virtual gathering brought together leaders from some of the region's most esteemed universities and produced "Higher Education in Times of COVID-19," a report capturing the Dialogue's most compelling conclusions. It highlights key challenges that universities have and will continue to face, including technological gaps, a lack of instruments to evaluate student learning in a virtual context, limited capacity for tele-education, the impact of lockdown measures on mental health and learning outcomes, research delays, and financial challenges. In addition, the report evaluated best practices and posed recommendations for how to adapt teaching pedagogy and better prepare professors and students to thrive in this new reality.

THE EVENT BROUGHT TOGETHER HIGH-LEVEL IDB REPRESENTATIVES AND LEADERS FROM:

- Universidad Nacional de Quilmes, Argentina
- Universidade Estadual de Campinas, Brazil
- Universidad de Talca, Chile
- Pontificia Universidad Javeriana, Colombia
- Universidad de Costa Rica, Costa Rica
- Escuela Superior Politécnica del Litoral, Ecuador
- Tecnológico de Monterrey, Mexico
- Universidad Peruana de Ciencias Aplicadas, Peru
- Universidad de Évora, Portugal
- Crue Universidades Españolas, Spain
- Universidad de Jaén, Spain
- Universidad de la República, Uruguay

Training University Leaders

Building on the insights shared at the *II Dialogue with LAC University Presidents*, the IDB and its partners at ***Fundación Universia*** sought to take action and identify innovative ways to support academic institutions with digitalization. To this end, the partners created the "International Course on Strategy and Digital Transformation" for university deans. Launched in November, this small, private online course seeks to equip 30 participants with the skills necessary to lead universities during this difficult time and to harness the potential of technology to improve teaching, research, and the relationship between universities and society.

fAIr LAC: Leveraging Ethical Tech and Tackling COVID-19

Google, Microsoft, and Telefónica expand support to fAIr LAC

At a time when the pandemic is underscoring the importance of digital solutions for accelerating sustainable development, artificial intelligence (AI) is proving to be an innovative tool for improving social services as a means of fostering more inclusive societies. That is why in 2020, the IDB's *fAIr LAC* initiative continued promoting the responsible and ethical use of this technology. Specifically, *fAIr LAC* continued piloting projects that systematize lessons learned from the use of AI to generate social impact, as well as to create a cooperative environment in which AI projects and policies can be scaled and emulated across the region. The initiative also expanded its focus to include COVID-19, seeking opportunities to harness AI to address the pandemic.

Thus far, *fAIr LAC* has created hubs in Costa Rica, Mexico, and Uruguay, as well as one based out of the **World Economic Forum's** *Center for the Fourth Industrial Revolution* in Medellin, Colombia. The initiative also launched eight pilot projects in diverse sectors, including innovations to promote early detection of diabetic retinopathy, prevent school dropouts, and promote gender neutrality in AI systems. *fAIr LAC* has also helped design and implement AI policies, strategies, and ethical frameworks in countries including Argentina, Chile, Colombia, and Costa Rica.

In 2020, an important milestone was the expanded support provided by anchor partners **Google, Microsoft,** and **Telefónica.** This funding helped position *fAIr LAC* as the region's leading voice on the responsible use of AI in international forums, including the OECD's AI Policy Observatory and the Globalpolicy.ai Group. It also supported the continued development of tools to help the region transition from principles to practice. Examples include an open-source AI-based support system for COVID-19 clinical trials developed by **C Minds,** as well as the launch of an observatory that maps AI applications designed for social impact and their preliminary results. Finally, the initiative developed an ethical self-assessment and technical manual, both of which can help policymakers mitigate ethical risks associated with AI and put ethical principles into practice.

fAIr LAC is a partnership between the public and private sectors, civil society, and academia, designed to influence public policy and the entrepreneurial ecosystem to promote the responsible and ethical use of AI. Partners include **Agesic, Barcelona Supercomputing Center, CAF, *Cinfonia, Ciudadanía Inteligente,* Coding Rights, Eticas, everis NTT Data, Facebook, Center for the Fourth Industrial Revolution (C4IR) in Medellin, *Hospital Italiano de Buenos Aires,* ILDA, INTEL, *Instituto Laura Fresatto,* Microsoft, Northeastern University, *rutaN Medellín, Tecnológico de Monterrey,* Telefónica, *Universidad de San Andrés,* Organization for Economic Co-operation and Development (OECD),** and the **World Economic Forum.**

With Korean Support, Uruguayan Schools Blend Teaching and AI

Thanks to funding from the **Government of Korea** through the IDB-managed *Korea Poverty Reduction Fund,* in 2020 an innovative project set out to use AI to help Uruguayan schools respond to challenges arising from COVID-19. The project promotes the use of "High Touch High Tech Learning," a model that transforms the role of teachers and technology in the classroom. Under this framework, teachers focus on providing a "human touch" to education, while AI is leveraged as the primary mechanism for delivering content. After the spread of COVID-19 resulted in school closures, Korea's educational authorities experimented with a variety of EdTech tools to facilitate distance learning. The Korean experience offers an interesting model that could be well exploited in Uruguay given that country's existing technology and *Plan Ceibal* platform. As a result, Uruguay will be the first country in LAC to pilot this novel approach.

Uruguay's *Plan Ceibal* was created in 2007 to promote educational policies and technological solutions that advance inclusion and equal opportunities.

In 2020, the four IDB-managed *Korean Trust Funds* — the *Korea Poverty Reduction Fund,* the *Knowledge Partnership Korea Fund for Technology and Innovation,* the *Public Capacity Building Fund,* and the *Korea Private Sector Innovation Fund* — remained an important platform for the Korea-IDB partnership. The funds approved $17.1 million for 24 projects in 2020, making positive contributions to technology, innovation, poverty reduction, and public sector management in the region.

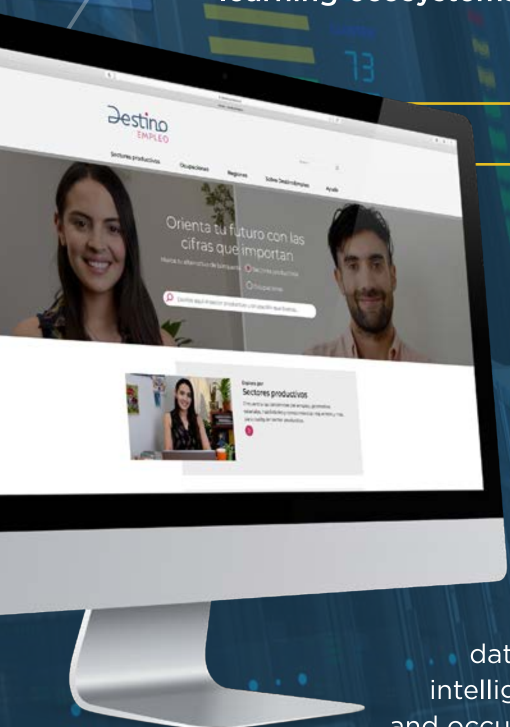
A Growing Partnership Leverages Data for Good

The **Organization for Economic Cooperation and Development (OECD)** has joined the **International Monetary Fund,** the **World Bank**, and the IDB in the *Development Data Partnership*, a consortium that seeks to achieve economies of scale in forming public-good data sharing partnerships between the private sector and international organizations. Concretely, the initiative strives to foster the use of third-party data in research and international development through a platform that facilitates and improves the security, efficiency, and effectiveness of data partnerships. To date, the partnership has convened 25 private sector collaborators who are providing access to datasets derived from mobile and survey data, social media, and geospatial tools and which are informing nine IDB projects focused on COVID-19, transportation, migration, and other sectors. The partnership is also supported by the **Bill & Melinda Gates Foundation.**

CHAPTER 4

21st Century Skills and Jobs

In Latin America and the Caribbean, there is an evident mismatch between the skills acquired by the region's young people and those today's employers demand. As such, the IDB is dedicated to fostering 21st century skills like critical thinking, problem solving, and digital competencies, all of which are essential to attracting innovative firms and ensuring citizens are prepared for the work of the future. To maximize the impact of these efforts, the IDB brings together public and private sector stakeholders to work with employers and workers, strengthen learning ecosystems, and equip citizens with the skills needed to succeed.



LABOR MARKETS

In Chile, Leveraging AI and Big Data to Improve Employment Decisions

To help Chileans better navigate their ever-evolving, increasingly digital labor market, in 2020 the **Chilean Ministry of Labor and Social Security, *ChileValora, Fundación Telefónica Movistar*,** and the IDB launched an innovative new collaboration. The partners set out to develop and launch a website that provides, clear, digestible, relevant information on labor market trends in Chile.

The resulting *Destino Empleo* website informs training and employment decision-making for Chilean job seekers and employers, harnesses big data from diverse sources, analyzes it using data science and artificial intelligence, and processes and publishes information on in-demand digital skills and occupations. Through the platform, users can research employment trends by sector, region, and job type, finding clear and helpful information regarding average salaries and sought-after skills, among other data points.

As part of this effort, *Fundación Telefónica Movistar* shared its data science and artificial intelligence capabilities, while data was gathered from collaborators including **Chile's *Bolsa Nacional de Empleo, Chile Trabajos, Laborum Chile,*** and ***Trabajando.com.*** To this initiative, the Chilean Ministry of Labor and Social Security and *ChileValora* contributed $900,000, complementing an IDB investment of $300,000.

Reducing Emissions, Creating Jobs

A new report by the **International Labor Organization (ILO)** and the IDB assesses the labor market implications of the transition to a net-zero carbon economy. It finds that 15 million net jobs can be created in the region by 2030 while protecting the region's unique natural bounty. Although this transition would likely eliminate 7.5 million jobs in fossil fuel electricity and other fields, lost jobs would be offset by 22.5 million new jobs in agriculture, renewable electricity, forestry, construction, and manufacturing.

The publication is the first of its kind to emphasize how the adoption of healthier, more sustainable diets can generate employment opportunities and reduce pressure on LAC's biodiversity. It also offers a roadmap for achieving net-zero emissions and job creation, including recommended policies to reallocate workers to new industries, create rural jobs, promote novel business models, and support displaced firms and workers.

The report received critical funding from the **Government of France** through the IDB-managed *French Climate Fund for Latin America and the Caribbean,* which was created in 2018 with $5 million from the **French Ministry of Finance** to prioritize mitigation and urban resilience efforts.

In a Labor Market Transformed by COVID-19, TVET Becomes a Beacon for Recovery

The pandemic transformed all facets of society, not least the labor market and education sector. In this setting, programs like the IDB's *Technical and Vocational Education and Training (TVET) Fund* are well-placed to play a prominent role. Particularly in the COVID-19 recovery period, which will be characterized by structural changes to education systems and labor markets, demand for such programs will surge. Already, TVET is in great demand and approximately half of the TVET Fund's $13 million in resources are already committed. And because of its increasing relevance and applicability to diverse sectors, the international community should be prepared to boost TVET programming to serve the labor market's evolving needs.

The IDB-managed *TVET Fund* was established in 2019 to transform technical and vocational education and training in the region. The Fund is supported by a contribution of $11 million from **Germany's Federal Ministry for Economic Cooperation and Development** and $2 million from the **Swiss Agency for Development and Cooperation.** In addition, **Germany's Agency for International Cooperation (GIZ)** has seconded a German expert to the IDB to accompany fund activities and provide valuable TVET expertise beginning in 2021.

21ST CENTURY SKILLS

To Impart Relevant Skills to LAC Citizens, Historic 21st Century Skills Coalition Expands

In 2020, the COVID-19 pandemic *revealed* the extent to which 21st century skills are essential to success. That's why the IDB's *21st Century Skills Coalition* remained hard at work throughout the year to implement new projects and welcome new partners aboard. Seventeen additional members joined the coalition in 2020. The new members include: **Amazon Web Services, Cimientos, Coschool, Education Above All, Education Soul, the French Development Agency, *Fundación Gabo, Fundación Real Madrid, Fundación Santillana, Fundación Sura, Fundación Trilema,* Hundred, *Instituto Límite*, the Korea Education and Research Information Service (KERIS), *Laboratoria, Plan Ceibal,*** and **Wikimedia Foundation.**

The *21st Century Skills Coalition* was created in 2019 to strengthen learning ecosystems and foster the skills youth need to seize better employment opportunities now and in the future. Since its creation, it has brought together nearly 40 partners to finance projects that support a new generation of education and training policies in the region, with a focus on reaching children and youth. Other partners of the initiative include: **Ashoka, CLOO Behavioral Insights Unit, D2L, *Empresarios por la Educación — Colombia,* Forge, *Fundación Danilo Perez, F.C. Barcelona Foundation, Fundación Gratitud, Fundación Scholas Ocurrentes,* Google, GRAMMY Music Education Coalition, Holberton School, *iNNpulsa,* ISTE, *MEDUCA — Panamá,* Minerva Project, REDUCA, Skills Agility Lab, SKT Telecom, Think Equal, TUMO Center for Creative Technologies, *Virtual Educa,*** and the IDB's *Technical and Vocational Education and Training Fund,* which is supported by **Germany** and **Switzerland.**

In 2020, the IDB's *21st Century Skills Coalition* launched a series of Disruption Briefs on how innovators can prepare today's students to be tomorrow's workforce. The briefs deepen understanding of new trends in education that are being pioneered by non-traditional actors and reveal how these actors are occupying spaces traditionally held by formal education institutions. Throughout the year, the IDB worked with ***Descomplica,* Global Alumni, Holberton School, KGI, New Pedagogies for Deep Learning (NDPL),** and ***Scholas Ocurrentes*** to launch this series, which focused on topics including remote learning and closing the skills gap. In addition, in 2020 the coalition published two "Skills for Life" briefs alongside partner **D2L,** as well as a blog series with more than 26 Coalition experts.

LAC Innovators Claim their Spot on the Global Education Stage

HundrED, the global education non-profit and member of the *21st Century Skills Coalition,* joined forces with the IDB in 2020 to launch the *Spotlight Project,* an effort to identify innovations that are promoting 21st century skills within and outside of formal education through digital, music, sports, citizenship, and entrepreneurship programs. More than 380 innovators across 16 LAC countries responded, making it the most successful HundrED call for proposals to date. More than 60 advisory board members evaluated innovations based on impact and scalability criteria, and selected innovators will be notified in early 2021. **JPMorgan** also supported this initiative.

As part of the *21st Century Skills Coalition,* the IDB published a new study on EdTech titled "What Technology Can and Can't Do for Education." The report examines how Estonia, Finland, Korea, Uruguay, and the United States engaged in EdTech reforms. Coalition members ***ISTE, the Korea Education and Research Information Service (KERIS),*** and ***Plan Ceibal*** participated in the webinar to present this report.

JPMorgan Chase Foundation to Boost 21st Century Skills in Colombia

To address the region's persisting skills gap, a $790,000 grant from the **JPMorgan Chase Foundation** will support IDB efforts to provide disadvantaged and unemployed young people in Colombia with the transversal skills and career support needed to find meaningful employment. Working with 40 youth centers across the country, the partners will provide trainings and tools to enhance the soft skills of 20,000 young people while supporting efforts to develop a digital platform that establishes credentials for high-priority skills.

Harnessing Gamification to Promote 21st Century Skills

Latin American talent in video game development has an opportunity to unite the worlds of entertainment, technology, and education, especially given the increased use of "gamification" across industries. With this in mind, in 2020 the IDB launched the *PLAY Challenge* to identify video games, digital platforms, or products that use gamification to develop, measure, or certify 21st century skills related to cognitive, socio-emotional, or executive competencies. By the time of its conclusion, the *PLAY Challenge* received more than 290 proposals spanning 30 countries and awarded more than 20 prizes. First place went to the Mexican start-up Dadbox, which received $10,000 in prize money and the opportunity to join the IDB's 21st century skills efforts. Other winners were awarded mentoring and support in developing marketing and business strategies. Notably, the pitch competition generated 11,000 views, while a *PLAY Challenge* webinar broke IDB records by generating more than 17,700 views.

EARLY CHILDHOOD DEVELOPMENT

Nurturing LAC's Youngest Citizens: Early Childhood Development Remains Key Priority for IDB Partners

Despite the unprecedented challenges introduced by COVID-19, in 2020 the IDB's *Early Childhood Development (ECD) Innovation Fund* — a partnership to finance, design, implement, and evaluate innovative and scalable approaches to improve the lives of children ages zero to five in the region's most disadvantaged communities — continued working in two primary ways.

First, the fund contributed to COVID-19 solutions and knowledge by creating a parent manual with play and language activities for children ages six to 36 months and organizing an expert webinar that convened more than 1,000 participants to discuss the pandemic's impact on children and measures to protect their development and learning. Secondly, the fund and its partners worked to ensure project continuity and to adapt implementation to the unique challenges presented by the pandemic, tweaking most projects to feature virtual solutions.

The *ECD Innovation Fund* is supported by the **FEMSA Foundation** and **Open Society Foundations** on a regional level, as well as the **Maria Cecilia Souto Vidigal Foundation** and **Porticus** for projects in Brazil. To date, it has invested $9.8 million in 18 projects across eight countries in the region.

FEMSA Foundation Expands Support to Early Childhood Development

In 2020, the **FEMSA Foundation** contributed an additional $500,000 to the *ECD Innovation Fund*, bringing its total contributions to the fund to $3.5 million. FEMSA Foundation has been an anchor partner of the fund since its creation in 2017.

In 2020 the IDB-led *ECD Innovation Fund* officially launched the *ECD Development Hub*, a one-stop online site to facilitate knowledge exchange and promote innovations related to ECD.

Bernard van Leer Foundation and the IDB Join Forces to Foster ECD

In 2020, the IDB and the **Bernard van Leer Foundation** formalized their partnership by signing a Letter of Intent that serves as a framework for collaboration on early childhood development. The partners intend to channel development financing to support and commission research on behavioral barriers and interventions on ECD.

SPORTS

Spreading the Olympic Spirit through SPORTIC

Multi-country partnership reaches youth through sports and digital skills, with a focus on empowering girls

The SPORTIC partnership strives to reach 7,000 young people across Argentina, Colombia, and Ecuador while exploring opportunities to expand its reach.

In 2020, the IDB Group doubled down on its partnership with the **International Olympic Committee (IOC)** to continue implementing *SPORTIC*, a regional effort financed by the IOC, executing partner ***Fundación SES,*** and IDB Lab to improve the lives of children and young people through sports and digital training, while also teaching the Olympic values of excellence, friendship, and respect.

In the first two years of implementation, the program has already reached nearly 4,000 young people in Argentina, Colombia, and Ecuador, 56 percent of whom are girls. Moreover, nearly 500 educators have been trained to work with adolescents on digital skills, sports, and gender perspectives. Thus far, *SPORTIC* has offered 270 comprehensive training courses for youth participants and 84 training courses for educators, and it has convened 59 institutions that are now part of the *SPORTIC* network across six cities in participating countries. Among these institutions are schools and other entities from the formal educational system, as well as community organizations.

As COVID-19 spread through the region earlier in the year, SPORTIC hit the ground running to provide a creative and timely solution, developing a digital educational platform for participants. To date, the platform has registered more than 2,500 children, adolescents, and educators, who are now better able to continue working together, engaging in virtual learning, and further strengthening their 21st century skills despite lockdown measures.

CHAPTER 5

Keeping Businesses Afloat, Fostering Entrepreneurship

Beyond the health and social challenges presented by COVID-19, the pandemic also wreaked economic havoc around the world. And in Latin America and the Caribbean and across the globe, micro, small, and medium enterprises (MSMEs) and entrepreneurs were hit hardest, particularly women-owned and -led businesses that suffered from limited access to financing, training, and other key growth opportunities even before the onset of COVID-19. Because MSMEs lie at the heart of the region's economy — they represent 99 percent of businesses and 67 percent of employment in the LAC — and because entrepreneurship is known to be a critical source for job creation, innovation, and growth, in 2020 the IDB and its partners doubled down on their support to keep struggling firms afloat and to further cultivate a regional ecosystem in which entrepreneurs and small businesses can thrive.

With We-Fi, Empowering Women Entrepreneurs

When women are in charge, businesses and communities do better. Yet women remain at a disadvantage in terms of pay gaps and access to finance, markets, contacts, and opportunities to lead and grow their skills. That's why, in 2020, the IDB Group expanded its focus on empowering women-led enterprises (WSMEs) and female entrepreneurs.

In August, these efforts received a critical boost from the **Women Entrepreneurs Finance Initiative (We-Fi),** which granted the IDB Group's program We3A $14.71 million to enhance access by women-led businesses to finance, markets, skills, and networks, primarily in technology and science-supported sectors. The program also provides acceleration and seed and venture capital to high-potential women entrepreneurs in STEM, with a focus on Central America, Ecuador, and Guyana. Currently, the priority is helping entrepreneurs navigate the economic crisis triggered by COVID-19, while identifying business opportunities that may arise from the pandemic.

The We-Fi resources granted to the IDB Group in 2019 under its program *WEforLAC* are supporting the use of blended finance instruments to motivate financial intermediaries to increase the share of WSMEs in their portfolio and offer advisory solutions to build their capacity to serve the WSME market and incentivize anchor companies to increase their sourcing from WSMEs. Also supported are activities to increase WSME access to skills and professional networks by providing world-class business development services, as well as to strengthen public and private sector actors in the entrepreneurial ecosystem to support WSME growth in Honduras, Guatemala, and El Salvador.

We-Fi is also supporting 10 IDB Invest projects through advisory services and blended finance. One project in Honduras is leveraging We-Fi funds to channel a $96 million IDB Invest loan to two leading textile companies in order to increase participating women-led or -owned companies in their value chains. In Colombia, We-Fi is supporting an IDB Invest loan of $40 million to AlphaCredit to help expand its loan portfolio — which targets retirees, independent workers, and women-owned MSMEs — through digital platforms. IDB Invest is also providing advisory support to help AlphaCredit better serve women-owned SMEs.

We-Fi is a multi-donor partnership founded at the 2017 G20 Summit to address obstacles facing women entrepreneurs. Its founding contributors include **Australia, Canada, China, Denmark, Germany, Japan, Korea, the Netherlands, Norway, Russia, Saudi Arabia, United Arab Emirates, United Kingdom,** and the **United States.**

WITH $6 MILLION PLEDGE, CANADA EXPANDS SUPPORT TO THE CARIBBEAN

As part of a robust strategy to expand support to the Caribbean, Canada has pledged an additional $6 million to the *Compete Caribbean Partnership Facility.* The funding is intended to develop business-friendly policies and support nearly 60 SMEs working in fisheries, aquaculture, marine biotechnology, and related areas. *CCPF* is a partnership between the IDB, the **United Kingdom's Foreign and Commonwealth Development Office, Canada,** and the **Caribbean Development Bank** to stimulate the private sector in the Caribbean and promote economic inclusion.

Compete Caribbean Supports COVID-Resilience and Recovery

In 2020, the *Compete Caribbean Partnership Facility (CCPF)* continued boosting productivity and innovation in firms and enhancing the business and innovation climate, with a focus on COVID-19 resilience and recovery.

For starters, CCPF-supported government digitalization projects helped the region navigate stringent lockdowns. For example, CCPF supported the Caribbean Tourism Organization (CTO) in partnership with the **Caribbean Hotel and Tourism Association (CHTA)** and the **Caribbean Public Health Agency (CARPHA),** developing a project that helps hotels and tourism providers adopt COVID-19 protocols and boost visitor confidence. The project was a winner of the IDB's Regional Public Goods competition.

CCPF is also supporting economic diversification to boost COVID-19 resilience. To this end, an institutional strengthening project is helping Barbados facilitate policies and regulations that encourage private investment in oceans, while strategies to attract green investment in Dominica are poised to create more than 1,000 jobs.

To support the region's competitiveness amid COVID-19, the program continued helping 13 clusters and value chains integrate themselves into global markets. These projects, many of which are in remote areas and employ rural and vulnerable workers, strive to enhance the competitiveness of these businesses and value chains to sustainably boost exports and improve livelihoods. One example is Belize's Smart Sugar Cane project, which supports value chain digitalization by working with the prominent sugar manufacturer Belize Sugar Limited, the 5,000 farmers the mill purchases from, local banks, and input suppliers. The effort seeks to increase information sharing in real-time to improve farmers' access to finance and the timely provision of inputs, thus increasing farmers' productivity, boosting their incomes, and making their livelihoods more sustainable. This project is complemented by a $15 million IDB Invest loan to help the sugar mill optimize its production plant.

Finally, CCPF is helping the region's private sector prepare for a new future. Through a large regional pilot, the program is delivering technology adoption technical assistance to 50 firms while boosting the capabilities of business support organizations and local suppliers to deliver these services in a sustained manner. The program also helped develop seven community-based tourism pilot programs that cater to the growing number of sustainability-conscious consumers, as research indicates they will be increasingly prominent following the pandemic.

With the Caribbean Development Bank, Improving the Lives of Caribbean People

In 2020, the **Caribbean Development Bank,** the IDB, and IDB Invest announced efforts to support economic development and the integration of the Caribbean community and common market. In a new agreement, the partners pledged to cooperate through the financing and co-financing of projects, financial and advisory services, and capacity building intended to build resilience, further inclusion and equality, and enhance governance and innovation.

The European Commission and IDB Team Up in the Caribbean

The **European Commission**'s Caribbean Investment Facility Board approved two new grants that will be blended with IDB loan operations to support entrepreneurship and the energy sector in the Caribbean. The first grant of $8 million will boost innovation, growth, and entrepreneurship ecosystems in Jamaica, while respecting gender equality and aiding micro, small, and medium enterprises affected by COVID-19. A second grant of $9 million will support the Bahamas in transforming the energy sector and restoring electricity on islands affected by Hurricane Dorian.

INTEcGRA: Promoting Small Business Resilience and Digital Transformation Amid COVID-19

Across the region, small businesses are powerful engines for economic growth. In particular, “mom and pop” stores and *tiendas* can be an important source of social progress and are key to combating food insecurity in marginalized communities. Yet despite the critical role they play in our economies and societies, the COVID-19 pandemic has threatened the livelihood of these businesses, thereby undermining the benefits they provide communities in which they operate.

In 2020, IDB Lab and a robust coalition of private sector partners set out to address this challenge through *INTEcGRA*, a new initiative that aims to capture the potential of digital solutions to boost the productivity and competitiveness of the small business sector in LAC. The initiative seeks to crowdsource innovative solutions to empower these small businesses, and to finance, implement, and scale up those with the greatest potential for impact. Following its first call for proposals, *INTEcGRA* received 95 applications, 10 of which were chosen for financing. These selected solutions are now in a preparation stage and will be implemented in 2021. The initiative is led by IDB Lab and a group of food and beverage companies including **AB InBev, Arca Continental,** the **Central America Bottling Corporation (CBC), Danone, EFFEM (Mars),** the **International Council of Beverages Associations (ICBA), Millicom, PepsiCo, *Postobon,*** and **The Coca-Cola Company.**

In 2020, the **Swiss Agency for Development and Cooperation (SDC)** and IDB Lab further expanded the *LAC-Impact Facility,* the partners’ primary impact investing vehicle for providing financing to social entrepreneurship projects, with a new Swiss contribution of $400,000. Launched in 2015, the facility strives to provide financing to social entrepreneurship across the region, with a focus on projects that benefit women, youth, indigenous populations, and other marginalized groups. To date, the facility has received more than $3.6 million in financing from the **Government of Switzerland** to finance projects across the region.

Regional integration is a key component of efforts to foster greater economic growth. As such, a partnership between **CAF Development Bank, FONPLATA,** and the IDB was formed in 2020 to create the *Alliance for the Integration and Development of Latin America and the Caribbean (ILAT).* Formalized in a new agreement, ILAT seeks to work with countries to identify, plan, and prioritize projects that advance regional integration. Projects will be geared toward generating new knowledge and applying technological solutions. Already, an online platform has been created to take inventory of integration projects.

With *ConnectAmericas*, Empowering Business Leaders

Given the challenging economic climate created by COVID-19 and the logistics and supply chain disruptions that emerged from this crisis, in 2020 it became more critical than ever to help LAC's MSMEs maintain export continuity. That's why *ConnectAmericas*, the largest business community in the Americas, doubled down on its efforts to drive growth and build resilience among its 140,000+ registered companies and 420,000+ registered users. This was possible thanks in part to support from trade promotion agencies, more than 350 local partners, and upwards of 20 knowledge partners that contributed critical expertise and resources. For example, thanks to collaboration with local organizations such as **APEX, Brazil's National Confederation for Industry (CNI), Brazil's Service for Support to MSMEs (SEBRAE),** ***Compra lo Nuestro,*** **Mexico's Ministry of Finance,** ***Promperú, PRO ECUADOR,*** and **Uruguay XXI,** *ConnectAmericas* was able to co-host 10 virtual business matchmaking events spanning diverse industries and countries.

More on ConnectAmericas on page 44.

Powering the Private Sector Amid COVID-19

Despite isolation measures, in 2020 *ConnectAmericas* deepened its commitment to connecting the region's businesses to knowledge, opportunities, and each other. For example, ConnectAmericas took its flagship *LAC Flavors* event for the food and beverage industry virtual, bringing together more than 2,200 participants, while the global digital services event *O2LAC* convened more than 6,000 online participants. In April, *ConnectAmericas* and IDB Lab joined forces with the **Latin American Angel Investment Association (XCALA)** to launch *Venture Academy,* a training program on entrepreneurship and capital raising that reached more than 6,000 investors and participants from technology-based startups and SMEs. And alongside **IBM, ICEX Spain Trade and Investment, Colombia's Universidad del Norte, Gedeth Network, Guayerd, Space AG, Uruguay's Technological University (UTEC),** and others, *ConnectAmericas* expanded efforts to strengthen the business skills of LAC SMEs. Collectively, these intensive efforts to help SMEs navigate the pandemic through increased learning opportunities reached more than 31,000 people since mid-March.

Finally, to promote exports across the region, in 2020 *ConnectAmericas* created white labels for Compra lo Nuestro, Mexico's Ministry of Finance, *PRO PANAMA,* and REDIEX. White labels are fully customized, web-based business platforms similar to *ConnectAmericas* which feature company databases, purchasing announcements, business support services, and more.

In 2020, *ConnectAmerica*s received financial support of nearly half a million dollars from **Palladium International,** an organization that works with governments, businesses, and investors to solve the world's most pressing challenges. The funding is provided under the umbrella of the **UK Prosperity Fund,** which strives to stimulate inclusive growth in Brazil, develop the export capacities of Brazilian MSMEs, and enhance the efficiency of Brazilian ports. This financing is enabling *ConnectAmericas* to scale up its efforts in Brazil, specifically to foster stronger business connections between Brazilian MSMEs and international buyers through the creation and dissemination of purchasing announcements and the development of e-learning materials on foreign standards and requirements, among other activities.

ConnectAmericas is the first social business network in the Americas, dedicated to promoting international trade and investment. It helps SMEs strengthen their businesses by connecting them with business communities, investors, and suppliers around the world. It also provides simple, useful information on processes and regulations for international trade, and on financing options available in member IDB countries. The initiative was created by the IDB, with support from anchor partners Google, DHL, SeaLand, MasterCard, and Facebook. It has 420,000+ registered users from over 160 countries.

Through *ConnectAmericas,* Empowering Women in Business

As part of the *ConnectAmericas for Women* platform, since 2018 the *#100kChallenge* has worked toward the goal of training, connecting, and certifying more than 100,000 women entrepreneurs by 2021. In 2020 the initiative continued launching innovative online tools to achieve this goal while addressing the challenges introduced by COVID-19 to women-owned enterprises.

Recognizing the importance of financial education, digitalization, and supply chain integration amid the pandemic, the *#100kChallenge* joined forces with **Mastercard** and **INCAE Business School** to launch the *Finance Bootcamp for Entrepreneurs* and the *Innovative Entrepreneur Toolkit,* both of which sought to provide women business leaders with digital tools and e-commerce training.

At the same time, with support from **The Coca-Cola Company,** the initiative began developing a suppliers development program to strengthen the role of women entrepreneurs in public procurement and supply chains. Alongside **Airbnb** and **IBM,** the *#100kChallenge* facilitated online training on digital economy and travel trends, blockchain for supply chains, and other topics that help close the gender gap in terms of digitalization. Finally, all training programs designed over the lifespan of the *#100kChallenge* were disseminated through the *ConnectAmericas for Women platform.*

To date, the *#100kChallenge* has coached and connected more than 80,000 women entrepreneurs, while *ConnectAmericas for Women* has been used by more than 2.1 million women from 100 countries, 125,000 of which are registered users. The *#100kChallenge* is a partnership between **Airbnb, Coca-Cola, Danper, DHL, IBM, Facebook, Google, Mastercard, Microsoft,** and **PepsiCo.**

CHAPTER 6

Empowering Women and Prioritizing Diversity

Inequality is commonly understood in terms of economic living conditions. Yet horizontal inequalities — those stemming from gender, race, culture, ethnicity, sexual orientation, or religion — unjustly determine access to economic resources and opportunities and are inextricably intertwined with income inequality. To further complicate matters, COVID-19 exacerbated these inequalities by disproportionately impacting women and marginalized groups.

For this reason, gender, diversity, and inclusion are at the center of the IDB's agenda. In the following pages, you will see examples of how the IDB Group's partnerships are supporting these efforts and working to ensure that sustainable development in the region is equitable and inclusive for all people.

Introducing GDLab: The IDB's Flagship Gender and Diversity Initiative

The COVID-19 pandemic underscored the importance of putting gender and diversity at the front and center of all development efforts. It is therefore fitting that the year concluded with the launch of the IDB's new *Gender and Diversity Knowledge Initiative (GDLab),* aimed at promoting, leading, and financing high-impact research with the goal of creating more inclusive and equitable societies.

Building on the IDB's two-decade track record of cutting-edge research on gender and diversity, the *GDLab* recognizes that the production of rigorous knowledge is crucial to inclusive growth. By producing and disseminating new evidence, the *GDLab* will inform the design of policies, reforms, and IDB operations on the ground. To this end, the *GDLab's* analytical work will prioritize areas in which knowledge gaps are largest, and it will focus on inequalities between men and women and those facing indigenous peoples, persons of African descent, persons with disabilities, and LGBTQ+ persons.

The *GDLab* was launched in November and is in active conversations with prospective partners. To date, it has produced policy briefs summarizing evidence on gender and diversity, and produced a website that centralizes all IDB studies on these topics and disseminates key information.

NEW OPPORTUNITY:
WELCOMING PARTNERS NOW

The pandemic further revealed that inequalities are not only unjust, but also impediments to growth and development. That is why it is urgent to analyze both the causes and consequences of horizontal inequalities, evaluate current policy efforts, and propose novel lines of action.

With Japanese Support, Paralympic Sports Project Reaches New Heights

In 2019, **Agitos Foundation** and the IDB announced phase two of the *On Your Marks, Get Set, Inclusion* project. Since 2017, this effort has worked to promote the social and economic inclusion of persons with disabilities by expanding access to Paralympic sports and strengthening relevant public policies. The initiative is made possible thanks to $1.3 million in financing from the **Government of Japan,** provided through the IDB-managed *Japan Special Fund for Poverty Reduction Program.*

The first of the project's two components seeks to harness Paralympic sports as a tool for fostering inclusion. To this end, the initiative is expanding adaptive sports practice in target countries, raising awareness regarding the capabilities of persons with disabilities, training Paralympic coaches, and enhancing the institutional capacity of National Paralympic Committees.

In the second component, the initiative strives to better understand and improve services available to persons with disabilities, and to enhance coverage and processes for determining service eligibility. Across the region, it will gather evidence-based practices promoting inclusion, coordinating its efforts with National Councils on Disabilities and relevant government agencies.

The initiative seeks to benefit 360 Paralympic athletes, 50 percent of whom will be women, across 16 municipalities in Argentina, Chile, Colombia, the Dominican Republic, and Ecuador. At least 12 high-performance athletes will be provided the equipment and support needed to participate in international competitions. And to make sports more accessible, the initiative is creating local city-level commissions to provide training and foster opportunities for Paralympic support practice.

In 2020, the **Government of Japan** replenished the IDB-managed *Japanese Trust Funds (JTF)* with an additional $7.1 million in financing.

With Japan, Supporting Women and Marginalized Groups

The **Government of Japan,** particularly through the IDB-managed *Japanese Trust Funds,* is a critical ally of the IDB in addressing challenges that plague the region's most vulnerable communities. As such, Japan is an important partner in promoting gender and diversity issues and financing efforts that target marginalized groups.

One example is Japan's support to the *Innovative Approaches to the Development of Children with Intellectual Disabilities* project, which provides direct assistance children and families by identifying, adapting, and testing parent-centered therapeutic approaches. Formalized in an agreement with the **Jamaica Association on Intellectual Disabilities (JAID),** the initiative consists of designing a protocol to better serve these children, training parents, caretakers, and health providers, delivering individualized developmental therapies, parental counseling, and health services, and monitoring and evaluating the project's impact on children's cognition, language, and social functioning.

The Suriname project was a winner in the third edition of the 2020 Development Superheroes Award, which recognized operations that were successfully adapted to face the challenges of COVID-19.

A second example is Japan's support to strengthening women's entrepreneurship in the cities of Brokopondo, Wanica, Sipaliwini, and Marowijne in Suriname. Implemented by the agency ***Wi! Uma Fu Sranan,*** the project supports the agricultural company **Surivit's** efforts to help women farmers and entrepreneurs generate income through cassava production. To maintain operations during the pandemic, the project financed virtual training materials for women farmers, including an interactive mobile application that offers training in international agricultural standards. Surivit designed a system of sales and home deliveries for products derived from cassava, such as baby food. These efforts boosted the local cassava market, enhanced the income of participating women, and maintained food security for local communities.

First-of-its-Kind Gender Bond is Issued with We-Fi Support

As part of its partnership with the **Women Entrepreneurs Finance Initiative (We-Fi),** in 2020 IDB Invest structured and subscribed a $100 million gender-focused social bond issue by ***Banco Davivienda,*** representing the world's first-ever issue of a gender-linked bond based on achieving outcomes. Proceeds from the bond placement, acquired in full by IDB Invest, will be used by *Banco Davivienda* exclusively to finance the growth of its women-led SMEs (WSMEs) portfolio and support the purchase of affordable houses by women in Colombia.

IDB Invest advised *Davivienda* in the design of the methodological framework for the use of proceeds, helping to determine criteria for selecting, monitoring, and evaluating projects in line with the International Association of Capital Markets' Social Bond Principles. IDB Invest also helped secure independent verification of this framework and is using We-Fi funds to provide advisory services that help *Davivienda* better serve the WSME segment. Finally, through We-Fi, IDB Invest will grant *Davivienda* a $300,000 bonus over five years as it achieves specific outcomes, for instance the expansion of its WSME loan portfolio from 20 to 27 percent, which would translate to approximately 6,500 loans.

This historic bond potentially contributes to six of the United Nations SDGs, fosters the development of capital markets and thematic bonds in Colombia and the LAC region more broadly, and signals the IDB Group's continued commitment to designing and deploying innovative finance products. *More on We-Fi can be found on page 39.*

THIS GENDER-FOCUSED SOCIAL BOND ISSUE BY *BANCO DAVIVIENDA* AND THE IDB GROUP REPRESENTS MANY "FIRSTS." IT IS:

The first We-Fi transaction in Colombia

The first gender bond in Colombia

The first gender bond in the world linked to incentives and certified by external reviewers, in line with international standards

CHAPTER 7

An Evolving Development Finance Strategy: Co-Financing and Innovative Finance

In 2020, the IDB Group continued its ongoing efforts to evolve and perpetually improve upon its development finance strategy, with an eye toward identifying, testing, and deploying innovative approaches to catalyze additional financing for the region and ensure each dollar mobilized goes as far as possible. To this end, in 2020 the IDB Group and its partners expanded its diverse portfolio of bond offerings, working through green bonds (see pages 66, 70), social bonds, social impact bonds, and other mechanisms to finance critical development efforts and build up the bond market in Latin America and the Caribbean. It doubled down on its support to the private sector through IDB Invest and on its commitment to innovation alongside IDB Lab. It ramped up efforts to promote sustainable finance, encourage private investment in the Sustainable Development Goals, and deepen ties with bilateral and multilateral public sector partners. And through it all, it continued leveraging co-financing as an effective, trusted mechanism for mobilizing critical capital for sustainable development.

Switzerland and the IDB Expand Innovative Financing Partnership

In 2020, IDB Lab and the **Government of Switzerland** expanded their innovative financing partnership by approving a cost extension for the novel Social Impact Bond (SIB) Program launched in Colombia in 2016. The first SIB deployed in an emerging country, the tool has worked in Bogota, Cali, and Pereira to improve urban employment outcomes for vulnerable populations. Thanks to its success so far, in **July Switzerland's State Secretariat for Economic Affairs** committed an additional $400,000 to expand the $5.9 million operation.

SIBs are an innovative public-private partnership in which impact investors provide up-front funding for a social service and the government pays only if outcomes are achieved. The first SIB was operated by ***Fundación Corona*** with service providers including ***Fundación Carvajal, Fundación Colombia Incluyente,*** and **Kuepa,** and brought together foundations including ***Fundación Corona, Fundación Bolivar Davivienda,*** and ***Fundación Santo Domingo*** as investors. The second SIB was launched in 2019 and closed in December 2020. It was structured at the subnational level with Cali, the country's third largest city, and operated by ***Corporación Inversor*** with ***Fundación Alvaralice*** as an additional service provider. This second SIB doubled the number of investors from three to six, demonstrating special interest from the private sector in payment-for-results mechanisms.

Lessons learned from the first two SIBs helped identify the *Outcomes Fund* (OF) as a best practice in the developed world to pool funds and enable the structuring of multiple SIBs simultaneously, which enhances efficiency and reduces transaction costs. As such, Colombia's OF, the first in Latin America, was launched in 2020 and has been embedded in the government's Department for Social Prosperity While the original design targeted three SIBs, the OF makes possible two additional SIBs given the recent extension of the SIB Program through 2023.

To date, the SIB Program created by Switzerland and IDB Lab and executed with *Fundación Corona* has helped nearly 1,900 people secure formal employment. More than 70 percent of participants who secured formal jobs are low-income women, while 80 percent are young people. The third SIB will target a new city, Medellín, and will work with a new intermediary, two new investors, and two new interventions, one of which targets women who were teen mothers. This SIB, more than the previous two, focuses on quickly testing solutions for helping vulnerable populations secure employment, especially given the difficult job market resulting from COVID 19. The knowledge generated will serve as evidence to inform employment policies and programs.

World's First Sovereign Social Bond is Issued in Ecuador

With funding from the **Government of Spain,** the IDB has assisted Ecuador in structuring and issuing the world's first social bond, raising $400 million. The issuance is backed by an IDB guarantee of $300 million, its first issuance of a social bond in a capital markets transaction, making the operation highly attractive for international investors and significantly reducing financial costs for Ecuador.

An excellent example of innovative finance, the program supports Ecuador's "Housing for All" project, which provides sustainable, affordable housing to 24,000 low- and middle-income households. Bond proceeds will be used to provide mortgages at a preferential interest rates to low or middle-income individuals who seek to acquire their first and only home. The issuance is compliant with the Social Bond Principles of the International Capital Markets Association.

Strengthening Ties with the U.S. DFC

Since September 2019, IDB Invest and the **U.S. Development Finance Corporation (DFC)** have been working to deliver on a historic Memorandum of Understanding in which both parties pledged to invest a combined $3 billion in development projects in LAC over five years, with the option of increasing investment to $5 billion. To this end, the partners created eight workstreams to foster collaboration in areas including legal, ESG, credit risk, local currency and scope, and business development. These workstreams have helped improve coordination, enhance efficiency, and deliver results to clients in LAC. And in 2020, they facilitated co-financing in a series of critical projects.

Americas Business Dialogue Teams Up with US Government to Enhance COVID-19 Response

The *Americas Business Dialogue (ABD)* has been working with key partners like the **U.S. International Development Finance Corporation (DFC)** to generate dialogue about COVID-19. In June, the partners hosted a high-level exchange on the important role the DFC-IDB Group alliance plays in stimulating sustainable development through the private sector.

Canada, FinDev Canada, and U.S. DFC Support SMEs in Colombia

In 2020, the **Government of Canada, FinDev Canada, U.S. DFC,** and IDB Invest joined forces to support green financing and SMEs in Colombia, with a special emphasis on women-led enterprises. To this end, the partners are providing subordinated loans totaling $390 million to ***Banco Davivienda S.A.*** through a 10-year deal that will strengthen *Davivienda's* business and growth strategy, including its SME portfolio as a key priority segment. The funds from these loans will be used to provide new financing for working capital, capital investment, and fixed assets to *Davivienda* clients in the SME and women-led SME portfolios, which have suffered due to the COVID-19 pandemic. Critically, the loan includes a tranche of blended finance from Phase II of the IDB Invest-managed *Canadian Climate Fund for the Private Sector* (C2F) for $20 million. The resources of this financing will be used to promote environmentally friendly businesses. *Davivienda* will see a reduction in the interest paid once it achieves the goals and milestones related to the green portfolio and risks.

Amid COVID-19, FinDev Canada Provides Emergency Lifeline to Colombian MSMEs

As part of its wide-ranging partnership with the IDB Group, in 2020 **FinDev Canada** teamed up with IDB Invest to support micro, small, and medium enterprises (MSMEs) in the region. FinDev Canada committed up to $10 million in co-financing to Colombia's ***Bancóldex,*** which will complement $100 million from IDB Invest to strengthen the bank's capital base and support access to finance for MSMEs impacted by illiquidity and low revenues resulting from the pandemic. The transaction helps *Bancóldex* expand credit lines and other programs to alleviate the pressures COVID-19 has exerted on MSMEs through greater liquidity, longer terms for repayment, and other measures. It is channeled through *"Colombia Responde para Todos,"* a program created by the **Government of Colombia** and *Bancóldex* to provide financial support to firms as a means of sustaining businesses and preserving jobs.

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

CO-FINANCING

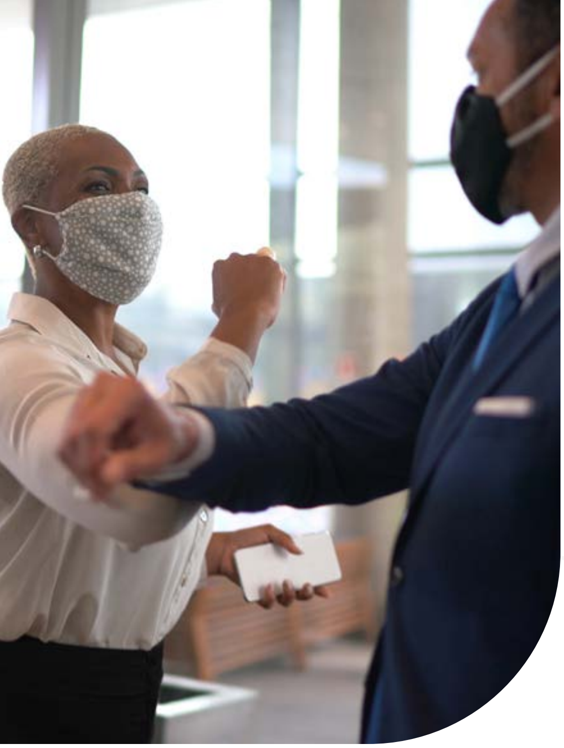
Co-financing: A Leading Channel for Resource Mobilization

In 2020, co-financing remained a key tool for resource mobilization and a preferred partnership modality, one which accounted for $3.86 billion of mobilized resources. Some important examples include the partnership with the **Government of Korea** as part of the *Korea Infrastructure Development Co-financing Facility for Latin America and the Caribbean* (KIF). This facility approved $135 million in 2020 — the largest amount since the establishment of the KIF in 2015 — for three projects in Guatemala and Paraguay related to electricity, connectivity, and COVID-19 (see more on page 9). Also, co-financing from the **Japan International Cooperation Agency (JICA)** continued growing, financing projects for $159 million in Brazil and Paraguay, while active conversations were held to extend the term and coverage of the *Co-financing for Renewable Energy and Energy Efficiency* (CORE) program (see pages 92 and 95).

In Europe, the IDB Group worked with the **Government of Germany** to mobilize €350 million in co-financing through its **Development Bank KfW** for a multi-donor emergency program on income support for vulnerable populations in Brazil. **Swiss Re** co-financed $10 million to support solar plants in Uruguay. With the *Development Promotion Fund* of the **Spanish Agency for International Development Cooperation,** and as a result of the partners' joint finance framework agreement, co-financing approached more than $100 million for the second consecutive year. Of note is a $60 million operation in Paraguay for water and sanitation in the Asuncion metropolitan area.

Moreover, the IDB has been expanding co-financing operations with leading multilateral development banks to address the pandemic in LAC. For example, alongside the **Central American Bank for Economic Integration (CABEI),** the IDB mobilized $50 million to bolster the COVID-19 response in the Dominican Republic, as well as $325 million in co-financing to support the financial sustainability of affected MSMEs in Honduras. MSMEs were also supported in El Salvador through parallel co-financing with CABEI and the **OPEC Fund for International Development** ($35 million), the **European Investment Bank** ($40 million), and the **International Bank for Reconstruction and Development** ($100 million). The funds were channeled through the El Salvador's National Development Bank.

And overall, in 2020 the IDB continued fostering co-financing relationships with actors including the **Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), CAF Development Bank, Development Bank of Brazil (BNDES),** ***Fondo Financiero para el Desarrollo de la Cuenca del Plata (FONPLATA),*** **the Global Infrastructure Facility (GIF),** and local and international bondholders.



With the World Bank, Facilitating Joint Support to LAC

A milestone in 2020 was the signing of a novel *Framework Agreement* between the **World Bank** and the IDB which establishes mutual reliance in public procurement matters to facilitate the efficient implementation of co-financed projects and the channeling of resources to the region. Consistent with international best practices, the agreement will enable the partners to leverage each other's capacities and work more expeditiously to prepare, implement, and finance projects in LAC. In addition to strengthening cooperation between the World Bank and the IDB and facilitating their joint efforts to support the region, implementation of the agreement should substantially reduce transaction costs for both banks as well as their borrowers.

CO-FINANCING

In 2020, France and the IDB Hit Ambitious $1 Billion Co-financing Target

In 2018, building on years of active collaboration, the **French Development Agency (AFD)** and the IDB signed a historic *Framework Agreement* pledging to expand and enhance the co-financing of projects. Specifically, the partners set the ambitious target of co-financing $1 billion over a three-year period. And in 2020, they achieved this goal. Throughout the year, the partners approved $809 million in operations related to transportation, support to vulnerable populations in Brazil and Bolivia, and other efforts, thereby fulfilling their 2018 promise.

Notable among these co-financed projects in 2020 was the $223 million France provided to support the Dominican Republic's COVID-19 response. To this end, AFD co-financed an innovative policy-based loan (PBL) in the Dominican Republic to improve the efficiency and the effectiveness of public policy and fiscal management as a means of addressing the health and economic crisis generated by the pandemic. Also noteworthy is the $150 million in co-financing provided to another PBL in Costa Rica, which strives to support the country's progressive transition to net zero greenhouse gas (GHG) emissions by 2050. This effort supports Costa Rica's National Decarbonization Plan, strengthens climate action management and monitoring, conserves and restores ecosystems with high GHG sequestration rates, replaces GHG-emitting agricultural practices, and encourages electric power usage.

In May, AFD and the IDB virtually celebrated their *IV Deep Dive* meeting, at which they emphasized the importance of maintaining momentum and continuously exploring collaborations and co-financing opportunities. The partners discussed modalities for channeling support to the region's crisis response and recovery. The Deep Dive also allowed experts to dig into promising sectoral discussions, further enhanced by the participation of IDB Invest and AFD's entity for the private sector, Proparco.

New Agreement Further Nurtures EC-IDB Partnership

In 2020, the **European Commission (EC)** and the IDB expanded their robust partnership with the signature of the *Financial Framework Partnership Agreement (FFPA).* The FFPA enables the IDB to access funding provided by the EC through its *Neighborhood, Development, and International Cooperation Instrument (NDICI).* These funds can continue financing IDB technical assistance and investment grant operations, either on a stand-alone basis or alongside co-financing from the IDB and/or other donors. The agreement is significant because it aims to increase resource mobilization and knowledge exchange with the EC and will open new development finance opportunities for the IDB Group via innovative financial instruments, including guarantees under the European Fund for Sustainable Development. Its signing builds on years of strong cooperation between the EC and the IDB, which since 2012 has mobilized $432 million for LAC.

Coinciding with the renewal of the FFPA, the European Commission and the IDB expanded their joint efforts in 2020, focusing on the COVID19 response, sanitation, migration, the energy sector, innovation for entrepreneurship, PPPs, and digitalization of the microenterprise sector, among other priorities. Throughout the year, joint initiatives mobilized $96 million in grants from the EU.

IDB Joins Corporate CFOs in Launching New Principles for Private SDG Investment

The *CFO Principles for Integrated SDG Investment and Finance* were launched in 2020 by the **CFO Taskforce for the SDGs** led by the **United Nations Global Compact.** IDB CFO Gustavo da Rosa joined 33 other CFOs from major corporations including **AB InBev, Danone, Enel, Unilever,** and **Pimco** in unveiling these new principles, which seek to expand private investment in the SDGs. As a taskforce member, the IDB intends to provide technical support and expertise related to the development of SDG financing instruments, as well as reporting mechanisms to better leverage corporate resources to finance the 2030 Agenda.

The IDB's partnership with Minas Gerais Development Bank (BDMG) continued to grow in 2020, most recently through the signing of a new Memorandum of Understanding pledging to leverage IDB support to make BDMG the first Brazilian public bank to issue sustainable bonds. Already, BDMG has published a framework to guide the development of R$500 million in sustainable bonds linked to the SDGs, an unprecedented accomplishment in the Brazilian market.

With SDSN, Measuring SDG Progress and Encouraging Investment in LAC

In 2020, the **Sustainable Development Solutions Network (SDSN)** and the IDB continued collaborating to promote the Sustainable Development Goals (SDGs). As part of their work, SDSN helped the IDB's Country Office in Uruguay analyze that country's progress achieving the SDGs to date and helped compare this progress with other LAC and OECD nations. This analysis is now reflected in Uruguay's Country Strategy, and both SDSN and the IDB are working to prepare a paper to expand on its findings.

In addition, SDSN and the IDB worked to further enhance the *SDG Impact Toolkit.* Created to inform investor decisions, the *Toolkit* goes beyond a simple tagging exercise by providing a distance-to-target analysis that determines the potential impact of investments on closing SDG gaps. As a follow up to the infrastructure toolkit launched by the partners in 2019, the IDB and SDSN are finalizing a second iteration of the tool to include more sectors and indicators and provide a unique macro analysis of the SDG gaps facing LAC countries, as well as the potential of investments for closing those gaps. The enhanced Toolkit features:

- 104 indicators covering 17 SDGs
- 10 sectors and 31 subsectors including: agribusiness, financial institutions, manufacturing, education, health, public order & safety, energy, telecommunications, transport, water and sanitation
- Four assessment pillars scoring project impact, quality, investment, and enabling environment

IndexAmericas: Promoting Corporate Sustainability in 2020

In 2020, the IDB Group's *IndexAmericas* initiative continued its efforts to promote corporate sustainability in Latin America and the Caribbean. Specifically, it developed the fifth iteration of its Top 100 Index, which assesses the leading companies operating in LAC that best demonstrate their commitment to environmental, social, and corporate governance indicators (ESG), as well as their contributions to the region's socio-economic development. It also published a new rendition of its *Multilatinas Index,* which assesses the performance of LAC-based companies along these same lines.

In addition, *IndexAmericas'* methodology again served as the basis for the *Latin Trade IndexAmericas Sustainability Awards,* presented by the media outlet **Latin Trade** to corporate sustainability pioneers. Now in their third edition, the awards honored **Danone, Enel Chile, Grupo SURA, Itaú Unibanco,** and **Unilever** at a virtual ceremony called "Sustainability, the Future of Latin America."

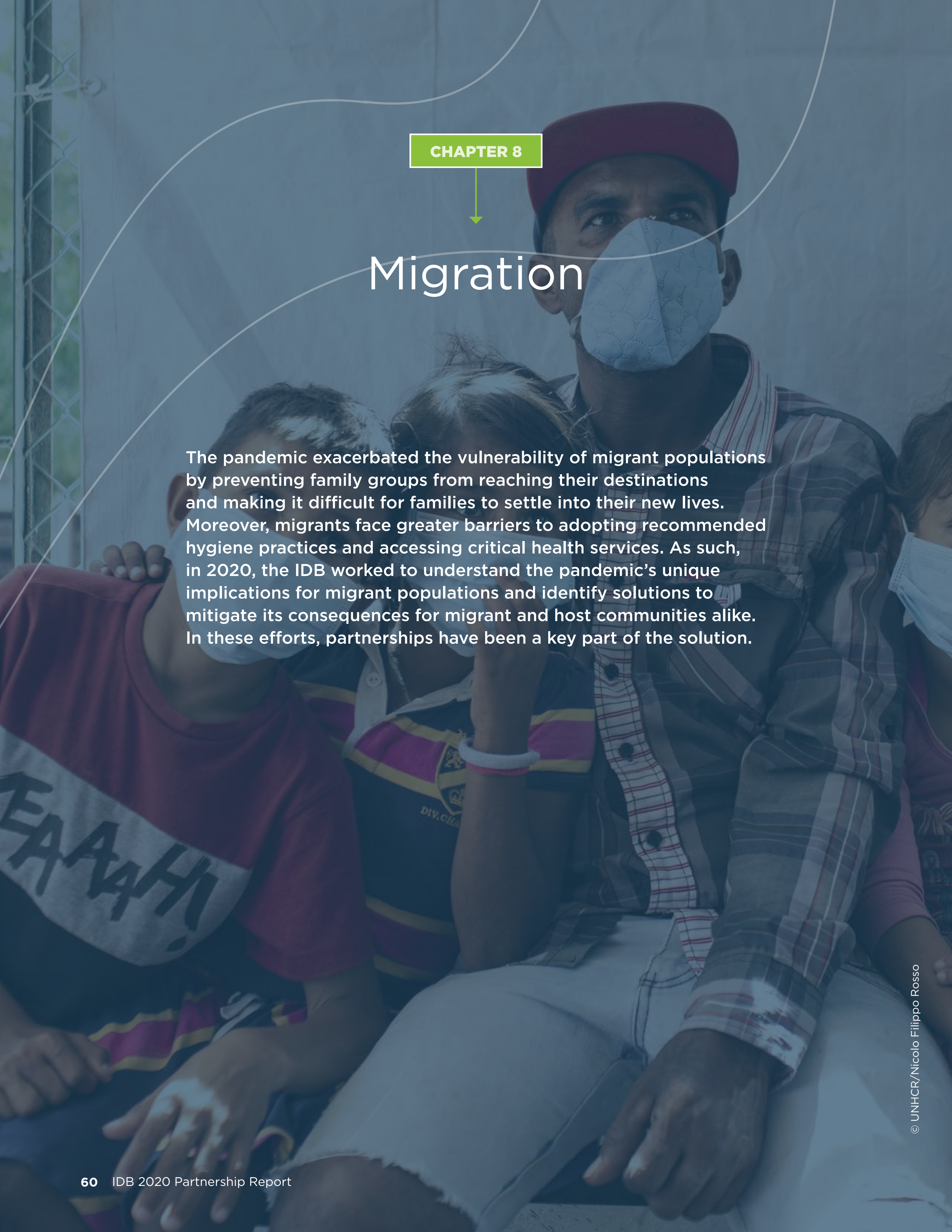
IndexAmericas also continued nurturing the region's the sustainable finance ecosystem by working with local stock exchanges including ***Bolsas y Mercados Argentinos (BYMA)*** and collaborating with partners like **BNP Paribas** to develop financial products based on the *IndexAmericas* methodology for Latin American capital markets. A great part of this work will come to fruition in Mexico in 2021, with the potential launch of a structured note, a decarbonation index, and a gender index using the *IndexAmericas* methodology.

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

In 2020, the IDB continued collaborating with the **Earth Institute of Columbia University,** an anchor partner of the IDB Group's *IndexAmericas* initiative, on sustainable finance issues. A highlight of this collaboration was a new case study published by Earth Institute about catalytic capital, which highlighted the IDB Group as a leader in the design of innovative financing instruments.

CHAPTER 8

Migration



The pandemic exacerbated the vulnerability of migrant populations by preventing family groups from reaching their destinations and making it difficult for families to settle into their new lives. Moreover, migrants face greater barriers to adopting recommended hygiene practices and accessing critical health services. As such, in 2020, the IDB worked to understand the pandemic's unique implications for migrant populations and identify solutions to mitigate its consequences for migrant and host communities alike. In these efforts, partnerships have been a key part of the solution.

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USAID and IDB Pledge $2 Million to Support Venezuelan Migrants

In 2020, the **U.S. Agency for International Development (USAID),** the IDB, and IDB Lab further strengthened their collaboration in the context of the *BetterTogether Challenge*. The Challenge is a joint initiative launched in 2019 with the support of 25 additional partners to crowdsource, fund, and scale innovative solutions to improve the lives of Venezuelan migrants and their host communities across the LAC region.

Throughout the year, the partners announced four waves of awards that distributed more than $5.5 million to diverse solutions that train migrants, create jobs, expand internet access, and implement other measures to support Venezuelans and their communities in Argentina, Brazil, Colombia, Chile, Ecuador, Peru, Trinidad and Tobago, and in Venezuela itself. Critically, one winning solution sought to address the impact of COVID-19 on already vulnerable migrant populations through improved basic social service delivery to migrant populations, including health care to diagnose and treat COVID-19.

One of the very first events President Mauricio Claver-Carone participated in as leader of the IDB Group celebrated the results and impact of the *BetterTogether Challenge.* Appearing with Acting Administrator John Barsa of USAID, Director Katharine Donato of the Institute for the Study of International Migration at Georgetown University, other IDB executives, and select winners of the Challenge, he shared his vision for continued IDB support to the issue of migration.

Switzerland Expands Support to Migrant Host Countries

Switzerland, through its **State Secretariat for Economic Affairs** and the **Swiss Agency for Development and Cooperation,** partnered with the IDB and contributed $7.5 million to support migrant host communities in Colombia. These resources will complement two IDB loan operations developed alongside the Colombian authorities. The first of these seeks to strengthen employment policies and boost economic opportunities for migrants and the local population by improving access to and the quality of employment and skill certification services. The second strives to expand water and sanitation access for 900,000 residents in urban areas in La Guajira, a department bordering Venezuela, by expanding water and sanitation networks and improving the management capacity of local providers. In addition, to assess communities' most pressing needs, the IDB joined forces with **Mastercard** to create focus groups with 1,000 migrants and locals, providing financial incentives to collect information and data through photo uploads. Since the onset of COVID-19, this partnership also provided video trainings in hygiene.

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Spain Doubles Down on Migration Support with New Pledge of €5 Million

COVID-19 disproportionately impacts vulnerable populations like migrants and their host communities. That's why in 2020, the **Government of Spain** doubled down on its commitment to supporting migrants in LAC with a new pledge of €5 million. This latest support was announced at the *International Donors Conference in Solidarity with Venezuelan Refugees and Migrants* organized by Spain and the **European Commission.** As the inaugural partner of the IDB's *Migration Initiative,* Spain had previously contributed $5 million to finance regional capacity building activities and the preparation, identification, and implementation of efforts seeking to identify solutions to the development challenges created by migration flows in Colombia, Costa Rica, and Ecuador, and to support the regional capacity building program on migration that has trained 540 civil servants.

To ensure migrants remained central to global efforts to combat the pandemic, IDB partners including the **European Union** and the **Government of Spain** joined forces to organize the *II International Donors Conference in Solidarity with Venezuelan Refugees and Migrants, Amid COVID-19.* The May 2020 conference brought together key stakeholders to address this crisis, mobilize resources, and strengthen coordination. The event was also supported by the UN High Commission for Refugees and the **International Organization for Migration.**

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Empowering the Region's Youngest Migrants

Bernard Van Leer Foundation, Finland, Sesame Workshop, and the IDB join forces

As part of the IDB's robust partnership with the **Bernard van Leer Foundation,** a new effort is promoting early childhood development (ECD) in the context of migration in Lima, Peru, and the Brazilian cities of Boavista, Manaus, and Pacaira. The partners are channeling more than $160,000 in funding from the foundation to expand the geographic scope of a pilot project to mitigate the impacts of migration on ECD. This partnership builds on an existing project implemented in Colombia alongside the **Government of Finland,** in which these partners collaborated with **Sesame Workshop** to provide a flexible, digital solution to broadcast age-appropriate educational content to migrant children in protected spaces, schools, and other locations. Among the programs broadcasted is *Sésamo,* the co-production of Sesame Street for Latin America. In addition, the partnership is using the **WhatsApp** platform to disseminate educational content to caregivers.

Finland pledged €200,000 to these efforts at the *II International Donors Conference in Solidarity with Venezuelan Refugees and Migrants, Amid COVID-19.* To complement these efforts, IDB funding is helping **Sesame Workshop** make more than 100 hours of its iconic series available in Latin America, while developing new content in response to the pandemic.

Joining the EU and Korea to Improve the Lives of Migrants in Cities

Thanks to funding from the **Government of Korea,** a $4 million grant is supporting the integration of migrants in Colombian cities. Channeled through the IDB-managed *Knowledge Partnership Korea Fund for Technology and Innovation,* this collaboration will enhance management and planning related to service delivery, access to housing, and urban development scenarios to project future growth. This funding complements a €10 million grant from the **European Union's** *Latin American Investment Fund,* which is supporting a housing and urban development operation in five Colombian cities. Concretely, EU funding is supporting the use of performance-based management systems to improve the capacity of cities to help migrants and host communities, while fostering economic and social integration by creating and expanding apprenticeship schools and boosting access to affordable rent.

The IDB's *Migration Initiative* was launched in 2019 to respond to the region's unprecedented and sudden migration inflows and to help countries and local communities boost their immigrant-inclusion capacities. Since its first year, IDB partners committed more than $55.5 million to this effort, including $11.5 million committed by the **European Union**, €200,000 by **Finland,** $5 million by **Japan,** $10 million by **Korea,** €5 million by **Spain,** and $7.5 million by **Switzerland,** while the United States pledged $10 million for the *BetterTogether Challenge.*

Harnessing Migration as an Enabler of Development

In 2020, the **International Organization for Migration (IOM)** and the IDB formalized their partnership in a new agreement, pledging to promote orderly, regular, and safe migration as an enabler of sustainable development. The partners will promote evidence-based policies and programs, develop institutional capacity, and protect migrants' human and labor rights. In particular, the IDB and OIM have jointly developed an innovative online capacity building program on migrants with support from the Migration Policy Institute that has trained and certified hundreds of migration civil servants in LAC since 2019.

Japan Provides $5 Million in Urgent Support to Migrants

Through the IDB-managed *Japanese Trust Funds,* **Japan** earmarked $5 million to finance standalone technical cooperation operations in countries affected by migration flows. The resources are supporting operations in education and social integration in Colombia, as well as water and sanitation in the border areas of Ecuador and Peru.

CHAPTER 9

Climate Change and Sustainable Development

Latin America and the Caribbean is a biodiversity superpower. But as Hurricanes Eta and Iota demonstrated last year, the region is also particularly vulnerable to climate change. Unless warming is limited to less than 2 degrees Celsius, the costs of climate change in LAC could reach $100 billion a year by 2050. And they will be disproportionately borne by the region's most vulnerable populations. With this in mind, IDB President Claver-Carone doubled down on the IDB's commitment to climate change as a cross-cutting priority and emphasized the importance of firmly integrating climate considerations into recovery efforts to ensure sustainability and resilience into the future.

CLIMATE CHANGE AND CONSERVATION

NDC Pipeline Accelerator Welcomes New Partners, Fast-tracks Climate Progress

In 2020, the *NDC Pipeline Accelerator* remained the IDB's central tool for fast-tracking progress on the Paris Climate Agreement. As part of conversations with donors, in July 2020 the *Accelerator Multi-donor Fund (ACL Fund)* ratified its strategy of prioritizing specific interventions as a means of amplifying impact. As such, the fund will continue implementing a multi-sectorial approach alongside public and private sector clients to target small and vulnerable countries, risk mitigation solutions, sustainable urban infrastructure, green procurement, adaptation and resilience, and the creation of climate-friendly and sustainable capital markets solutions. All interventions will be aligned with countries' Nationally Determined Contributions (NDCs) under the Paris Climate Agreement, while promoting a decarbonization pathway through long-term climate strategies.

Moreover, to address COVID-19, the fund will prioritize activities related to green recovery and social inclusion.

Throughout the year, the fund authorized seven new projects and the expansion of an existing project for a total of $2.56 million. These funds were complemented by $3.61 million provided by other IDB-managed funds, thereby increasing the ACL Fund portfolio in 2020 to a total of $6.17 million in committed resources. The fund has been instrumental in, for example, developing innovative green bonds and expanding the electric bus markets in LAC.

In 2020, **Austria** joined the fund as a new partner, representing an important new achievement. Through its **Federal Ministry of Finance,** Austria provided nearly $2 million.

The *NDC Accelerator Multi-donor Trust Fund* ensures projects are planned, designed, and executed to be sustainable. The fund is supported by the **Government of the Netherlands,** the **Government of Sweden,** and the **Nordic Development Fund,** with the **Government of Austria** joining in 2020 as its newest partner. It is a key component of the IDB Group's *NDC Invest* platform, which offers financial solutions and technical support to generate prosperous, resilient, and carbon neutral economies in LAC by 2050.

With the UK, Investing in Sustainable Infrastructure

The partnership between the **United Kingdom** and the IDB Group remained strong in 2020, with the partners collaborating in the context of the *United Kingdom Sustainable Infrastructure Program (UKSIP).* The UKSIP strives to accelerate sustainable infrastructure development by catalyzing private sector investment in the implementation of LAC countries' NDCs under the Paris Agreement. Launched in 2017 with an investment of £177 million from the **UK's Department for Business, Energy, and Industrial Strategy,** in 2020 the initiative focused on promoting renewable energy, electromobility, and climate change policies, as well as the integration of sustainability considerations into public procurement processes.

In Colombia, for example, the partners supported a law that uses incentives to reduce pollution and promotes the adoption of environmentally sustainable practices. In November, UKSIP helped organize the *Climate Finance Event's Business Conference,* bringing together government agencies, companies, NGOs, and others to discuss climate progress. UKSIP advanced the electromobility agenda by helping Colombian cities prepare for and procure electric vehicles and buses. And, finally, UKSIP financing strengthened Colombia's capacity to adopt large-scale, non-conventional renewable energy sources.

In Mexico, UKSIP is helping the Ministry of Finance develop a taxonomy of infrastructure assets and incorporate sustainability considerations into its methodology for prioritizing projects. In addition, it is supporting efforts by Mexico's National Infrastructure Bank to enhance its own sustainability by assessing its portfolio and recommending reforms. Finally, in 2020, UKSIP helped create a Sustainable Finance Roadmap to promote market development.

In Brazil, UKSIP aided the creation of an Infrastructure Observatory that consolidates all project information to support investment decisions in priority sectors including energy and urban mobility. The Observatory is expected to promote transparency, better integrate infrastructure initiatives and policies, assist investors with decision making, and assess projects through the IDB's Sustainable Infrastructure Framework. Finally, UKSIP is helping Brazil's small and medium-sized cities generate innovations in sustainable infrastructure.

With UK Funding, University of the West Indies and IDB Restore Mangroves

A landmark agreement on mangrove restoration has been signed by the IDB and **Solutions for Developing Countries (SODECO)** at the **University of the West Indies** to enhance Jamaica's ability to adapt and increase resilience to climate change. Created with a $2.45 million grant from the **United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA),** the project is designed to restore more than 1,000 hectares of degraded mangrove forest and boost ecosystem-based livelihood opportunities.

The UK financing was channeled through the *Blue Carbon Fund,* created by the IDB and DEFRA in 2019 to use blended finance as a means of catalyzing public and private investments in the "blue economy." Created with an initial contribution of £12.75 million from DEFRA, the fund targets sustainable fisheries and aquaculture, coastal zone management, payment for ecosystem services, eco-tourism, and marine protected areas.

With Canada, Landmark C2F Fund Forges Ahead on Climate Action

In 2020, the **Government of Canada** remained a key partner of the IDB Group. A highlight of the collaboration was the continued implementation of the second phase of the *Canadian Climate Fund for the Private Sector in the Americas* (C2F), originally established in 2012 to help countries adapt to and mitigate the effects of climate change. An initiative led by IDB Invest in close coordination with the Canadian government, C2F seeks to catalyze greater private investment in climate projects in Latin America and the Caribbean by providing concessional financing to projects that do not benefit from a sovereign guarantee, placing special emphasis, where possible, on reaching the poorest and most vulnerable countries. Financed initially with CAD $250 million provided by the Government of Canada, C2F's second phase was formally launched in 2019 thanks to a second Canadian contribution of CAD $223.5 million.

Today, C2F prioritizes efforts related to renewable energy generation and storage, energy efficiency, sustainable transportation, and greenhouse gas emission reduction and abatement projects, including forestry, agriculture, and land-use changes, as well as other projects supporting adaptation to climate change vulnerabilities. The funds have a cross-cutting focus on empowering women and girls.

As of the end of 2020, C2F had begun 50 percent of the programming planned for this second phase, meaning the fund is on track to achieve objectives despite challenges related to COVID-19. It is currently supporting eight projects under implementation representing $77.5 million in C2F contributions, spanning the Caribbean, Brazil, Colombia, Ecuador, Mexico, Nicaragua, and Panama. To give an example, a project approved in October 2020 is supporting the growth of Brazil's solar energy industry by financing four photovoltaic plants across the country. Leveraging blended financing loans of $7.5 million from the C2F and the **Clean Technology Fund,** respectively, as well as financing from IDB Invest and **DNB Bank ASA,** the transaction features performance incentives related to gender, diversity, and inclusion that strive to triple or quadruple the number of women represented in the projects' technical workforce and boost the number of Afro-descendant workers hired as well.

C2F is expected to leverage up to $3 billion in private investments and reduce up to 15 million tons of greenhouse gas (GHG) emissions over it's 25-year tenure.

Germany Mobilizes Green Financing from Capital Markets

In a new agreement, **Germany's Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)** pledged €3 million to mobilize green finance for the region through capital markets, specifically to invest in low-carbon and sustainable business models. In part, this will be achieved through support to the IDB-led *Green Bond Transparency Platform*, which promotes transparency and comparability in LAC's green bond market as a means of attracting investment.

The *Green Bond Transparency Platform (GBTP)* was created in 2019 as a digital tool to increase the transparency and comparability of green bonds by working with issuers, underwriters, standard setters, and verifiers to support harmonization and standardization. The platform will provide information on how bond proceeds are used and on their environmental impact, while testing the use of blockchain to reduce transaction costs and increase traceability. GBTP is supported by the **Governments of Germany, Switzerland,** and the **United Kingdom.**

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) gathered with IDB specialists in 2020 for their second *Deep Dive* meeting. At this gathering, the partners celebrated joint progress achieved in climate change and explored new opportunities for collaboration, with special emphasis on promoting a green recovery from COVID-19. Following the BMZ-IDB Deep Dive, the **German Development Bank (KfW)** and IDB experts convened virtually to discuss ongoing and future cooperation in the region.

With French Financing, Innovating in the Design of Decarbonization Strategies

Across the region and around the world, environment ministries are responsible for designing climate plans, yet the private sector and everyday citizens are at the frontlines of implementation. Thus, to ensure stakeholder buy-in and promote effective, long-term decarbonization strategies, a new initiative set out in 2020 to transform how such strategies are developed. Thanks to funding from the **Government of France** through the *French Climate Fund,* three projects in Chile, Colombia, and Peru are consulting stakeholders and crowdsourcing ideas on potential solutions. Project teams and governments will then work with local universities to validate these suggested approaches. The result will be a list of prospective solutions that constitute a roadmap toward the goal of zero net emissions, quantified in terms of their socioeconomic benefits.

The project in Peru is the most advanced, with a draft roadmap under review showing provisional net benefits totaling $100 billion. Chile and Colombia are on track to achieve similar targets. And in all three countries, technical analysis is central to the creation of decarbonization strategies. Already, other multilateral development banks have acknowledged the IDB's leadership in this field.

With the Nordic Development Fund, Reimagining Public Spaces to Build a Brighter Future

As part of its longtime partnership with the IDB, the **Nordic Development Fund (NDF)** pledged a half million euros to transform outdated railway infrastructure in Bolivia into green public spaces. Targeting railways that connect the cities of La Paz and El Alto, this $40 million effort will also promote social cohesion, access to public services, job creation, and climate adaptation through the development of sustainable urban infrastructure. The planned intervention area for the new project consists of a 17-kilometer abandoned railway track and the largest remaining green area between the two cities, which provides a unique chance to create a green protection zone for recreation and disaster safety for citizens, further supporting a range of objectives for future resilient urban development. This area will provide ample space for bike riding, running, and many other recreational activities.

Partners Channel Millions to Support Sustainable Energy in the Caribbean

The *Sustainable Energy Facility for the Eastern Caribbean (SEF)* is a partnership between the IDB, the **Caribbean Development Bank (CDB)**, the **Climate Investment Funds (CIF),** the **Green Climate Fund (GCF),** the **Global Environment Facility (GEF),** and the **Government of Italy** to de-risk geothermal development and facilitate public-private partnerships. The facility provides an array of innovative financial instruments to this end, and in 2020 it continued receiving ample support from partners.

For example, since 2018, the **GCF** has channeled a $60 million loan and $250 million in grants to SEF. And in 2020, this funding delivered environmental and social impact assessments, as well as efforts to enhance the capacity of public stakeholders to generate geothermal energy. The loan tranche will finance the construction of geothermal power plants and ancillary installations, while $14 million in GCF grants and millions from the **CIF's Clean Technology Fund (CTF)** will be channeled as contingent recovery grants, which finance the drilling of geothermal wells and can be converted to concessional loans if wells are deemed successful. In 2020, the $19 million that CTF provided to the SEF was fully disbursed, with funds allocated to additional efforts including an exploration campaign in the island of Saint Vincent.

In addition, $3 million provided by the GEF was disbursed to support a solar power installation in public buildings, capacity building on community relations and project evaluation, and environmental and social impact assessments in Grenada. By the end of 2020, a $5.6 million grant provided by Italy had supported complete environmental and social assessments in Dominica and St. Kitts and Nevis.

The GEF and the IDB Enhance Transparency in Climate Efforts in LAC

In 2020, the IDB continued collaborating with the **Global Environment Facility (GEF)** and its capacity-building Initiative for Transparency (CBIT). Two noteworthy projects are channeling GEF support of $1.8 million and $1.3 million to Mexico and Jamaica, respectively, to boost institutional transparency in each country's implementation of their Nationally Determined Contributions (NDCs) to the Paris Agreement. In Mexico, the project is working with government agencies to enhance institutional and technical capacity to adhere to the Paris Agreement's transparency requirements, while in Jamaica these funds are used for designing and implementing a measuring, reporting, and verification system to track NDC-related activities and other transparency initiatives.

In Honduras, $79 Million Project with the Green Climate Fund Invests in Forests

As part of its partnership with the **Green Climate Fund,** the IDB has approved a $79 million project that will boost the climate resilience of vulnerable coniferous forests in Honduras as a means of improving water security, protecting the forests, reducing emissions, and generating benefits for households. Over five years, the project will transform forest management to expand the participation of local communities and the private sector, while improving governance and stability.

SECCI Multi-donor Trust Fund Finances Geothermal Energy Projects

In 2020, a half million dollars from the *Sustainable Energy and Climate Change Initiative (SECCI) Multi-donor Trust Fund* was channeled to develop new geothermal projects in LAC. These funds supported the first geothermal government decree in Colombia, where there is potential for more than 1,100 megawatts of geothermal power. This financing will also be instrumental in reformulating a $9.5 million project financed by the **Clean Technology Fund** to de-risk exploratory drilling in Colombia, with the goal of making drilling more attractive among Colombian private sector entities and international developers.

SECCI is administered by the IDB and supported by the **Governments of Austria, Finland, Germany, Italy, Japan, Spain, Switzerland,** and the **United Kingdom.** It strives to expand investment in renewable energy and energy efficiency technologies, increase access to international carbon finance, and mainstream climate change adaptation into policies and programs across sectors.

AGRICULTURE AND DISASTER RESPONSE

Following Destructive Hurricanes, IDB Group Takes Action

In response to the devastation caused by Hurricanes Eta and Iota in 2020, the IDB presented a comprehensive plan to help Central America prevent and respond to natural disasters, making up to $1.6 billion available to Guatemala, Honduras, and Nicaragua over the next two years. Beneficiary countries will be able to use these funds for priority efforts related to resilient infrastructure, disaster risk management, and basic services for vulnerable communities. Based on lessons learned from the responses to Eta and Iota, the plan will be implemented in coordination with local partners in each country, regional partners such as the **Central American Integration System,** and other multilateral organizations including the **Central American Bank for Economic Integration (CABEI),** the **Economic Commission for Latin America and the Caribbean (CEPAL)**, and the **World Bank.**

Cooperating with the Centre for Disaster Protection

The **UK**-funded **Centre for Disaster Protection** and the IDB joined forces to improve financial risk management related to natural disasters and climate change in the region. The Centre, created in 2017 to provide technical expertise and innovation on disaster risk management, is poised to support the IDB's innovative finance agenda in the region.

Adapting *#SinDesperdicio* to Respond to the Pandemic

The *#SinDesperdicio (#NoWaste) Initiative* that combats food loss and waste in LAC was reformulated in 2020. Its emphasis shifted to address emerging needs associated with the pandemic, helping food banks with activities such as procuring food and cleaning supplies, hiring personnel, and contracting logistics services. Partners in this initiative include **Dow, Nestlé, Coca-Cola, Grupo Bimbo, Oxxo, *Fundación FEMSA,* IBM,** the **World Resources Institute,** the **Global FoodBanking Network,** the **Consumer Goods Forum,** and the **Food and Agriculture Organization of the United Nations. Citi** also joined this effort in 2020.

LAC countries lose or waste more than 127 million tons of food a year — an annual average of 223 kilos per person in a region where nearly 42 million people go hungry. *#SinDesperdicio* was launched in 2018 to reverse this trend through innovative projects, public policies, knowledge generation, and the promotion of responsible consumer habits.

In 2020, AgroLAC 2025 Further Boosts Agriculture Productivity

In 2020, the *AgroLAC 2025 Multi-donor Trust Fund* remained active in its efforts to boost sustainable agricultural productivity and harness the agricultural potential of LAC. By the end of the year, the amount pledged to the fund exceeded $13.7 million in contributions from longtime donors the **Colombian Presidential Agency for International Cooperation (APC), DOW,** and **Global Affairs Canada.** Concretely, AgroLAC 2025 works along three pillars to boost agricultural productivity, improve access to markets, and enhance natural resource management, with a special focus on the Central American region.

In 2020, AgroLAC 2025 approved two operations for a total of $2.15 million, which are now part of an active portfolio of 11 operations that have leveraged $471.6 million in counterparty resources and IDB loans. Key projects include efforts to better link farmers to global value chains, promote climate-resilient farming practices, and modernize management systems in Brazil used by federal animal and plant health labs.

CITIES

Latin America and the Caribbean is the most urbanized developing region on the planet, with eight out of 10 people living in cities. To improve urban life and ensure city development occurs sustainably, the IDB works through two landmark initiatives: *Cities LAB,* a platform for innovation, co-design, and experimentation for sustainable urban development, and the *Cities Network,* a city-level platform for sharing knowledge, building relationships, and devising solutions among more than 200 LAC municipalities. Both efforts build upon the successful *Emerging and Sustainable Cities Program,* created in 2011 to support emerging cities. And together, these initiatives have given way to countless impact-oriented partnerships.

Four Projects Improve Urban Life Thanks to Austrian and Swiss Support

The *Multi-donor Trust Fund for the Development of Sustainable Cities (CIT Fund)* was created in 2019 to promote sustainable, inclusive, and resilient urban development. And in 2020, supported by the **Governments of Austria, Korea,** and **Switzerland,** the fund approved four technical cooperation projects.

The first of these is channeling nearly $300,000 to help three cities design urban solutions by generating knowledge exchange related to COVID-19, economic reactivation and local employment, mobility and connectivity, housing, and urban sustainability. The cities will be selected through the *Innopolis Urban Innovation Challenge,* launched by the *Cities Network* to collect best practices for improving the management and innovative capacity of cities.

Another project is helping the Municipality of Metropolitan Lima prioritize and develop urban projects, with special emphasis on promoting social inclusion and a post-pandemic recovery. In its initial phase, the IDB provided technical support to restore tramway axes in Lima's historic center. The IDB is also conducting workshops to facilitate the exchange of international experiences about the private sector's role in revitalizing historic city centers.

Meanwhile, in Barranquilla, Colombia, the fund is restoring and conserving the city's natural and cultural capital through investment projects and the collection of best practices to inform its urban and economic development strategy. As part of these efforts, urban parks and public spaces are being redesigned to facilitate recreation and outdoor commercial activities that minimize COVID-19 transmission. In addition, the project is designing a regional eco-park in nearby Cartagena, identifying relevant upgrades, monitoring environmental and socioeconomic conditions, creating urban and landscape design strategies, and producing a governance guide to improve the implementation and maintenance of these efforts.

Finally, in Brazil, Colombia, and Peru, a fourth project seeks to integrate urban development and housing policies. To this end, the project is developing a methodology to identify the best locations for social housing development, creating tools to promote rental housing nationally in Peru and at the city-level in Campo Grande, Brazil, and utilizing a conceptual methodology to promote associative housing models in Cartagena, Colombia.

In 2020, the **Korean Ministry of Land, Infrastructure, and Transport** formally joined **Austria** and **Switzerland** as a donor to the CIT Fund with a commitment of $1.3 million.

Learning from the Korean Experience to Improve Public Spaces

Thanks to a half million dollars in support from the **Government of Korea** through the IDB-managed *Korea Poverty Reduction Fund,* in 2020 the IDB continued working with **UN Habitat** to develop diagnostic studies and baseline analyses of public spaces in the cities of Montería, Colombia, Santo Domingo, Dominican Republic, and Montevideo, Uruguay. Begun in 2019, the studies used an innovative digital tool to collect and analyze data, which produced recommendations for developing new public spaces and redesigning existing ones. In the next phase, the IDB will help city governments design and implement experimental projects that, depending on their results, will be used to inform long-term public policies.

The KRIHS-IDB Urban Development Academy Goes Virtual

As part of its partnership with the **Korean Research Institute of Human Settlements (KRIHS),** in 2020 the IDB developed a small private online course (SPOC) that will serve as virtual edition of the *VI KRIHS-IDB Urban Development Academy (KIUDA).* Launched in March 2021, the four-week course aims to foster dialogue and knowledge exchange between Korean and LAC countries. Twenty-five officials from seven LAC countries have registered in the course, which will cover topics including urban development and housing, territorial planning, land management policy, and smart cities. The program will initiate policy dialogue between Korea and LAC countries to explore novel opportunities for addressing urban issues.

In partnership with the ***Fundação Oswaldo Cruz*** and its ***Instituto Gonçalo Moniz (FIOCRUZ),*** as well as the technology firm ***Aria do Brasil,*** the IDB developed a study to analyze the relationship between air quality and health in Salvador de Bahia, Brazil. The study provides innovative recommendations to reduce the impact of air pollution on citizens' health based on an assessment of international best practices.

Through the *Cities Network,* the IDB joined forces with the **Natural Capital Project** and **Stanford University** to organize a workshop exploring how local leaders can incorporate biodiversity and ecosystem services in city planning. Teams from Bogota, Barranquilla, Georgetown, Mexico City, Playa del Carmen, and Lima participated in the workshop, which addressed national and municipal capacities, implementation mechanisms, stakeholder inclusion, and measuring success and evaluating impact.

With Japan, Promoting Smart and Resilient Cities

In 2020, an initiative implemented by the IDB Cities Network, funded by the Government of Japan, sought innovative ways to adapt its programming in light of the pandemic. To fulfil the project's mandate of promoting smart and resilient cities through Japan-LAC cooperation and technical knowledge exchange, the Cities Network created virtual spaces and webinars for city leaders to share knowledge, experiences, and tools. In one example, the **Japan International Cooperation Agency (JICA)** and IDB jointly organized the "Bosai & Beyond: Building Disaster Resilient Cities" webinar, which was attended by more than 400 participants to discuss city resilience in natural disasters. Experts from Nippon Koei and Sendai city shared the Japanese experience, while LAC specialists discussed disaster resilience in Chile and Colombia.

Learning from French Cities to Improve Local Housing

In 2020, the **Government of France** and the IDB continued collaborating on the project "Local Housing Strategies: A Pathway to Sustainable, Climate-Friendly, and Inclusive Cities." Financed with support from the *French Climate Fund,* since 2019 the project has promoted housing supply in central urban areas by designing affordable housing and helping local authorities align housing policies with those related to transport, land use, and other relevant topics. A key component of the project is the collaborations it fosters between French and LAC cities, specifically the municipalities of Buenos Aires, Manaus, and São Paulo and their French counterparts Bordeaux, Lille, and Paris. Together, the cities have worked to develop integrated housing strategies for specific sites in each LAC city center. To date, they have produced a best practice guide sharing each French city's experience with housing strategies, a local diagnosis of the housing and urban development sector in each LAC city, and plans for a pilot project to promote climate-friendly, affordable housing strategies.

VISA and the IDB Take Action on Urban Mobility

Following the signature of a new Memorandum of Understanding in 2020, **VISA** and IDB worked on a joint action plan to promote the use of digital, contactless payments in the transportation sector. The plan focuses on creating and sharing content that highlights payment innovations and documents best practices, lessons learned, user experiences, and efficiency gains from the application of these technologies to urban mobility challenges in the region.

CHAPTER 10

Strengthening Institutions

Strong, effective, transparent institutions are critical to sustainable development. Thus, in 2020, the IDB Group and its partners continued prioritizing efforts to enhance the region's institutional capacity, promote security and fiscal sustainability, encourage transparency and anti-corruption measures, and foster conditions that encourage entrepreneurship and innovation across Latin America and the Caribbean. This section showcases collaborations designed to promote this work, with a focus specifically on transparency and citizen security.

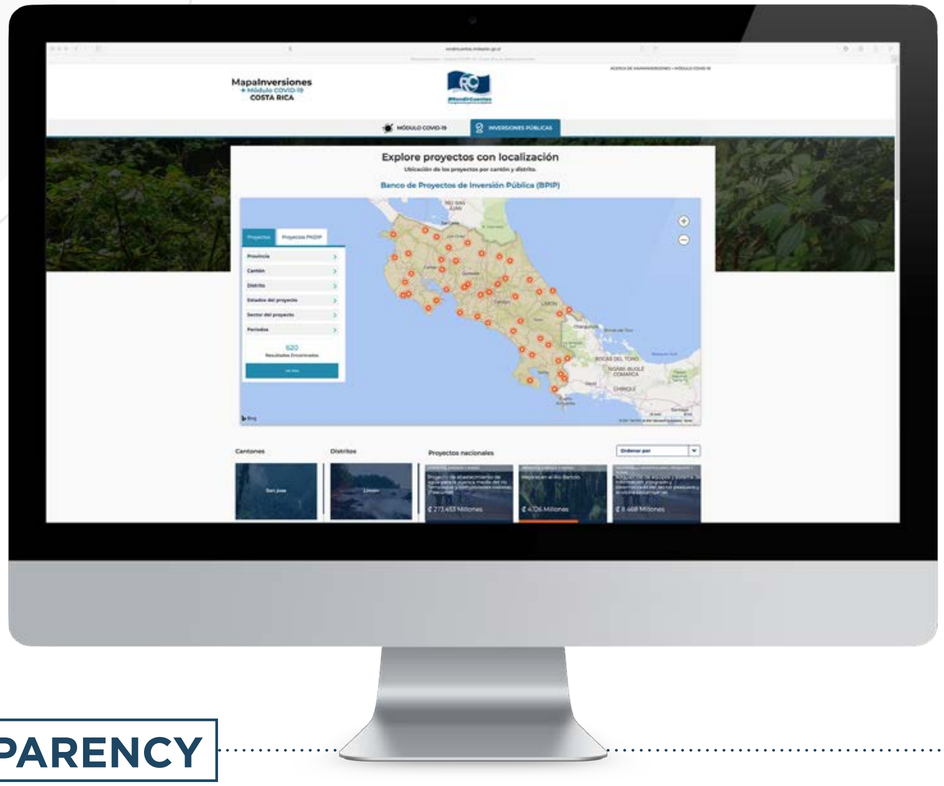
TRANSPARENCY

Transparency is an essential ingredient in IDB Group efforts to improve lives in Latin America and the Caribbean. Thus, the IDB Group and its partners have long worked to promote transparency, accountability, and anti-corruption efforts in the region both by promoting good governance mechanisms and by working closely with the region's governments to fight corruption, enforce the rule of law, boost citizen security, and strengthen governance across the board.

Microsoft and the IDB Expand Historic Partnership to Tackle Transparency, Integrity, and Anti-Corruption

Building on a history of innovating to boost transparency, in 2020 **Microsoft** and the IDB announced a new initiative to harness the power of cloud computing and advanced analytics to reduce corruption, increase transparency, and foster integrity in LAC. Funded by an initial $450,000 from Microsoft, one of the first pilot projects will boost transparency and engagement with civil society in countries' responses to COVID-19.

> **"I am excited about expanding our partnership with IDB to use creativity, innovation, and technology to address one of humanity's oldest problems - corruption. We believe digital technology can work to bring corruption out of the shadows and under the spotlight in a way where it will not survive. By using data and analytics at scale, we can dramatically increase transparency, build better monitoring and flagging systems, and empower enforcers to move more quickly."**
>
> *Brad Smith*
> *President, Microsoft*



TRANSPARENCY

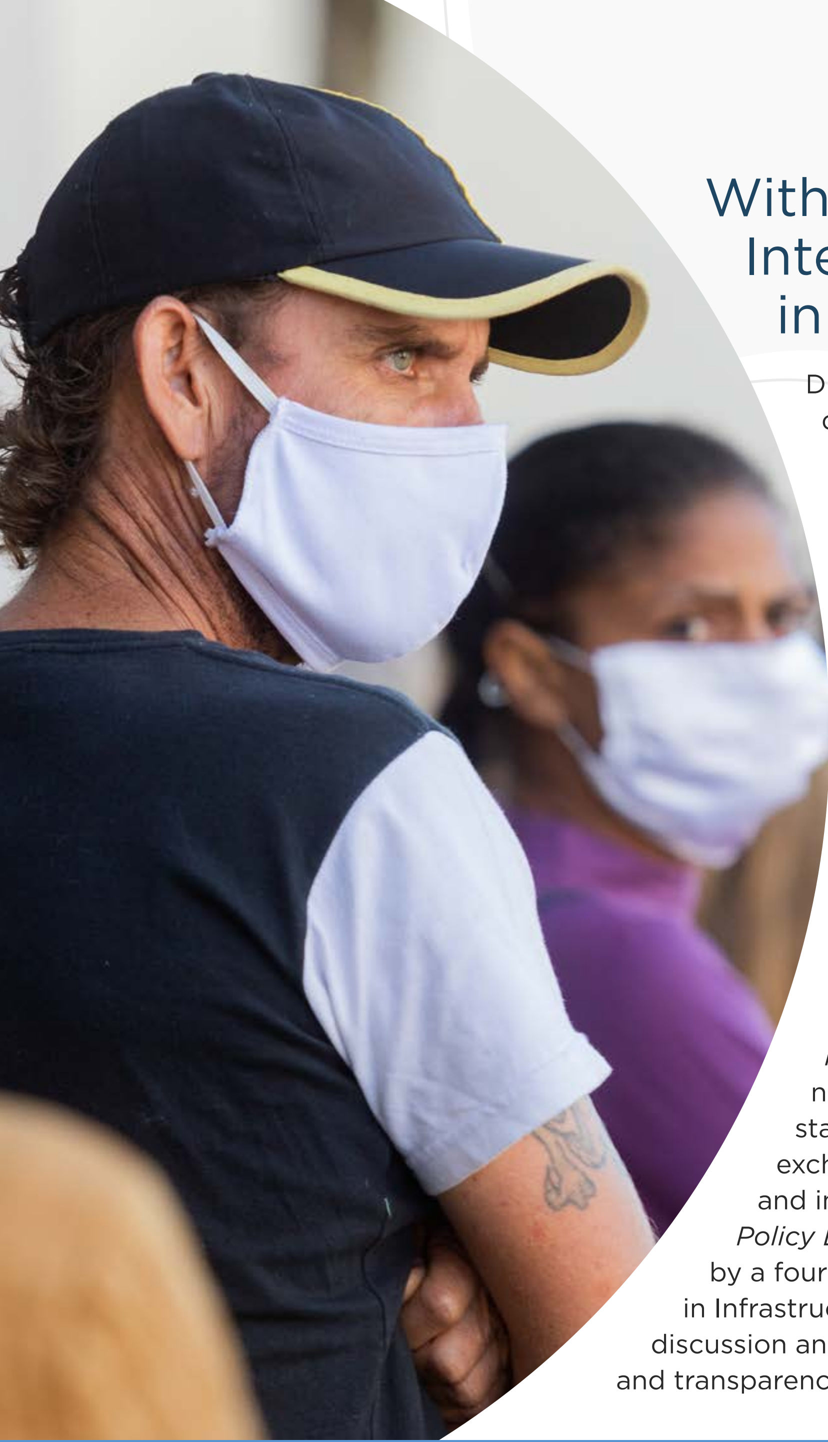
InvestmentMap, One of the Most Impactful Results of the Microsoft-IDB Partnership, Grows in 2020

Since 2017, the *InvestmentMap* initiative has been a flagship product of the IDB's robust partnership with **Microsoft.** And in 2020, the initiative continued evolving by embracing new technological developments.

InvestmentMap is a digital platform that enables citizens to monitor, in real-time, where and how their governments invest. It also provides governments quality information so they can make timely decisions that improve the efficiency of public investments, while enabling companies to improve competitiveness by facilitating an open information environment. Information for the platform is provided by the IDB, with Microsoft providing cloud computing support.

In 2020, *InvestmentMap* was scaled to new countries, bringing to 12 the grand total of countries reached thus far. Importantly, it became a key tool in the IDB's response to the COVID-19 pandemic. With support from Microsoft, the IDB developed a COVID-19 information module within the platform in Paraguay, which discloses information about the use of public resources to address the pandemic. The COVID-19 module allows for strengthened traceability of resources, more informed decision-making regarding resource usage and beneficiary needs, and greater interaction between citizens, interest groups, governments, and private firms. Currently, modules to track coronavirus-related resources are being developed in Costa Rica, the Dominican Republic, Ecuador, and Honduras as well.

To date, *InvestmentMap* has been implemented in Argentina, Bahamas, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Jamaica, Peru, and Trinidad and Tobago.



With the OECD, Boosting Integrity and Transparency in Times of COVID-19

During emergencies, governments must make quick decisions to mitigate social and economic damage. But because emergency laws provide greater discretion regarding the redistribution and expansion of budget allocations, the creation of new spending sources, and the distribution of grants to citizens and companies, quick decisions are often accompanied by enhanced integrity risks. Often, within weeks of deploying financial aid, signs of irregularities appear. This is why transparency and integrity safeguards must be a key component of economic reactivation.

To foster debate and explore solutions to these challenges, the **Organization for Economic Cooperation and Development (OECD)** and the IDB expanded their collaboration in 2020 through the *OECD-IDB Integrity Network for LAC.* Created in 2017, the network provides an ideal space for convening stakeholders, fostering high-level debates, and exchanging best practices related to transparency and integrity policies. In 2020, the *OECD-IDB Regional Policy Dialogue* went virtual and was complemented by a four-session series on "Integrity and Transparency in Infrastructure in Times of COVID-19," which fostered discussion and identified best practices for pursuing integrity and transparency during and after the emergency.

LAC countries must strengthen governance and integrity mechanisms, according to a study by the IDB and the OECD. In the third edition of *Government at a Glance: LAC 2020,* the partners indicate these measures are essential to improve public policies, reduce corruption, and increase public trust.

IDB Rises in 2020 Aid Transparency Index

The IDB ranked fifth among 47 donor agencies in the *2020 Aid Transparency Index,* up from seventh place in 2018. This shift is the result of the IDB's continuous efforts to increase transparency and accountability. The Index is the only independent aid transparency ranking among the world's major aid donors.

CITIZEN SECURITY

Violence is a structural problem with adverse effects for development. Though Latin America is home to only 13 percent of the world's population, 37 percent of the world's homicides occur in the region. The cost of violence amounts to 3.5 percent of GDP. And the pandemic has worsened matters by increasing domestic and family violence, introducing health and hygiene challenges in prisons, and overextending law enforcement officials to address pandemic-related issues. In this context, concerted efforts to promote justice and citizen security are essential. For this reason, the IDB prioritizes both violence prevention activities targeting the most vulnerable populations and institutional strengthening. In all these areas, partners are an important part of the solution.

Protecting Women in Bolivia

In Bolivia, an IDB project is improving the efficient allocation of resources and strengthening public policies to prevent violence against women (VAW). The effort set out to analyze the public expenditure assigned to prevention, care, protection, prosecution, and sanctions in the fight against VAW. This analysis was conducted in three states and six municipalities, and results have already been used to inform and implement reforms, including measures to expedite gender violence cases in the judicial process, as well as a decree that increases resources to confront VAW from five to 15 percent of the citizen security budget at state and municipal levels. The project receives critical funding from the **Swiss Agency for Development and Cooperation** and the IDB-managed *Citizen Security Multi-donor Trust Fund,* which is supported by **Canada** and **Switzerland.**

Switzerland and the IDB hope to replicate this results-oriented public spending model for violence against women in other countries. It can also serve as a best practice for how to closely coordinate multilateral and bilateral aid.

With Switzerland, Tackling Crime in Honduras

Honduras continues struggling with some of the world's highest crime rates. To address this, in 2020 the **Swiss Agency for Development and Cooperation** supported the implementation of an IDB project to improve quality of life in the country's most vulnerable neighborhoods and reduce violent crime. This effort seeks to increase access to basic services and crime prevention infrastructure in particularly vulnerable *barrios*, to reduce homicide and domestic violence rates by improving violence prevention and victim assistance services, and to enhance police effectiveness in criminal investigations.

Over the last year, the project advanced diagnosis and pre-investment activities. Key achievements include the creation of the Tutorship and Mentoring Unit to provide continued support to graduates of the technical police institute and the design of a mentor training plan for the Honduras National Police. In addition, in the cities of Choluteca and Nacaome, units were established to focus specifically on addressing and preventing domestic violence.

With UNODC, Combating Human Trafficking

The **United Nations Office on Drugs and Crime (UNODC)** has been a strategic partner for the IDB in its citizen security and justice work. Over the last year, the organizations expanded joint efforts to combat human trafficking. A key aspect of this work was a series of technical dialogues launched in 2020 with IDB President Mauricio Claver-Carone and UNODC Executive Director Ghada Waly. The dialogues will continue running throughout the new year, covering diverse topics including the role of the private sector in combating human trafficking, institutional capacities needed to address this challenge, and the potential of digital technologies. In addition, the IDB is working with UNODC to produce the first regional report on security and justice capacities to respond to human trafficking in LAC. This publication will be the first regional assessment to take stock on where security and justice institutions stand on combating this crime and how to enhance their capacity to address it.

In 2020, the IDB expanded its focus on human trafficking. Men, women, and children are all victims of human trafficking, which seeks to exploit people for forced labor, domestic servitude, forced marriages, sexual exploitation, and other purposes. Globally, 13 of every 100,000 people are victims of human trafficking. In Latin America and the Caribbean, this issue has worsened in the past three years to reach 12 victims in every 100,000 people.

With the ICRC, Mitigating the Impacts of COVID-19 in Prisons

Addressing COVID-19 in prison systems around the world has been no easy feat, and in 2020 the IDB set out to confront this challenge. As part of its partnership with the **International Committee of the Red Cross (ICRC),** in April the IDB invited ICRC President Peter Maurer to participate in a ministerial policy dialogue to discuss the pandemic-related challenges faced in prisons. At this virtual gathering, 17 regional ministers of justice outlined priorities for preventing and mitigating COVID-19 in prisons. Following this initial conversation, security and justice experts from the IDB and ICRC held a series of technical meetings to further explore the state of the region's prison systems during the pandemic.

In November, with the active participation of ICRC, the IDB relaunched a technical dialogue to review the effect of COVID-19 on prisons eight months into the pandemic. Prison authorities from Chile, Mexico, Panama, and other Central American countries shared their experiences managing the crisis and reflected upon lessons learned. To capture key insights from this conversation, the IDB and ICRC jointly drafted a report that will be published in 2021.

To share best practices for rehabilitating imprisoned youth, the IDB joined forces with the **Italian Agency for Development Cooperation** and the **Irreal Teatro Cultural Association** to showcase a project through film. The partners developed and disseminated a video about the rehabilitation processes of imprisoned youth in El Salvador, which can serve as a model for youth rehabilitation throughout the region. The film was promoted at the Havana Theater Festival in February 2020, with representatives from El Salvador present as special guests. It was also shown at the *XXI International Conference's Theater of Diversity,* held in Urbana, Italy in October to explore alternative approaches to rehabilitating youth offenders.

Curing Violence in Cali

To advance violence prevention in the region, the **Government of Japan** and the IDB joined forces to implement the Cure Violence model in Cali, Colombia. *Cure Violence* applies a disease control methodology to stop the spread of violence by using statistical information to detect and interrupt conflicts, identify and treat high-risk populations and individuals, and change social norms. The methodology seeks to drive behavioral change and provide treatment to individuals in need, while mobilizing the community to spread norms that discourage violence.

Studies have documented the impact of this model in different parts of the world. In the case of Cali, Colombia, 94 percent of young people participating in the program reduced their involvement in violence, while 78 percent stopped committing criminal acts such as carrying weapons or trafficking illegal substances. The results of this project were shared with the public in Cali last October alongside program beneficiaries, IDB specialists, local authorities, *Cure Violence* staff, and the NGO Fundación Alvaralice that implemented the program. The Government of Japan supported the program through funding it provides through the IDB-managed *Japan Special Fund for Poverty Reduction.*

CHAPTER 11

Sustainable Infrastructure

Infrastructure services — such as the supply of drinking water and electricity, services to facilitate transport and mobility, and the provision of information and communication technologies — are the backbone of competitiveness and inclusive growth in LAC. Yet the region faces a critical infrastructure financing gap and must urgently increase investment. And given its vulnerability to climate change, infrastructure planning, construction, operation, and decommission must be designed to ensure sustainability across the project lifecycle. With this in mind, the IDB's robust infrastructure portfolio puts sustainability at the front and center of all efforts, and its infrastructure-focused partnerships are becoming an essential component of its work to enhance the resilience of LAC countries into the future.

Korea Pledges $3 Million to Promote Public-Private Partnerships in LAC

In 2020, the **Korean Ministry of Economy and Finance** and the IDB signed a new Letter of Intent outlining joint plans to promote public-private partnerships (PPP) in the region. To this end, Korea has pledged an initial $3 million to the IDB's *Regional Facility for the Preparation of PPPs,* which funds specialized transaction advisers, helps public entities design PPP contracts, fosters private participation in sustainable infrastructure projects, and improves infrastructure-based services.

New Data Observatories Improve Infrastructure Investment

Alongside international partners, the IDB launched three data observatories to improve data access and better plan infrastructure investments. In the energy sector, with partners like the **Latin American Energy Organization (OLADE),** the **International Renewable Energy Agency (IRENA),** and **Sustainable Energy for All (SEforALL),** the *LAC Energy Hub* was launched in September to foster energy policy innovation, research, and collaboration. It will also feature a digital platform to showcase data visualizations, boost research, and disseminate best practices.

In transport, the **CAF Development Bank** and IDB launched the *Observatory of Human Mobility in LAC* to collect, process, and produce data from 29 cities in line with the mobility agenda's four pillars: universal access, efficiency and quality, safety, and clean mobility. It will also promote the adoption of data analytics to help cities design public policies.

Finally, the *LAC Water and Sanitation Observatory (OLAS)* will leverage quality data to monitor progress on the Sustainable Development Goals. Working with partners like the **Government of Spain,** the **Government of Switzerland,** the **United Nations Children's Fund**, and **Water and Sanitation for All,** OLAS intends to improve policy design.

To date, data from all three observatories has been used in state-of-the-art knowledge products, including the IDB's *2020 Development in the Americas (DIA)* flagship report "From Structure to Services: The Path to Better Infrastructure in Latin America and the Caribbean."

WATER

With Spain, Water Fund Portfolio Reaches $1.5 Billion Mark, Serves 2.5 Million Beneficiaries

The *Spanish Cooperation Fund for Water and Sanitation in Latin America and the Caribbean (FECASALC)* was created by the **Government of Spain** and the IDB in 2008 to improve access to potable water and basic sanitation services, improve water resource management, and strengthen the governance of the water sector in LAC. In 2020, the fund's project portfolio reached the $1.5 billion mark, $580 million of which was provided by Spain directly. To date, 90 percent of fund resources have been disbursed, leveraging $1 billion in additional funds and reaching 2.5 million direct beneficiaries through 27 operations.

In addition, FECASALC kicked off new technical cooperation projects to support emerging priorities including water and gender, transboundary waters, water utility change management, rural services, and water and sanitation in informal urban settlements.

This funding also supports new programs financed by the **European Union's (EU) Latin American Investment Facility (LAIF)** and **Spain's Development Promotion Fund,** thereby strengthening the EU-IDB and Spain-IDB alliances.

In addition, Spain and the IDB are implementing the "Promoting Climate Change Adaptation and Integrated Water Resources Management" program in the context of FECASALC. Complemented with financing from the EU's LAIF, this IDB-managed program is being implemented through projects worth $16.4 million to advance progress in the strategic areas of optimal sanitation, water security, and climate change. To date, 70 percent of the funds have been executed, supporting the preparation of new investments as well as analysis, strategies, and tools in these priority areas.

Spain Provides Sixth Contribution to Multi-donor AquaFund

The **Spanish Agency for International Development Cooperation (AECID)** has provided a sixth contribution to the IDB-managed *Multi-donor AquaFund,* the IDB's leading, flexible financing mechanism to support investments in water and sanitation. This newest contribution of €500,000 will enrich IDB efforts to enhance access to water and sanitation in sparsely populated areas, address water security and climate change, enhance the corporate governance of service providers, and improve urban drainage and flood control. Other donors include the **Austrian Ministry of Finance,** the **Swiss Agency for Development and Cooperation**, the **Swiss State Secretariat for Economic Affairs,** and the **PepsiCo Foundation.**

To date, the *AquaFund* has financed 222 operations for $110.59 million across 25 countries. Key results include the strengthening of and support to more than 60 sector entities in the region through knowledge products, as well as the fund's track record of piloting initiatives focused on generating innovations and promoting inclusive services.

Spain and IDB Deepen their Partnership in Water

Spain's Development Promotion Fund (FONPRODE) is providing reimbursable resources to improve water and sanitation services in Portoviejo, Ecuador. Together, Spain and the IDB intend to advance the objectives of the national government's "Water and Sanitation for All" program, while improving environmental and living conditions in Portoviejo.

Separately, alongside the IDB, FONPRODE also provided $60 million in co-financing for a water and sanitation program targeting the Metropolitan Area of Asuncion, Paraguay. This initiative will increase sanitary sewer coverage and improve the quality and efficiency of the potable water service in the city.

$4.5 Million from Switzerland to Improve Water, Sanitation, and Hygiene

In 2020, the **Swiss Agency for Development and Cooperation** signed a $4.5 million grant contribution to support the IDB's "Sustainable and Innovative Rural Water, Sanitation, and Hygiene" project, which strives to close coverage and quality gaps in rural sanitation and hygiene services in Bolivia, Brazil, Haiti, and Peru. The project will also promote South-South cooperation through alliances with other multilateral organizations such as the **Asian Development Bank** and the **African Development Bank.**

WATER

Innovative *Lazos de Agua* Partnership Reaches 37,000 People in Guatemala

In 2020, the *Lazos de Agua* partnership continued working to enhance access to water, sanitation, and hygiene (WASH) in Colombia, Guatemala, Mexico, Nicaragua, and Paraguay. An important milestone was the conclusion of its intervention in Guatemala, benefiting 37,000 people across 60 rural and urban communities in the department of Quiché. The initiative facilitated sustainable access to WASH through 58 community water projects and efforts to leverage social art as a tool for behavioral change. The partnership invested about $10 million in this intervention, which was coordinated by **Water for People.** The initiative also benefited from the involvement of local governments and communities, the local financial cooperative ***Cooperativa Maya Pro Credit,*** and the artist groups ***Asociación Teatro de Títeres Armadillo, Caja Lúdica,*** and ***Artistas Trabajando.*** It received additional funding from the **Prince Albert of Monaco II Foundation.**

Lazos de Agua was established in 2016 between **FEMSA Foundation, One Drop, The Coca-Cola Company,** and the IDB to increase access to drinking water and improved sanitation and hygiene for 200,000 people by 2021. Led by One Drop, an NGO created by Cirque Du Soleil's founder, $25 million has been committed by the initiative's partners to this end.

***Lazos de Agua* uses the *ABCs for Sustainability* model to achieve its goals, meaning it focuses on expanding Access (building and improving infrastructure, strengthening WASH service providers, etc.), Behavior Change (using social art to change behaviors and promote healthy WASH practices), and Capital (developing WASH-specific financial products and supporting the supply chain).**

Japan Finances Water and Sanitation Progress

A new loan agreement signed by the **Japan International Cooperation Agency (JICA)** and the IDB will channel $85 million in Japanese support to improve water and sanitation access in Paraguay. The project represents a milestone as the first water and sanitation project supported by the *Co-financing for Renewable Energy and Energy Efficiency (CORE)* program. CORE, the cornerstone of the JICA-IDB partnership, was created in 2012 as a $300 million financing platform for energy investments in Central America and the Caribbean. Since then, Japan has expanded the program to $3 billion and to target the entire LAC region.

At *World Water Week,* Shining a Spotlight on LAC

For the fifth year in a row, the IDB coordinated the *Focus on the Americas* program at *World Water Week.* The event's 2020 edition was dubbed *World Water Week at Home,* and it brought together 3,500 participants for seven virtual sessions over three days, convening a group of high-level experts and decision makers to discuss the region's water and sanitation challenges.

The LAC-focused component of the event offered sessions in four languages, with content focused on water security and climate change. Seventeen organizations served as co-conveners alongside the IDB, including **AB InBev, CAF Development Bank, FEMSA Foundation, *Fundación Chile,* Hydronia, Mexican National Water Commission, Argentina's City of Santa Fe, *Organización del Tratado de Cooperación Amazónica,* Organization of American States, PepsiCo Foundation, RTI International, The Nature Conservancy,** the **United Nations Economic Commission for Europe, Water For People, Water.org,** and the **World Resources Institute.** The IDB-led collaboration the *Latin American Water Funds Partnership* participated as a co-convener as well.

With FEMSA, Rewarding Innovations

Since 2009, **FEMSA Foundation** and the IDB have worked through the *IDB-FEMSA Awards* to reward innovative solutions in water, sanitation, and solid waste management. This year, the partners provided $10,000 to winners in each of these categories, while recognizing the most innovative solution addressing COVID-19. Judges selected nine finalists, three for each of the three traditional categories, to participate in a digital bootcamp for social innovators and virtually compete in a "pitch by fire" event. Regional specialists were part of the jury and selected the following winners:

- **First place, Water:** Aqualuz from Brazil uses the sun to purify water from cisterns.
- **First place, Sanitation:** Reiniger from Chile uses an electrochemical system to treat and recover wastewater.
- **First place, Solid Waste:** Reciapp from Ecuador uses a technological social innovation tool to connect citizens with grassroots recyclers through collaborative mapping and the gathering of environmental and socioeconomic information.

Two other solutions received honorable mentions, while two projects received special recognition for addressing the pandemic. One of these was an Ecuadorian innovation to virtually monitor drinking water quality, while another solution seeks to expand access to potable water in Lima, Peru.

ENERGY

$6.5 Million from USAID to Power Haitian Energy and Jobs

To support both energy and employment in Haiti, in 2020 the **U.S. Agency for International Development (USAID)** provided $6.5 million to an IDB operation to design, install, operate, and maintain a 4-megawatt solar plant to complement an 8-megawatt solar power plant to be financed by the IDB. Both plants will be located at the Caracol Industrial Park (PIC) and will have a battery storage system to bridge short-term power fluctuations. These plants will bring clean, low-cost energy to the PIC and surrounding communities. Developed in collaboration with the Haitian government, this new infrastructure is expected to improve competitiveness and attract new industrial tenants, thereby generating new employment opportunities. Currently, the park supports 14,000 jobs, or a quarter of Haiti's workers in the textile industry, accounting for more than 90 percent of exports.

USAID and the IDB have been collaborating to support the construction, development, and operation of the PIC, a mixed-use manufacturing facility in the community of Caracol. The effort is structured as a public-private partnership between the IDB, the **Government of Haiti,** and a leading Korean garment manufacturer, **Sae-A Trading Co. Ltd.** The IDB has invested more than $250 million in PIC infrastructure and services including water and transportation, while USAID has channeled $58 million to build and operate a 10-megawatt thermal power plant to provide reliable electricity to the PIC and almost 15,000 customers in adjacent communities. Yet to ensure more affordable and sustainable power for industrial, commercial, and residential consumers alike, the partners set out to provide solar power to the PIC as well.

With Canada, Promoting Sustainable Energy

In 2012, **Canada** and the IDB set out to strengthen coordination between government entities and other key energy sector stakeholders in Peru as a means of improving the effective and sustainable management of that country's energy resources. The resulting "Program for Sustainable and Efficiency Management of Peruvian Energy Resources" (PROSEMER) was financed with CAD$19 million from the Canadian government. The effort recently concluded, boasting a series of deliverables and results.

For instance, the partners developed an energy planning system for Peru that includes forecasting models. They created an in-depth study on a new institutional structure for energy planning that anticipated the creation of Peru's Energy Planning and Information Unit. The program launched a series of studies on Peru's potential for wind and hydropower generation. Finally, the partners financed a preliminary study of the Ecuador-Peru interconnection project.

With Japan, Accelerating Ecuador's Energy Transition

Under the umbrella of the Japan-IDB *Co-financing for Renewable Energy and Energy Efficiency Program (CORE),* the **Japan International Cooperation Agency (JICA)** has signed an agreement with the Government of Ecuador to provide that country an official development assistance loan of up to $70 million. The funds will support a co-financing project with the IDB to boost access to renewable energy, stabilize the energy supply, promote energy efficiency, and improve operational efficiency in the electrical system.

The project represents JICA's first loan to Ecuador in more than 20 years. It also supports SDG #7, which calls for greater "access to affordable, reliable, sustainable, and modern energy for all."

Through a new $72 million loan agreement, in 2020 JICA and IDB Invest formalized their first co-financing collaboration. Supporting Klabin S.A., a Brazilian pulp and paper manufacturer, the funds will help develop Brazil's sustainable forestry industry, strengthen supply chains, and lessen the impacts of climate change. The agreement is partly a result of the *Memorandum of Understanding* signed by the partners in 2018 to promote co-financing for the private sector, as well as Japan's longstanding collaboration with the IDB Group.

ENERGY

Anglo American and the IDB Create Jobs, Improve Lives in Mining Communities

The “Beyond Extraction: Economic Opportunities in Mining Communities” project launched by **Anglo American Inc.** and the IDB at the end of 2016 concluded in 2020. The project successfully delivered on all objectives, helping to enhance labor markets and the performance of small and medium enterprises (SMEs) in mining communities in Brazil, Chile, and Peru.

The partners helped create more than 3,000 jobs and strengthen 1,000 SMEs and local business associations in these countries. They also cultivated lessons learned from implementation that are now being leveraged to design a second phase of this project, which will work to improve upon its development impact indicators and generate greater economic efficiency. Key findings from the first phase of implementation, such as the potential of digital media for capacity building and networking, will be used to tackle pandemic-related related logistical challenges and enhance impact across the board.

Anglo American and the IDB launched the “Beyond Extraction” project to drive inclusive, sustainable growth in the region’s mining communities. Working to strengthen the capacity of local institutions and promote access to markets, the partnership also seeks to drive economic growth by enabling complementary businesses to generate employment opportunities. To this end, the project sought to leverage Anglo American’s existing investments in these communities and another $5.8 million invested by the partners.

New Agreement Strengthens Brazil-IDB Partnership

An important milestone was achieved in the Brazil-IDB partnership with the signing of a Memorandum of Understanding with **Brazil's Ministry of Mines and Energy.** The agreement sets the groundwork for intensive collaboration on energy integration, universal electricity access, the modernization of the electricity sector, and policies to drive sustainable development and social inclusion.

New Co-financing Partnership to Drive Innovations in Energy

In a new agreement, ***Eletrobras, Électricité de France (EDF),*** the **French Development Agency (AFD),** the **Guyana Energy Agency, *N.V. Energie Bedrijven Suriname,*** and the IDB renewed a pledge to facilitate communication and knowledge exchange to drive interconnection in the electric systems of the Arco Norte countries of Brazil, Guyana, French Guiana, and Suriname. The collaboration builds upon previous studies that prove the feasibility of this interconnection, as well as joint pledges between the Arco Norte governments to advance electric integration.

TRANSPORT

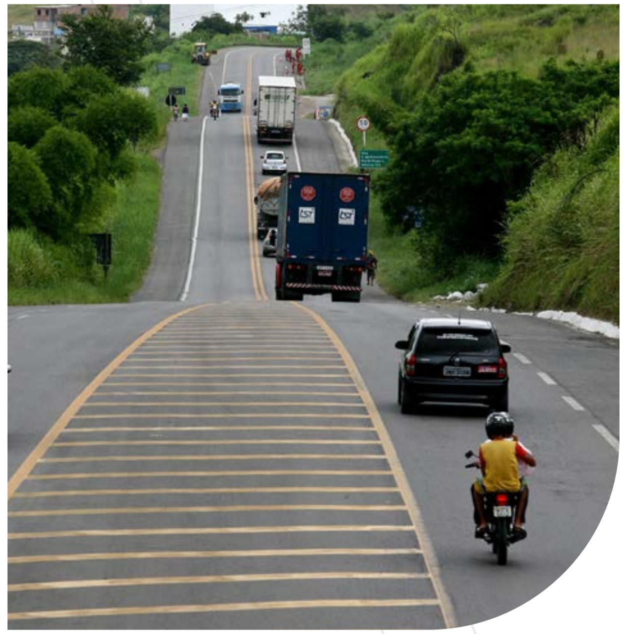
Coordination, Collaboration, and Co-financing to Accelerate Electromobility

In 2020, the IDB made great progress in supporting the democratization of electromobility across 18 LAC countries. These efforts seek to achieve the integral and sustainable adoption of electromobility through enhanced strategic planning, regulation, energy generation and distribution, e-vehicles, digitalization, enabling infrastructure, and business models. The COVID-19 pandemic accelerated demand for clean transport across the region, which encouraged further coordination between multilateral agencies and donors to regionalize actions, leverage resources, and create financial and technical synergies.

Already, the IDB Group's electromobility team is working in a coordinated manner with key partners including **CAF Development Bank,** the **French Development Agency, Germany's KFW,** the **Green Climate Fund,** and the **United Nations Environment Program.** To date, the partners have focused on enhancing the implementation of specific projects and the design of regional tools for exchange, training, and communication.

The Global Infrastructure Facility provided a reimbursable grant of nearly $800,000 in 2020 to support airport construction in Honduras. In partnership with the IDB, these funds will support project preparation and the establishment of a public-private partnership to this end.

iRAP and IDB Team Up to Boost Road Safety

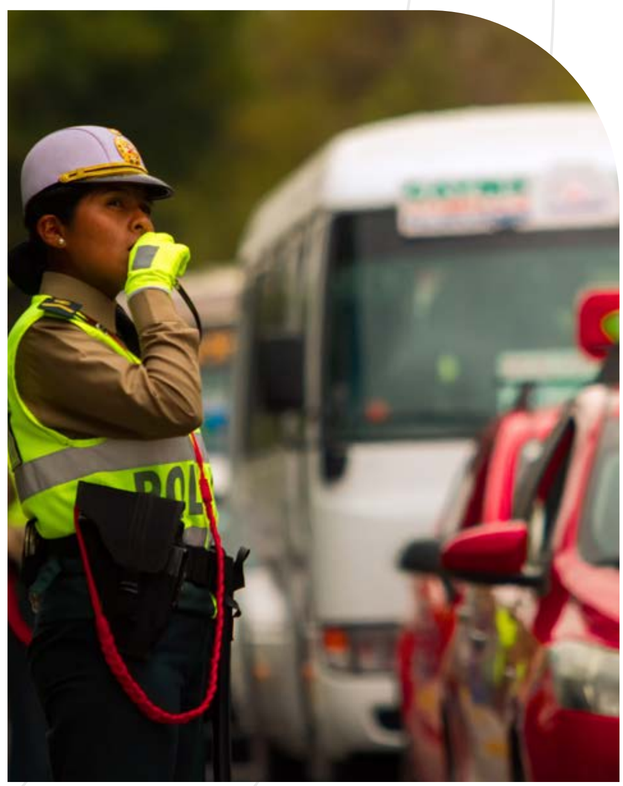


A partnership between the **International Road Assessment Programme (iRAP)** and the IDB will improve road safety in LAC. In a new five-year agreement, the partners pledged to reduce road trauma and advance the Global Road Safety Performance Targets and road safety-related SDGs. In addition, they intend to pave the way for Road Assessment Programmes (RAPs) in LAC that apply iRAP's methodology to reduce the number of casualties and serious injuries caused by road accidents.

To Maximize Value for Citizens, Metro de Medellín and the IDB Join Forces

Colombia's **Metro de Medellín** and the IDB formalized their collaboration in a new partnership agreement, which outlines general plans for expanded collaboration as well as the creation of a Public Policy Laboratory for the transport sector. The Laboratory will serve as a space for generating evidence to inform the design of transportation projects and maximize the social and economic benefits of public transit systems.

IDB Reaffirms Commitment to Road Safety



In November, in the context of the World Day of Remembrance for Road Traffic Victims, the IDB joined its fellow multilateral development banks in signing a high-level joint declaration on road safety. It was coordinated by the **European Investment Bank** and supported by the **African Development Bank, Asian Development Bank, CAF Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Islamic Development Bank, New Development Bank,** and the **World Bank.** The declaration seeks to foster cooperation among MDBs so, together, we may achieve a 50 percent reduction in road deaths and injuries worldwide while advancing related SDGs.

CHAPTER 12

Knowledge Sharing

Achieving the Sustainable Development Goals and igniting a post-pandemic recovery will require concerted efforts to channel financing to the region. But knowledge exchange will be critical as well. As such, in 2020, the IDB continued fostering knowledge-based partnerships with universities, think tanks, companies, governments, and international organizations, with the goal of better equipping the LAC region to navigate the challenges of COVID-19, advance sustainable development, and stimulate recovery.

How to Partner for Sustainable Development? SDSN-IDB Course Has the Answer

In 2020 the IDB launched the second and third editions of its massive open online course (MOOC) *Partnerships: A Vehicle for Advancing Sustainable Development.* Originally delivered in 2019 and developed in close collaboration with the **United Nations' Sustainable Development Solutions Network (SDSN),** the course teaches participants how to design, manage, and monitor partnerships for sustainable development.

Given the MOOC's emphasis on the power of partnership, its case studies and readings were crafted in coordination with SDSN and partner organizations including **Avina Foundation, FEMSA Foundation, *Fundación Bancaria "la Caixa,"* Google, Microsoft,** the **Open Society Foundations, PepsiCo, The Coca-Cola Company, The Nature Conservancy,** and the **United Nations.** The MOOC is an important installment in the series of courses developed on the 17 Sustainable Development Goals by the **SDG Academy,** SDSN's flagship education platform. The course has registered more than 21,700 participants to date and is gearing up for additional editions in 2021.

PMI and IDB Promote Project Management Training

The **Project Management Institute (PMI)** and the IDB have worked for several years to improve training and project management practices across the region. The MOOC *Project Management for Development,* developed in collaboration with the Project Management Institute Educational Foundation (PMIEF), had nearly 150,000 participants enrolled in 2019 and 2020 to learn best practices for managing projects that promote development. Additionally, the partners teamed up in the context of the *Project Management Coaching Network for Social Projects,* a regional movement through which project managers accessed an online platform for mentorship, dialogue, and knowledge exchange, with nine editions in 2019 across Argentina, Dominican Republic, Mexico, and Peru.

Bringing Partner Expertise to the IDB Group

IDB Group partners once again channeled critical expertise to the LAC region through *secondments*, arrangements through which partner organizations deploy professionals to the IDB for a fixed time to work on areas of joint strategic interest. For years, secondments have proved to be effective vehicles for tapping into the knowledge and fresh perspectives of talented professionals, while enhancing ties between the IDB Group and its partners. The following actors, most of which have long-term secondment programs with the IDB Group, provided secondees in 2020:

- Bank of Tokyo-Mitsubishi UFJ
- Clifford Chance
- European Investment Bank
- Export-Import Bank of Korea
- Japan International Cooperation Agency
- Korea Expressway Corporation
- Korean Ministry of Interior and Safety
- Korea Trade-Investment Promotion Agency
- Korea Water Resources Corporation

The OECD-IDB Partnership Forges Ahead

The **OECD** and the IDB have expanded their partnership into the future, renewing their 2014 Memorandum of Understanding through the end of 2025. This renovation enhances joint efforts to promote better policies that improve economic, social, and institutional outcomes. Several new priorities were identified, including a reinvigorated focus on economic growth and productivity, social inclusion, institutional strengthening, responsible artificial intelligence, and climate change.

Given the knowledge focus of the OECD-IDB partnership, in 2020 a key achievement was the development of a joint study to identify and analyze regional universities that have successfully adapted to the changing technological environment. The study is informing broader IDB efforts to support the digital transformation of academic institutions in LAC.

In 2020, the IDB collaborated with European partners including **Casa de America** in Spain, the **London School of Economics (LSE)** in the United Kingdom, and the **OECD** to present the IDB's flagship "2020 Latin American and Caribbean Macroeconomic Report." Before diverse audiences, these virtual events showcased the report's findings and discussed proposed policies to provide relief, maintain economic stability, and preserve the core of the economy amid COVID-19.

Tulane University and the IDB Join Forces

In a newly minted Memorandum of Understanding, the IDB and **Tulane University** have formalized their partnership. Already, the partners are cooperating through Tulane's **Commitment to Equity Institute** to reduce inequality and poverty through activities including capacity building trainings for decision makers, the development of tools and studies to assess the impact of fiscal and social policies, and knowledge exchange.

IDB Group and MIT Solve Identify Solutions Via the *Rethink Plastics* Challenge

The IDB Group and **MIT Solve,** an initiative of the **Massachusetts Institute of Technology (MIT),** awarded $60,000 in prizes to three Latin American startups with innovative solutions to reduce single-use plastics and plastic waste in LAC. The partners worked through the *Rethink Plastics Challenge* to identify these innovators. The Chilean project *Atando Cabos* won first place, receiving $30,000 and the chance to have a pilot implemented by the IDB Group. *Algramo,* also from Chile, was awarded second place and a prize of $20,000. *Eco Panplas,* a Brazilian company, received third place and $10,000.

In addition to prize money for the winning solutions, MIT Solve and the IDB Group provided innovators with added support through a mentorship program. Made available to the Challenge's nine finalists, the program connected them with firms including IDB partners **Ambev,** the **Blockchain Challenge, Natura, PepsiCo,** and **The Coca-Cola Company,** which provided advice on scaling business models, the basics of intellectual property, and more. IDB partners also served as judges, evaluating submitted proposals as well as finalists' solutions in a virtual closed-door pitch competition.

"The *Rethink Plastics Challenge* was an invaluable experience that goes beyond the monetary prize we received. The Challenge was a powerful platform where finalists were able to showcase our solutions to top-tier players in Latin America's sustainability field."

Francisco Cruz
Leader of winning solution Atando Cabos

SHARING KNOWLEDGE TO COMBAT COVID-19

Mastercard Leverages Data to Boost Tourism in the Caribbean

To give the tourism industry a boost amid COVID-19, IDB partner **Mastercard** is providing countries one-year access to its Tourism Insights Platform. The platform shares big data analytics with a 360° view of the travel cycle, mining intelligence from anonymous data generated by Mastercard transactions, internet searches, price and booking data, and social media insights. This information can help countries improve decision-making to attract visitors and revenue.

A virtual event brought together high-level representatives from **Mastercard,** leaders from the cities of **Buenos Aires** and **Novo Hamburgo,** and IDB specialists to discuss how to help cities navigate COVID-19. The event focused on Mastercard's City Possible platform, a collaborative space where cities, companies, academic institutions, and communities promote urban development solutions.

Through the *Beyond Tourism Challenge,* IDB Lab and the **United Nations World Tourism Organization (UNWTO)** selected eight winning proposals from Barbados, Belize, Dominican Republic, Costa Rica, Haiti, Guyana, Panama, and Trinidad and Tobago. The *Challenge* sought solutions to stimulate tourism following COVID-19, with a focus on innovations that promote environmental sustainability, digital skills, and the development of the tourism workforce. More than 200 applications were received from 28 countries. Selected applicants are initiating project design and are considered for IDB Lab financing.

First Korea-Colombia Virtual Forum Talks Health, Economic Recovery, and More

The **Government of Colombia,** the **Government of Korea,** and the IDB organized the inaugural *Korea-Colombia Virtual Forum,* representing the first event of its kind organized between Korea and an IDB member country. Convening policymakers, government officials, and business leaders from both nations, the event generated discussion about post-pandemic economic reactivation, the public health response to COVID-19, and building resilience in the entrepreneurial ecosystem. It was attended by leaders at the highest levels, including Colombia's President Iván Duque and Korea's Deputy Prime Minister and Minister of Economy and Finance Hong Nam-ki.

In November, the IDB and IDB Invest joined forces with **Korean** partners to organize a virtual seminar about business opportunities in infrastructure. The event sought to expand the Korea-LAC business network, develop a pipeline of Korean sponsors, and showcase the IDB's resource mobilization tools to Korean financial institutions. Roughly 100 participants from 21 companies and financial institutions participated.

Through a virtual event, the **Korea Disease Control and Prevention Agency (KDCA)** shared its expertise battling COVID-19 with IDB representatives and health authorities from across the region. During the session, KCDA's Dr. Lee Seon Kyufrom shared Korea's approach to addressing the pandemic, referencing specific examples like their use of drive-through and walk-through testing. 700 people joined the webinar, many from Brazil, Ecuador, Peru, and other countries grappling with severe outbreaks.

With City Officials from Spain, Helping LAC Cities Respond to COVID-19

The *Cities Lab* — the IDB's platform for innovation, design, and experimentation related to sustainable urban development — set out to help LAC cities strengthen their response to the pandemic. In a virtual event with the **Mayor of Seville,** Juan Espadas, and the **Deputy Mayor of Madrid,** Begoña Villacís, more than 200 participants came together to discuss cities' experience with COVID-19 and recommendations for improving health and socioeconomic conditions.

Trust Funds

Driving Development Progress through Multi-donor Funds

In 2020, multi-donor trust funds remained a vital tool for driving sustainable development in the region, especially in the context of COVID-19. Administered by the IDB with grant financing from diverse partners, some of these landmark trust funds are featured below.

AgroLAC 2025 Multi-donor Trust Fund promotes sustainable agriculture to enhance food security and reduce poverty, with a focus on trade and access to markets, increased productivity, and agri-environmental planning. *Canada, Colombia, Dow.*

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

Multi-donor Fund for Citizen Security strengthens the capacity of countries to manage and evaluate public policies to enhance citizen security. *Canada, Switzerland*

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

Development Fund for the Ecuador–Colombia Border Integration Zone promotes integration and improves quality of life in border communities in Ecuador and Colombia. *Colombia, Ecuador*

Development Fund for the Colombia–Peru Border Integration Zone promotes integration and improves quality of life in border communities in Colombia and Peru. *Colombia, Peru*

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

Early Childhood Development Innovation Fund improves cognitive, language, motor, and socio-emotional outcomes for vulnerable children ages 0-5, with a focus on scale, knowledge generation, and innovation. *FEMSA Foundation, Open Society Foundations, Fundação Maria Cecilia Souto Vidigal (in Brazil), Porticus (in Brazil and Colombia)*

Multi-donor Fund for the Development of Sustainable Cities promotes sustainable, inclusive, and resilient urban development. *Austria, Korea, Switzerland*

Multi-Donor Fund for the Transformation of Technical and Vocational Education and Training transforms technical and vocational education in LAC. *Germany, Switzerland*

Gender and Diversity Multi-donor Fund drives equitable and culturally appropriate development by fostering gender equality, combating discrimination, and supporting development with identity. *Austria, Canada, Denmark, Norway, Sweden, United Kingdom*

Malaria Elimination Blending Facility finances and executes malaria elimination plans. *Bill & Melinda Gates Foundation, Carlos Slim Foundation, the Global Fund*

NDC Pipeline Accelerator Multi-donor Trust Fund plans, designs, and prepares marketable infrastructure projects and aligns investments with the Paris Climate Agreement. *Austria, the Netherlands, Nordic Development Fund, Sweden*

Multi-donor Regional Integration Fund implements the IDB's integration strategy in the areas of "software," or regulations and policy frameworks and "hardware," or physical integration. *Canada, Chile, Colombia*

Sustainable Colombia Facility addresses post-conflict and sustainable development challenges in Colombia, with emphasis on rural development, climate change, environmental sustainability, and inequality. *Norway, Sweden, Switzerland*

Sustainable Energy and Climate Change Multi-donor Trust Fund invests in renewable energy and energy efficient technologies, expands access to carbon finance, and mainstreams climate considerations across sectors. *Austria, Finland, Germany, Italy, Japan, Spain, Switzerland, United Kingdom*

Transparency Fund strengthens the institutional capacity of countries to enhance transparency and prevent and control corruption. *Canada, Italy, Norway, Sweden, Mastercard*

Financials

In 2020, the IDB continued focusing on strengthening the collaborations we established over the years and ensuring that resources made it to beneficiaries efficiently and effectively. Our partnerships evolved throughout 2020 with financing contributions to trust funds and project-specific grants amounting to $445 million. These resources played a critical role in executing the 2020 operational program, which included the approval of 583 grant operations (Technical Cooperation, Investment Grants, and Externally-Funded Contractuals), totaling $295 million and 32 donor-financed loans and equity investments for $534 million. These partner contributions allowed the Bank to enhance the scale and scope of our COVID-19 response across sectors, with 143 technical cooperation operations for $69.9 million.

2020 Concessional & Grant Financing Approvals by Instrument Type
(in US$ millions)

Instrument Type	Amount
Externally Funded Contractual (EFC)	5.00
Equity Investment (EQU)	12.00
Investment Grant (IGR)	57.76
Reimbursable Donor Financing - Loans (LON)	522.20
Technical Cooperation (TCP)	232.45
Total	**$829.41**

2020 Concessional & Grant Financing Approvals by Fund Type
(in US$ millions)

Fund Type	Amount
Single Donor Trust Funds (SDF)	473.46
Multi-donor Trust Funds (MDF)	48.51
Project Specific Grants (PSG)	65.39
Financial Intermediary Funds (FIF)	131.53
OC Strategic Development Programs	110.52
Total	**$829.41**

2020 Approvals by Beneficiary Country
(in US$ millions)

Country	Amount
Argentina	3.86
Bahamas	1.05
Barbados	2.00
Belize	1.53
Bolivia	9.76
Brazil	88.30
Chile	56.85
Colombia	86.06
Costa Rica	7.24
Dominican Republic	2.01
Ecuador	26.61
El Salvador	5.76
Guatemala	84.11
Guyana	9.75
Haiti	2.29
Honduras	62.13
Jamaica	14.27
Mexico	87.77
Nicaragua	3.42
Panama	7.05
Paraguay	52.97
Peru	10.22
Regional	137.88
Suriname	0.96
Trinidad & Tobago	11.35
Uruguay	53.25
Venezuela	0.95
Total	**$829.41**

2020 Credited Contributions to Donor Trust Funds by Donor Country and Partner Institution
(in US$ millions)

Donor Country	Partner	Amount
Austria	Federal Ministry of Finance of Austria (BMF)	1.95
Canada	Global Affairs Canada	50.28
China	China-LAC Industrial Cooperation Investment Fund	0.04
	The People's Bank of China	197.68
Colombia	Agencia Presidencial de Cooperacion Internacional de Colombia (APC)	0.20
	Ministerio de Relaciones Exteriores de Colombia	1.75
Ecuador	Ministerio de Relaciones Exteriores Comercio e Integración de Ecuador	2.00
	Ministry of the Economy and Finance of France	8.64
Germany	Federal Ministry for Economic Cooperation and Development of Germany	5.48
Japan	Japan International Cooperation Agency	0.07
	Ministry of Finance of Japan (MOF)	12.37
Korea, Republic of	Korean Energy Agency	0.12
	Ministry of Economy and Finance of Korea	59.90
	Ministry of Land, Infrastructure and Transport of Korea	0.46
Mexico	Fundación FEMSA	0.50
Multilateral Organization	The World Bank	32.68
Norway	Norwegian Agency for Development Cooperation (NORAD)	0.56
Spain	Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	6.82
	Ministerio de Economía y Competitividad de España	4.22
Sweden	Swedish International Development Agency (SIDA)	1.58
Switzerland	State Secretariat for Economic Affairs (SECO)	1.09
United Kingdom	Department of Environment, Food and Rural Affairs (DEFRA)	8.20
United States of America	Bill & Melinda Gates Foundation	5.00
Total		**$401.59**

2020 Credited Contributions to PSGs by Donor Country and Partner Institution
(in US$ millions)

Donor Country	Partner	Amount
Austria	Federal Ministry of Finance of Austria (BMF)	0.09
Belgium	Sofinex	0.09
Colombia	SURA Asset Management	0.01
Dominican Republic	Banco Múltiple BHD León S.A.	0.00
	Caltec Scoring Technologies, S.R.L.	0.03
	Eventors	0.27
Europe	European Commission (EC)	21.89
Finland	Ministry for Foreign Affairs of Finland	0.24
Germany	Federal Ministry for Environment, Nature Conservation and Nuclear Safety	1.11
	Germany - BFIO	0.10
Japan	Japan International Cooperation Agency	0.27
Korea, Republic of	Korea (MOPAS)	0.14
	Korean Research Institute for Human Settlements (KRIHS)	0.10
	The Government of the Republic of Korea	0.19
Mexico	BIMBO	0.03
	Fundación FEMSA	0.02
Multilateral Organization	Nordic Development Fund (NDF)	0.55
New Zealand	Ministry for Primary Industries of New Zealand	0.60
Spain	Banco Santander S.A.	0.08
	Telefonica, S.A.	0.05
Switzerland	Nestlé S.A.	0.03
	State Secretariat for Economic Affairs (SECO)	4.48
	Stiftung Auxilium	0.18
Switzerland	Swiss Agency for Development and Cooperation (SDC)	1.84
United Kingdom	Department for International Development (DFID)	1.04
	Palladium Group	0.15
United States of America	Alphabet Capital US LLC	8.00
	Google LLC	0.03
	JPMorgan Chase Foundation	0.79
	Microsoft	0.32
	Microsoft Corporation	0.05
	Rockefeller Foundation	0.33
	U.S. Agency for International Development (USAID)	0.33
	UNICEF	0.09
Uruguay	El Instituto Nacional De Empleo Y Formacion Profesional	0.25
	Sociedad De Productores Forestales	0.06
Total		**$43.83**

CRF Mobilization Indicators

The Corporate Results Framework (CRF) monitors the IDB Group's institutional strategy and provides a high-level view of development results in Latin America and the Caribbean. These mobilization indicators are part of the CRF Level 3 indicators, which assess the IDB Group's performance against targets for operational delivery and results as well as organizational management and effectiveness. The mobilization indicators baseline corresponds to cumulative results in the 2016–2019 period. For 2020, indicators were classified based on the percent of annual progress as compared to the four-year cumulative target for 2020–2023. More information about IDB Group's CRF can be found at: www.iadb.org/crf.

Indicator	Baseline (2016–19)	Target (2020–23)	2020 Progress	Status*
Direct third-party financing deployed ($ billion)	6	≥9	3.1	**On track** x ≥ 25% of target
Private direct third-party financing deployed ($ billion)	3.7	≥6	1.7	**On track** x ≥ 25% of target
Indirect third-party financing deployed ($ billion)	12.5	≥16.5	3.5	**On watch** 25% of target > x ≥ 20% of target

* Each indicator has been classified using the criteria where "x" stands for the progress in 2020.

2020 PARTNERS

AB InBev

African Development Bank

Agencia Española de Cooperación Internacional para el Desarrollo

Agencia Nacional de Investigación e Innovación (ANII) de Uruguay

Agencia Presidencial de Cooperación Internacional de Colombia

Airbnb

Amazon

Arca Continental

Asian Development Bank

Austrian Ministry of Finance

Banco Centroamericano de Integración Económica

Banco de Desenvolvimento de Minas Gerais

Banco Nacional de Desenvolvimento Econômico e Social do Brasil

Banco Santander

MUFG Bank

Bernard van Leer Foundation

Bill & Melinda Gates Foundation

Blue Orange Capital

CAF Development Bank

Caribbean Development Bank

Carlos Slim Foundation

Central America Bottling Corporation

Centre for Disaster Protection

Citigroup

Climate Investment Funds

Council of the Americas

Danone

Danper

DHL

Dow

EFFEM (Mars)

Électricité de France

Eletrobras

Esri

European Bank for Reconstruction and Development

European Commission

European Investment Bank

everis NTT Data

Facebook

FC Barcelona Foundation

FEMSA

FEMSA Foundation

FinDev Canada

Fondo Financiero para el Desarrollo de la Cuenca del Plata

French Development Agency

Fundación SES

Fundación Telefónica

Fundación Universia

Fundo Socioambiental Caixa

Germany's Federal Ministry for Economic Cooperation and Development

Germany's Agency for International Cooperation (GIZ)

Germany's Federal Ministry for Economic Cooperation and Development (BMZ)

Global Affairs Canada

Global Education Coalition

Global Environment Facility

Global Infrastructure Facility

Google

Green Climate Fund

Grupo AGRISAL

Grupo Bimbo

Grupo Financiero BAC Credomatic

Guyana Energy Agency

IBM

IE Business School

Infrastructure Authority Projects

Inter-American Institute for Cooperation on Agriculture

International Committee of the Red Cross

International Council of Beverages Associations

International Fund for Agricultural Development

International Monetary Fund

International Olympic Committee

International Organization for Migration

International Road Assessment Program

Islamic Development Bank

Italian Agency for Development Cooperation

Japan International Cooperation Agency

JP Morgan Foundation

KFW Bank Group

Korea Energy Agency

Korean Ministry of Foreign Affairs

Maersk SeaLand

Mastercard

Microsoft

Millicom

Ministerio de Economía y Competitividad de España

Ministério de Minas e Energia do Brasil

Ministerio de Relaciones Exteriores de Colombia

Finland's Ministry for Foreign Affairs

N.V. Energie Bedrijven Suriname

National Institute of Public Administration of the Dominican Republic

Nestle

Nordic Development Fund

One Drop Foundation

Organización Latinoamericana de Energía

Organization for Economic Cooperation and Development

Palladium

Pan American Health Organization

PepsiCo Foundation

PepsiCo Inc.

Postobon

Rockefeller Foundation

Sanitation and Water for All

Santander Universidades

Sesame Workshop

Sistema Nacional de Garantías (SiGa)

SoftBank Group

Switzerland's State Secretariat for Economic Affairs

Swedish International Development Agency

Swiss Agency for Development and Cooperation

Swiss Re

Telefónica

The Coca-Cola Company

The Global Fund to Fight AIDS, Tuberculosis, and Malaria

The World Bank

Tsinghua University

Tulane University

U.S. Agency for International Development

U.S. International Development Finance Corporation

United Kingdom Department for Business, Energy & Industrial Strategy

United Kingdom Department for Environment Food and Rural Affairs

United Nations Children's Fund

United Nations Development Program

United Nations Office for Project Services

United Nations Sustainable Development Solutions Network

Universia

Universidad de la República de Uruguay

Visa Inc.

Women Entrepreneurs Finance Initiative

World Economic Forum

This list may include entities that signed agreements with the IDB Group, actively engaged the IDB Group in ongoing projects, and/or made a commitment to an IDB Group project, fund, or program during 2020. It does not include all those organizations with which the IDB has an ongoing institutional partnership, or other private sector partnership arrangements (including the A/B Loan program). Governments featured on this list may encompass the diverse ministries and government entities with which the Bank collaborated throughout the year.

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

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1. Public-private sector cooperation-Latin America. 2. Public-private sector cooperation-Caribbean Area. 3. Sustainable development-Latin America. 4. Sustainable development-Caribbean Area. 5. Coronavirus infections-Economic aspects-Latin America. 6. Coronavirus infections-Economic aspects-Caribbean Area. I. Inter-American Development Bank. Office of Outreach and Partnerships.

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