IN THE SPOTLIGHT

PepsiCo and the IDB Expand Partnership, Launch Innovative Fund

At a virtual signing ceremony in early January, PepsiCo, the PepsiCo Foundation, and the Inter-American Development Bank (IDB) signed a new Memorandum of Understanding (MoU) extending their partnership until 2026, which will mark 19 years of collaboration. In this new phase, PepsiCo and its Global Foundation are investing approximately $6 million in projects related to water access, inclusive recycling, sustainable agriculture, and economic recovery, with a cross-cutting emphasis on women's empowerment. A key part of these efforts is the partners' new Next Generation Agriculture Fund, which will identify challenges connected to gender issues within PepsiCo's potato supply chains, initially in the Dominican Republic, Ecuador, and Guatemala. The ceremony featured remarks by IDB President Mauricio Claver-Carone, PepsiCo Chairman and CEO Ramon Laguarta, PepsiCo Latin America CEO Paula Santilli, and IDB Lab's Chief Discovery Officer Cesar Buenadicha.

Canada, FinDev Canada, and U.S. DFC Support Women-led SMEs and Green Financing with Davivienda

The U.S. International Development Finance Corporation (DFC) and FinDev Canada joined forces with IDB Invest to support green financing and small and medium enterprises (SMEs) in Colombia, with a special emphasis on women-led SMEs. 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 priority segment. These loans will provide financing to Davivienda clients in the SME and women-led SME portfolios which have suffered negative impacts due to COVID-19. The loan includes $20 million in financing from Canada through the Canadian Climate Fund for the Private Sector (C2F), which will be used to promote environmentally friendly businesses.

MDBs Join Forces to Support Central America in Wake of Hurricanes

President Mauricio Claver-Carone of the IDB convened World Bank Group President David Malpass, Central American Bank for Economic Integration (CABEI) President Dante Mossi, and leaders from Belize, Costa Rica, Honduras, El Salvador, Guatemala, and Nicaragua to address the impacts of Hurricanes Eta and Iota. The IDB is coordinating with these actors and United Nations agencies to finance humanitarian assistance and reconstruction in Guatemala, Honduras, and Nicaragua, and rehabilitate infrastructure in Belize, Costa Rica, El Salvador, and Panama. The IDB will support the most affected countries with new resources of up to $1.2 billion, $500 million in resources redirected from existing operations, and resources mobilized from partners.
USAID and IDB Announce $2 Million to Support Venezuelan Migrants

The U.S. Agency for International Development (USAID) and the IDB announced $2 million in awards for five solutions as part of the BetterTogether Challenge. Winners will implement solutions related to job creation and expanded internet access, among other topics, to improve the lives of Venezuelans in Argentina, Brazil, Colombia, Chile, and Venezuela. The Challenge is a partnership between USAID and the IDB to crowdsource, fund, and scale innovative solutions to support Venezuelan migrants and their host communities across the region.

France Pledges €3 Million to IDB’s Aging Facility

The French Development Agency (AFD) pledged €3 million to finance the IDB’s Aging Facility. The Facility is intended to help countries develop policies that respond to the multidimensional consequences of aging, such as elderly and long-term care services and support, adapted healthcare systems, and initiatives that promote healthy aging.

Japan Provides $1 Million for Education in El Salvador and Honduras

The discontinuity of educational services due to COVID-19 will negatively impact student retention and learning, especially for the most vulnerable young people in Mesoamerica. As such, the IDB-managed Japan Special Fund (JSF) is committing $1 million to support school re-enrollment and recover learning outcomes. To amplify the initiative’s impact, the knowledge it generates will be shared with other Mesoamerican countries. The JSF was established by Japan in 1988 to promote social and economic growth in LAC.

Austria and IDB Step Up Collaboration to Implement the Paris Agreement

The Austrian Ministry of Finance signed a grant contribution of €1.6 million to support the NDC Pipeline Accelerator Multi-Donor Trust Fund. The Fund is an IDB-led climate finance facility aimed at fast tracking bankable and sustainable projects that advance sustainable development objectives and help LAC countries implement their Nationally Determined Contributions under the Paris Climate Agreement. Other donors include the Nordic Development Fund and the Governments of the Netherlands and Sweden.

Switzerland and the IDB Improve Water and Sanitation for Migrants

The Swiss Agency for Development Cooperation and the IDB approved $12.75 million in grant financing as well as an IDB loan of $50 million to improve drinking water and sanitation in the La Guajira department in northern Colombia. In line with Colombia’s Guajira Azul program, the project is expected to reach 900,000 residents by increasing the coverage and quality of water and sanitation services in urban areas, particularly those affected by recent migration, improve the management capacity of local providers, and support their regionalization.

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

The Swiss Agency for Development and Cooperation is contributing a $4.5 million grant to 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 like the Asian Development Bank and the African Development Bank.
CONTINUING TO FIGHT COVID-19

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

A new partnership between the Rockefeller Foundation and the IDB is fostering knowledge sharing and collaboration to tackle COVID-19. Specifically, the partners will adapt the methodology used by the Foundation's Testing Solutions Group to establish a community of practice focused on COVID-19 response priorities at national and subnational levels in LAC. The community of practice will convene academia, private sector stakeholders, and others to foster collaboration among sub-national governments as they identify, adapt, and scale-up best practices to address the pandemic.


The IDB Group, its fellow multilateral development banks (MDBs), and the International Monetary Fund (IMF) launched a report on financing the Sustainable Development Goals (SDGs). The report discusses MDB efforts to collectively mobilize $230 billion to address the pandemic and emphasizes the importance of MDB partnerships to deliver financing, knowledge, and capacity building in pursuit of the SDGs. Partners include the African Development Bank Group, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Islamic Development Bank Group, New Development Bank, and the World Bank Group.

With Korea, Co-financing Critical Development Projects

In late 2020, the Government of Korea approved $60 million in funding for the IDB’s Rural Electrification Infrastructure Program in Guatemala. The project, which seeks to increase access to electricity and build mid- and low-voltage grids in rural areas through the extension of distribution networks, will be funded under the umbrella of the partners’ joint co-financing platform, the Korea Infrastructure Development Co-financing Facility (KIF). In addition, Korea disbursed $50 million to support an effort to strengthen public policy and fiscal management in response to COVID-19 in Paraguay.

IDB Group Analyzes Financial Inclusion in Times of COVID-19

In November, the IDB, its entity for the private sector IDB Invest, and its innovation laboratory IDB Lab convened experts to discuss the state of financial inclusion in the context of the pandemic. The webinar featured the global launch of the 2020 Global Microscope on Financial Inclusion, conducted annually by the Economist Intelligence Unit with support from the Bill & Melinda Gates Foundation, the Center for Financial Inclusion, IDB Invest, and IDB Lab. The Microscope presents data on how 55 countries are advancing financial inclusion for small businesses and vulnerable populations, placing special emphasis on instruments that helped address the COVID-19 crisis.
IDB and UNWTO Announce Results of Beyond Tourism Innovation Challenge

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 identifying innovations that promote environmental sustainability, the acquisition of digital skills, and the development of the tourism workforce. 214 applications were received from 28 countries. Selected applicants are initiating project design and are considered for IDB Lab financing to pilot their solutions.

To Tackle COVID-19, Fostering Technological Exchange

To learn from the successful experience of Korean deep tech startups in dealing with COVID-19, IDB Lab and Korean startup accelerator Born2Global Centre launched a new initiative to promote deep tech exchange and the formation of partnership prototypes between LAC and Korean startups. Specifically, the so-called LAC-Korea Deep Tech Exchange Program strives to foster exchange and create an ecosystem that will leverage deep tech to solve short-term (mitigation) and medium-term (economic recovery and reopening) challenges posed by the pandemic.

KNOWLEDGE AND INNOVATION

Fundación Universia and the IDB Drive the Digital Transformation of Universities

During the II Virtual Dialogue of LAC University Presidents, co-organized by Fundación Universia and the IDB in May, it became clear that university leaders required urgent support to drive the digital innovation processes needed to keep universities relevant and enable them to serve students during the pandemic. As a result, the partners jointly created the “International Course on Strategy and Digital Transformation” for university deans. Launched in November, the course seeks to equip 30 participants with the skills necessary to lead their universities in this difficult time and to manage the enormous possibilities offered by technology to improve the quality of teaching, research, and the relationship between universities and society.

Microsoft, IICA, and the IDB Launch Study on Rural Connectivity

A study by the Inter-American Institute for Cooperation on Agriculture (IICA), Microsoft, and the IDB found that at least 77 million rural inhabitants lack access to high-quality internet services while 244 million people have no internet access at all. The study, which focused on 24 LAC countries, provides an overview of the status of connectivity, revealing a troublesome gap between urban and rural areas which undermines the immense social, economic and production potential of the latter.

Tulane University and the IDB Formalize New Partnership

In a newly minted MoU that seeks to foster collaboration between the two parties, Tulane University and the IDB have formalized their partnership. Already, the IDB is actively cooperating with the university’s Commitment to Equity Institute to reduce inequality and poverty in the region through a series of activities including capacity building trainings for decision makers, the development of tools and studies to assess the impact of fiscal and social policies, the development of pilot projects, and knowledge exchange activities.
With Bernard van Leer Foundation, Empowering the Youngest Migrants

As part of the partnership between the Bernardo van Leer Foundation and the IDB, a new effort will promote early childhood development (ECD) in the context of migration. Specifically, the partners will channel funds from the foundation to expand the geographic scope of a pilot project to mitigate the impacts of migration on ECD. The effort builds on a project supported by the Government of Finland alongside Sesame Workshop, which broadcasts its programming for free to families in migrant protected spaces.

A Growing Partnership Leverages Data for Good

The Organization for Economic Cooperation and Development and United Nations Development Program have joined the International Monetary Fund, World Bank, and 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 Partnership 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. The Partnership is supported by the Bill & Melinda Gates Foundation and has convened 25 private sector partners to date.

In Uruguay, an Academic Partnership Promotes Sustainable Finance

In a new MoU, Universidad de la República de Uruguay (UdelaR) and the IDB pledged to collaborate to promote the sustainable finance ecosystem in Uruguay. Through this novel collaboration, UdelaR and the IDB will jointly develop a sustainable finance course for the university’s Masters of Finance program, while exploring additional opportunities for cooperation.

To Support Women Entrepreneurs, Mexico Issues its First Social Gender Bond

Mexico celebrates a social bond issuance featuring a gender perspective, the first of its kind carried out by a government entity in the Mexican stock market. The issuance was placed by the Bank of Mexico’s Agricultural Trust Funds (FIRA) and the Bank of Mexico as trustee. Proceeds will support women entrepreneurs in the food sector and in rural areas. The IDB supported FIRA in the issuance of the bond and has supported gender bonds by commercial banks in Colombia and Panama as well.

Gender and Diversity Initiative to Drive Inclusion and Equality in LAC

One of the world’s most unequal regions, LAC has a long history of exclusion and discrimination of indigenous peoples, African descendants, people with disabilities, and LGBTQ+ individuals. To address this, the IDB created the GDLab, a new gender and diversity initiative. Through donations and its own resources, the initiative will finance rigorous research to help design solutions that address the challenges of gender inequality and the exclusion of diverse populations in the areas of work and migration, education and health, STEM, leadership, and measurement and research methods, among other topics.
Microsoft and the IDB’s InvestmentMaps Reach Jamaica

The Government of Jamaica, in partnership with Microsoft and the IDB, have launched InvestmentMap Jamaica, an online interactive portal that tracks the country’s public investment and makes information available to citizens in a user-friendly map-based format. Jamaica is now the first country in the English-speaking Caribbean to join the regional InvestmentMap initiative alongside Argentina, Colombia, Costa Rica, the Dominican Republic, Paraguay, and Peru.

Telefónica Renews its Commitment to Ethical Tech

IDB’s long standing partner Telefónica renewed 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). Other partners include Agesic, Barcelona Supercomputing Center, Ciudadania Inteligente, Coding Rights, Etics, everis NTT Data, Facebook, Google, ID, Instituto Laura Fresatto, Microsoft, Northeastern University, Olabi, rutaN Medellín, Tecnológico de Monterrey, Universidad de San Andrés, Universidad Nacional Autonoma de Mexico, and the World Economic Forum.

Partners Explore Digital Exclusion of Rural Women

A new publication by the University of Oxford and supported by the Inter-American Institute for Cooperation on Agriculture (IICA), the International Fund for Agricultural Development (IFAD), and the IDB explores “Digital Exclusion: An Obstacle that Hinders Rural Women’s Work.” The study found that 17 of the 23 LAC countries analyzed face a gender gap in mobile phone ownership that translates to lower participation rates in the rural workforce. This collaborative resource can help inform IDB efforts to empower women, generate employment, and bridge the digital divide, key priorities for the IDB moving forward.

NEWS DIGEST

IDB and Bancóldex Support SMEs and Energy Efficiency

Colombia will improve the productivity and energy efficiency of small and medium enterprises (SMEs) with an $8 million credit provided by the IDB to Banco de Comercio Exterior de Colombia S.A. (Bancóldex). These concessional resources have been made possible by IDB partner the Clean Technology Fund. This is the second operation under a $600 million conditional credit line for investment projects approved by the IDB for Bancóldex in 2019 to finance SME investments in energy efficiency. It is also part of Bancóldex’s efforts to support the post-COVID-19 recovery of SMEs by incentivizing environmental sustainability.

With CAF and FONPLATA, Promoting Integration in LAC

A newly formalized IDB partnership with CAF and FONPLATA seeks to channel financing from the LAC-based development fund to promote collaboration on regional integration activities. Specifically, the partners jointly with the IDB will provide a total of $1.8 million over the course of three years to promote collaboration in integration matters, with a special focus on infrastructure and border development in the Río de la Plata Basin member countries (Argentina, Bolivia, Brazil, Paraguay, and Uruguay).
A Renewed Collaboration with the Islamic Development Bank Group

The IDB Group and the Islamic Development Bank Group renewed the partnership established in a 2018 agreement by updating their joint Action Plan for the 2021-2022 period. Under the plan, priorities include co-financing in common member countries and LAC countries with Muslim communities; capacity development and knowledge sharing; serving marginalized groups; enhancing trade through technical assistance, financing, and policy work; addressing climate change and building resilience; and supporting trade between LAC and Organization of the Islamic Cooperation countries.

Spain and IDB Deepen their Partnership in Water

Spain’s Development Promotion Fund (FONPRODE) will provide reimbursable resources to improve water and sanitation services in Portoviejo, Ecuador. Together, the partners intend to advance the objectives of the national government’s “Water and Sanitation for All” program, which will help fight COVID-19, while improving environmental and living conditions in Portoviejo.

To Impart Relevant Skills to LAC Citizens, Coalition Expands

The IDB’s innovative 21st Century Skills Coalition has welcomed the Colombian firm Grupo Sura aboard as its newest partner. As part of the Coalition, Grupo Sura will support the IDB’s efforts to promote and develop the skills LAC youth need to attain better employment opportunities into the future. The Coalition brings together more than 30 partners to finance projects that support a new generation of education and training policies in the LAC region, with a focus on racing LAC’s children and youth.

IDB Reaffirms its Commitment to Road Safety

In November, in the context of the World Day of Remembrance for Road Traffic Victims, the IDB joined its fellow MDBs in signing a high-level joint declaration on road safety. It was coordinated by the European Investment Bank and developed alongside 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.

IDB Receives Emerging Enforcer of the Year Award

The Global Investigations Review awarded the IDB “Emerging Enforcer of the Year Award” for the anti-corruption activities managed by its Office of Institutional Integrity and Sanctions System. The award is a prestigious recognition of the world’s best organizations for cross-border investigations, taking into account the scale, scope, and complexity of matters investigated, organizational performance, and the quality and expertise of professionals.
IDB Announces Winners of the PLAY Challenge

The IDB announced the winners of the PLAY Challenge, a competition to identify video games, platforms, and digital products that use gamification to develop, measure, or certify cognitive, socio-emotional, or executive function skills. First place went to the Mexican startup Dadbox, which will receive $10,000 in prize money and has the opportunity to join the IDB’s 21st century skills efforts. The competition received proposals from more than 290 companies spanning 30 countries around the world.

WHERE WE’VE BEEN

The OECD-AFD-LAC Forum Contemplates LAC’s Post-Pandemic Future

Alongside the OECD Development Center and the French Development Agency (AFD), the IDB co-organized the 12th edition of one of Europe’s most prominent events on LAC: the OECD-AFD-IDB LAC Forum. The event convened high-level participants and enabled the IDB to share its recovery agenda with LAC presidents and European partners. IDB President Claver-Carone discussed his vision for the Bank and the region in a presidential dialogue alongside H.E. Carlos Alvarado Quesada, President of the Republic of Costa Rica, Ángel Gurría, Secretary-General of the OECD, and Rémy Rioux, CEO of AFD. In addition, Benigno López Benítez, IDB Vice President for Sectors and Knowledge, moderated the closing session on rethinking international cooperation and moving towards a new multilateralism following COVID-19.

Partnering with the French Private Sector

On November 18, the IDB co-organized its third annual meeting alongside Mouvement des Entreprises de France (MEDEF International), a global network that helps French companies expand into emerging and developing markets. Speakers from the IDB and IDB Lab discussed possible areas of collaboration through financing and knowledge, with a focus on infrastructure, energy, housing, and urban development, as well as the innovation-focused work carried out by IDB Lab.

IDB Leaders Explore Key Priorities at the Concordia Americas Summit

As part of its ongoing partnership with Concordia, IDB leaders participated in the December Concordia Americas Summit as a means of generating dialogue and showcasing priority topics in the LAC region. The event featured a high-level dialogue between President Mauricio Claver-Carone of the IDB and Concordia CEO Matthew Swift on the IDB’s new vision for the future of LAC. In addition, the IDB, through IDB Lab, coordinated and hosted a dynamic roundtable discussion on corporate venturing with participants from AmexCap, Danone, inQlab, Google, Microsoft, PepsiCo, and Telefónica.

Building Disaster-Resilient Cities

The IDB joined forces with its longstanding partner the Japan International Cooperation Agency (JICA) to organize “Bonsai and Beyond,” a webinar to foster dialogue and exchange lessons and experiences on how to build disaster-resilient cities. More than 300 people participated in the seminar, which was coordinated in part by the IDB’s Cities Network, a platform for knowledge, relationship-building, and solutions that aims to foster knowledge exchange and cooperation between 200 LAC cities.
Annual Consultation Meetings Strengthen Korea-IDB Ties

The Korea-IDB Annual Consultation Meeting, which evaluates the partnership and explores opportunities for future cooperation, was held on November 30. High-level staff members from both sides participated in this in-depth discussion on the IDB Group’s vision for the region and resource mobilization opportunities. As a result of this gathering, Korea and IDB will expand joint co-financing and technical cooperation efforts using IDB-managed funds financed by the Government of Korea, among them the Korea Infrastructure Development Co-Financing Facility (KIF), the Korea Trust Funds, and the Korea Knowledge Sharing Program. In particular, a renewal of the KIF and support to countries affected by recent hurricanes will be key priorities in the new year.

WeXchange Awards Winners of the Women STEMpreneurs Competition

At a virtual finale event in November, WeXchange, LAC’s largest platform for connecting high-growth entrepreneurs with mentors and investors, announced the twelve finalists of the Women STEMpreneurs Competition from among nearly 900 applicants. The WeXchange platform is led by IDB Lab to give more women the opportunity to meet other entrepreneurs, connect with investors, and participate in training and mentoring sessions. In 2020, it received support from IDB Group partners, the Women Entrepreneurs Finance Initiative (We-Fi) and Microsoft for Startups LATAM.

Deepening Cooperation with JICA

To deepen its partnership with the Japan International Cooperation Agency (JICA), in December the IDB hosted a series of deep dive partnership discussions. This annual dialogue has been held in person in previous years, but was productive even in a virtual format and helped explore dynamic co-financing opportunities in energy, transport, water and sanitation, health, and disaster risk management. The sessions also explored knowledge exchange opportunities with IDB Lab and IDB Invest. In 2020, JICA approved two co-financing operations totaling $159 million.

In Infrastructure and Energy, Fostering Korea-LAC Business Ties

The IDB and IDB Invest joined forces with Korean partners to organize a virtual seminar about the business opportunities in the infrastructure and energy sectors. Specifically, the event sought to foster business opportunities, expand the Korea-LAC business network, develop a pipeline of Korean sponsors, and showcase the IDB’s resource mobilization tools as a means of sparking interest in the region among Korean financial institutions. Roughly 100 participants from 21 companies and financial institutions joined the event.