IN THE SPOTLIGHT

Mauricio J. Claver-Carone Takes the Helm of the IDB Group as President

Mauricio J. Claver-Carone was elected President of the Inter-American Development Bank on September 12, during an electronic meeting of the IDB’s Board of Governors. He took office on October 1, 2020 for a five-year term. As President, he will oversee the operations of the IDB Group, which comprises the IDB, IDB Invest, and IDB Lab. President Claver-Carone has hit the ground running, highlighting job creation, digitalization, nearshoring, women’s empowerment, and obtaining a capital increase as key priorities.

$6.5 Million from USAID to Power Haitian Energy and Jobs

To support both energy and employment in Haiti, the U.S. Agency for International Development (USAID) is providing $6.5 million to an IDB operation to design, install, operate, and maintain a 4-MW solar plant. Developed in collaboration with the Haitian government, the plant will bring clean, low-cost energy to the Caracol Industrial Park and surrounding communities. Because the Park supports 13,500 jobs, or a quarter of Haiti’s workers in the textile industry that accounts for more than 90 percent of exports, this new infrastructure provides critical economic support as well.

With Banco Davivienda and We-Fi, an IDB Invest Gender Bond Achieves Many Firsts

IDB Invest, the IDB Group’s entity for the private sector, 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 will exclusively finance IDB Invest’s women-led portfolio of small and medium enterprises (SMEs) and social interest housing for women in Colombia. Financed under the umbrella of the Women Entrepreneurs Financing Initiative (We-Fi), the bond represents the first We-Fi transaction in Colombia, the first gender bond in Colombia, and the first gender bond in the world linked to incentives and certified by external reviewers in line with international standards.

More than $100 Million in Approvals Expand Korea-IDB Co-financing

As part of its active partnership with the IDB, the Government of Korea has approved $60 million for investments in rural electrification infrastructure in Guatemala. The funds will increase access to electricity and build mid- and low-voltage grids in rural areas through the extension of distribution networks in that country. Moreover, a new disbursement of $50 million from Korea is strengthening public policy and fiscal management in the response to COVID-19 in Paraguay. Both projects are being financed under the umbrella of the Korea Infrastructure Development Co-financing Facility, created by the partners in 2015 to facilitate co-financing in sectors critical to development in Latin America and the Caribbean (LAC).
€3 Million from Germany to Mobilize 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.

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-ever 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.

The BDMG-IDB Partnership Flourishes

The IDB’s long-standing partnership with Minas Gerais Development Bank (BDMG) continues to grow, most recently through the signing of a new Memorandum of Understanding (MOU). The agreement pledges 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 Sustainable Development Goals (SDGs), an unprecedented accomplishment in the Brazilian market.

Canada Pledges CAD$6 Million to Boost Business in the Caribbean

The Government of Canada pledged a contribution of CAD$6 million to the Compete Caribbean Partnership Facility (CCPF), a private sector development program working across 13 Caribbean nations. The new contribution will be delivered over a three-year period and will support continued efforts to stimulate economic growth, increase productivity, and foster innovation and competitiveness in the region. CCPF is a partnership between Canada, the Caribbean Development Bank, the United Kingdom, and the IDB.

The European Commission and the IDB Expand Collaboration

The European Commission (EC) and the IDB have 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 principal sources of Official Development Assistance. These funds will be able to finance IDB technical assistance and investment grant operations, either on a stand-alone basis or alongside co-financing from the IDB and/or other donors. Finally, under the FFPA, the IDB will be able to directly execute technical assistance operations.
COMBATTING COVID-19

$14.71 Million from We-Fi Support Women Entrepreneurs in STEM

In recognition of the IDB’s groundbreaking work on gender, in August the Women Entrepreneurs Finance Initiative (We-Fi) granted the IDB $14.71 million. The funds will support a program to enhance access to finance, markets, skills, and networks for women-led businesses, primarily in technology and science-supported sectors. Specifically, the program 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.

Start-Up Nation Central and ConnectAmericas Forge Israeli-LAC Ties

Start-Up Nation Central has forged a partnership with ConnectAmericas, an IDB-led online business platform that helps LAC’s SMEs internationalize by connecting them with clients, suppliers, and investors. The new collaboration seeks to boost tech relations between Israel and LAC, in part to help the region better confront unprecedented global challenges like COVID-19. To date, the partners have created profiles for more than 5,000 Israeli companies on ConnectAmericas and begun facilitating introductions and interactions between the platform’s LAC and Israeli users. ConnectAmericas is supported by partners Google, DHL, Sealnd, Facebook, and MasterCard.

With Google, C Minds, and Other Partners, Leveraging Ethical Tech to Tackle COVID-19

As part of its active partnership with the IDB, Google expanded its support to fAir LAC, a partnership between the public and private sectors, civil society, and academia to promote the responsible and ethical use of artificial intelligence (AI). Google funds will help fAir LAC partner C Minds create an open-source AI-based support system for COVID-19 clinical trials. Other partners include Ageric, Barcelona Supercomputing Center, Ciudadania Inteligente, Coding Rights, Etiacas, everis NTT Data, Facebook, ID, Instituto Laura Fresatto, Microsoft, Northeastern University, Olabi, rutaN Medellín, Tecnológico de Monterrey, Telefónica, Universidad de San Andrés, Universidad Nacional Autonoma de Mexico, and the World Economic Forum.

IDB Invest and Banco ABC Issue the First Social Bond in Brazil

IDB Invest structured and acquired the first social bond in Brazil, issued by Banco ABC for roughly $100 million. Proceeds will support Banco ABC’s portfolio of medium-sized companies and the health sector, helping meet financing needs and respond to the crisis generated by COVID-19.
KNOWLEDGE AND INNOVATION

New Report Highlights the Power of Partnerships

A new IDB report highlights the powerful role partnerships can play in advancing sustainable development, showcasing concrete collaborations with governments, corporations, universities, philanthropic entities, and other organizations across sectors.

The ECD Hub is Live! A One-Stop Shop for Knowledge and Innovation

As part of its work to improve the lives of children aged 0-5 in the region’s most vulnerable communities, the IDB-led Early Childhood Development (ECD) Innovation Fund has officially launched the ECD Development Hub. The hub is intended as a one-stop online site to facilitate knowledge exchange and promote innovations related to ECD. It is a key component of the ECD Innovation Fund, a partnership between FEMSA Foundation, the Open Society Foundations, the Maria Cecilia Souto Vidigal Foundation, and Porticus that finances, designs, and implements ECD projects with a focus on generating evidence to inform regional efforts.

With French Support, the IDB and ILO Assess a Climate-Friendly Labor Market

A new report by the IDB and the International Labor Organization (ILO) assess 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 helping protect the region’s unique natural bounty. The report received critical funding from the Government of France through the IDB-managed French Climate Fund.

Forging Alliances, Fostering Integration

To foster greater integration in LAC, CAF Development Bank, FONPLATA, and the IDB joined forces to create the Alliance for the Integration and Development of Latin America and the Caribbean (ILAT). Formalized in a newly signed MOU, ILAT seeks to work with countries to identify, plan and prioritize projects that advance regional integration. Specifically, 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.

New OAS-IDB Report Calls for Enhanced Cybersecurity in the Americas

A new report by the Organization of American States (OAS) and the IDB highlights the efforts made by LAC governments to manage cyber risks to date, but at the same time calls for enhanced cybersecurity efforts in the Americas. The report is a follow up to a 2016 publication the same topic.
OPPORTUNITIES

Save the Date for WeXchange 2020

Join the IDB’s innovation laboratory IDB Lab at the WeXchange 2020 event, to be held November 10 and 11. This virtual gathering represents the eighth edition of the largest forum for connecting women STEMPreneurs from LAC with mentors and investors. This year’s event is being supported by IDB partner the Women Entrepreneurs Finance Initiative (We-Fi).

NEWS DIGEST

USAID and IDB Celebrate One Year of Supporting Venezuelan Migrants

The U.S. Agency for International Development (USAID) and the IDB joined forces with Georgetown University’s Edmund A. Walsh School of Foreign Service to celebrate the one year anniversary of the BetterTogether Challenge, a global initiative launched by the USAID-IDB partnership to crowdsourcelog, fund, and scale innovative solutions to support Venezuelans and host communities affected by migration. At a virtual event, the partners announced new awardees and showcased Challenge-funded solutions to the migration crisis. IDB President Mauricio Claver-Carone, USAID Acting Administrator John Barsa, and Walsh School of Foreign Service Dean John Hellman spoke at the event, alongside innovators and leaders from their organizations and Georgetown University.

The Latin Trade IndexAmericas 2020 Awards Celebrate Corporate Sustainability

Leaders including President Mauricio Claver-Carone of the IDB, Managing Director and Senior Partner at the Boston Consulting Group David Young, and private sector leaders gathered on Wednesday for the Latin Trade IndexAmericas 2020 Awards. The event, titled “Sustainability: the Future of Latin America,” was organized by IDB partner Latin Trade to celebrate the IDB Group’s IndexAmericas initiative, a corporate sustainability index recognizing companies operating in LAC based on their performance along environmental, social, and corporate governance (ESG) indicators, as well as their contributions to sustainable development. At the event, Danone, Enel Chile, Grupo Sura, Itaú Unibanco Latam, and Unilever received awards and discussed the ways in which sustainability is helping to address pressing challenges in the region.

New Data Observatories Strive to Improve Infrastructure Investment Across Sectors

Alongside international partners, the IDB has launched three data observatories to improve data access and better plan infrastructure investments. With partners like the Latin American Energy Organization (OLADE), the LAC Energy Hub is promoting energy policy innovation, research, and collaboration, while creating a digital platform to collect data, boost research, and disseminate best experiences. In transportation, the IDB and the CAF Development Bank launched the Observatory of Human Mobility in LAC to collect, process, and produce data from 29 cities in line with the four pillars of the mobility agenda: 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 SDG progress. Alongside partners like Spain, Switzerland, UNICEF, and Water and Sanitation for All, OLAS intends to help all actors design more effective policies. Data from all three observatories has been used in state-of-the-art knowledge products, including the IDB’s 2020 flagship report.
The European Commission (EC) and IDB Team Up in the Caribbean

The European Commission 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 in islands affected by Hurricane Dorian.

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

The IDB and the Bernard van Leer Foundation have signed a Letter of Intent that serves as a framework for their collaboration on early childhood development (ECD) in the region. The two organizations intend to channel development financing to support and commission research on behavioral barriers and interventions on ECD.

New Video Reflects Canada-IDB Partnership

As part of the active collaboration between the Government of Canada and the IDB, a new video is available to help companies and interested partner organizations learn to better collaborate and engage with the IDB Group. Don’t miss it!

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

The CFO Principles for Integrated SDG Investment and Finance were launched this week 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 ABInBev, 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.

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 to the fund include the Austrian Ministry of Finance (BMF), the Swiss Agency for Development and Cooperation (SDC), the Swiss State Secretariat for Economic Affairs (SECO), and the PepsiCo Foundation.
To Maximize Value for Citizens, Metro de Medellín and the IDB Join Forces

Colombia’s Metro de Medellín and the IDB have formalized their collaboration in a new MOU. The agreement outlines general plans for expanded collaboration as well as the creation of a Public Policy Laboratory for the Transportation Sector. The Laboratory will serve as a space dedicated to generating evidence that can inform the design of transportation projects and maximize the social and economic benefits of the city’s public transit systems.

The OECD-IDB Partnership Forges Ahead

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

The IDB’s 21st Century Skills Coalition Welcomes New Partners Aboard

Amazon Web Services (AWS), the Korea Education and Research Information Service (KERIS), and Plan Ceibal are the newest members of the IDB’s 21st Century Skills Coalition, a partnership between more than 30 organizations to promote and strengthen transversal skills in the region. Given KERIS’ and Plan Ceibal’s expertise using ICT in education and AWS’s focus on digital skills, these three partners will focus on programs that integrate technology into education and enhance digital literacy and digital skills.

New Agreement Strengthens Brazil-IDB Partnership

An important milestone was achieved in the Brazil-IDB partnership with the signing of a MOU 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.

Cooperating with the Centre for Disaster Protection

The UK-funded Centre for Disaster Protection and the IDB have 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.
Three Latin American Startups Win Rethink Plastics Challenge

The Rethink Plastics Challenge, powered by MIT Solve and the IDB Group, awarded $60,000 in cash prizes to three Latin American startups. The funds will help these innovators scale up their solutions to reduce single-use plastics and plastic waste in the region. Atando Cabos (Chile) won first place, receiving $30,000 and the chance to have a pilot project implemented by the IDB Group. Algramo (Chile) was awarded second place and a prize of $20,000. Eco Panplas, a Brazilian company, received third place and $10,000. IDB partners including Ambev, Natura, PepsiCo, and The Coca-Cola Company participated as judges and mentors in this effort.

Boosting Business Prospects for German Firms in Latin America

The IDB participated in the virtual 71st Latin America Day organized by the German Business Association for Latin America (LAV). Alongside dozens of Latin American and German business and political leaders, IDB representatives gave an overview of business strategies for Latin America, highlighting exciting investment opportunities and recognizing the important role private investment must play to rebuild economies in a post-pandemic world.

At World Water Week, the IDB Shines a Spotlight on LAC

To shine a spotlight on LAC, the IDB once again coordinated the Americas in Focus session at the World Water Week at Home 2020 event, which brought together 3,500 participants. This year’s Americas in Focus session featured seven different discussions over the course of three days, convening a group of high-level experts and decision makers to discuss the region’s water and sanitation challenges.

In Infrastructure Services, Looking to Korea for Lessons

The challenges LAC faces related to infrastructure services require more and better investment, as well as the use of technology to unlock higher quality, more affordable services. With that in mind, the IDB and the Korea Development Institute’s Center for International Development jointly organized a webinar titled “Smart Infrastructure: How Can We Learn from Korea?” The October 7th event presented four cases that analyze Korea’s experience using intelligent technology to provide infrastructure services and offer valuable lessons for the LAC region.