

DOCUMENT OF THE INTER-AMERICAN BANK
MULTILATERAL INVESTMENT FUND

COUNTRY

TITLE

(PROJECT NUMBER)

DONORS MEMORANDUM

This document was prepared by the project team comprised of: [Include all project team members, which should include LEG, and colleagues from IDB and/or IIC.]

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PROJECT SUMMARY

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[Describe in 1 page the problem to be addressed, the proposed intervention (scope and main activities), why it is innovative, expected results, and IDB Group alignment.]

ANNEXES

ANNEX I	Results Matrix
ANNEX II	Budget Summary

APPENDICES

Draft Resolution

AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

ANNEX III	Detailed Budget
ANNEX IV	Diagnostic of Needs of the Executing Agency (DNA) [includes Integrity Due Diligence Analysis]
ANNEX V	Reporting Requirements and Compliance with Milestones and Fiduciary Arrangements
ANNEX VI	Procurement and Contracting Plan
ANNEX VII	Operative Regulations for Innovation

ACRONYMS AND ABBREVIATIONS

DNA	Diagnostic of Executing Agency Needs
IDB	Inter-American Development Bank
IIC	Inter-American Investment Corporation
MIF	Multilateral Investment Fund

PROJECT INFORMATION

**COUNTRY
TITLE
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Country and Geographic Location:	[Indicate the country and municipalities/districts of the project beneficiaries. In the case of regional operations, mention the countries and the specific municipalities/districts of each country where the project will be carried out.]		
Executing Agency:	[Name of the Executing Agency]		
Focus Area:	[Indicate the focus area (Knowledge Economy, Inclusive Cities or Climate Smart Agriculture)]		
Coordination with Other Donors/Bank Operations:	[Indicate collaboration or participation with other actors and/or Bank operations. Cite the operation numbers where appropriate.]		
Project Beneficiaries:	[List key project beneficiary groups. Indicate the number of people and firms to be directly impacted]		
Financing:	Technical Cooperation:	US\$ 000,000	00%
	Equity:	US\$ 000,000	
	Loan:	US\$ 000,000	
	Other (explain):	US\$ 000,000	
	TOTAL MIF FUNDING:	US\$ 000,000	
	Counterpart:	US\$ 000,000	00%
	Co-financing (if available; include a separate line for IDB Co-financing if applicable):		00%
	TOTAL PROJECT BUDGET:	US\$ 000,000	100%
Execution and Disbursement Period:	[XX] months of execution and [XX] months of disbursement.		
Special Contractual Conditions:	Special conditions precedent to first disbursement will be: [Indicate the special contractual conditions]		
Environmental and Social Impact Review	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on X date. Given the limited [or moderate or significant] impacts and risks, the proposed category for the project is [A or B or] C.		
Unit responsible for disbursements			

I. The Problem

A. Problem Description

- 1.1. [Highlight the overarching development issues relevant to the operation. Cite basic data that illustrate these issues. Identify and describe the specific problem(s) and/or opportunities that are intended to be addressed, and their causes.]
- 1.2. [Identify basic facts about the **target population**, such as economic, social, productive, and organizational characteristics (i.e. income levels, poverty levels, living conditions, size of business, sales, employment status, etc.).]

II. The Innovation Proposal

A. Project Description

- 2.1. [Objectives: State the **project's objective**. The project's objective should be aligned with the key results indicators identified in the results matrix, and should address the problems and/or opportunities identified in the previous section in an innovative manner.]
- 2.2. [Describe the main elements of the **model/solution proposed**. The solution proposed tells us **what** the project will do.]
- 2.3. **Innovation**. [Describe why the project is considered innovative.]
- 2.4. **Component I**: [Name of the Component] [Provide a brief description of **how** the project will implement the solution/model. Do not list activities, but be specific and clear, as the components, along with the results indicators listed in the results matrix, will be copied to the loan agreement.]
- 2.5. **Component II**: [Name of the Component] Description....
- 2.6. **Component III**: [Name of the Component] Description

B. Project Results, Measurement, Monitoring and Evaluation

- 2.7. [Describe the project's key **indicator(s) as outlined in the Results Matrix**, including how they feed into the MIF and IDB CRFs indicators and aspirational indicator(s) of your focus area (knowledge economy, climate-smart agriculture or inclusive cities.)]
- 2.8. [Describe the planned monitoring and (if applies) evaluation activities that will be used to collect and track the data in order to measure project results (e.g. data collection, indicators to be monitored bi-annually via the PSRs, if mid-term or final

evaluation is needed, etc.). Note that all projects will report periodically on results through the Project Status Report System (PSR), and all projects will report on final results achieved through a Project Completion Report (PCR).]

III. Alignment with IDB Group, Scalability, and Risks

A. Alignment with IDB Group

- 3.1. [Describe how the project is aligned with country strategies, IDBG Institutional Strategy and IIC PBAs. When mentioning other projects, include project or pipeline number so Donors may review the reference.]
- 3.2. Approximately [x%] of the total IDB funding for this project is invested in climate change [mitigation/adaptation/mitigation and adaptation] activities according to the [joint MDB approach on climate finance tracking](#). This contributes to the IDB Group's goal of increasing the financing of projects related to climate change to 30% of total approvals by the end of 2020. [If no funds support climate activities, remove this paragraph].

B. Scalability

- 3.3. [Describe the path to scale and who the potential scalers are, including possible operations of the IDBG. Scale implies a significant increase in the number of beneficiaries impacted, and can be through either public or private actors. The following are known to facilitate future scale: (1) early involvement of strong public or private actors (2) disruptive potential of innovation proposed, (3) potential future market demand for this particular innovation, (4) the presence of enabling legal and regulatory frameworks, and (5) strong outreach effort to engage actors throughout implementation. Note that scalability activities will be covered in every PSR.]
- 3.4. [Examples of activities could include stakeholder engagement with public and/or private actors or colleagues at the IDBG during the projects execution, workshops, events, knowledge products, etc. to influence specific external audiences.]

C. Project and Institutional Risks

- 3.5. [Describe the risk level associated with this project in terms of achieving results and implementation. Justify risk taken in terms of potential project impacts/rewards.]
- 3.6. Include Institutional Risk Matrix drawn from the DNA assessment [The risks identified in this table will need to be updated by Team Leaders every semester in the PSRs.]

IV. Instrument and Budget Proposal

- 4.1. The project has a total cost of [US\$XXXXXXXX], of which [US\$XXXXXXXX (XX%)] will be provided by the MIF, and [US\$XXXXXXXX (XX%)] by the counterpart [Describe the financial instrument(s) to be used. If using a contingent recovery mechanism, describe here. Disaggregate the counterpart funding by organization/source as appropriate. If co-financing is being provided by the IDBG (trust fund or other sources), specify here. If this project belongs to a larger facility or program, specify here.]
- 4.2. The instrument to be used is [grant, reimbursable grant] given [cite main rationale for using the instrument chosen.] If applicable, briefly describe the conditions for reimbursement (interest rate, terms, etc.)
- 4.3. Retroactive Recognition of Counterpart Funds. [If the project team considers it appropriate to propose retroactive recognition of the counterpart resources (i.e. expenses incurred during the up to 18 months prior to the date of project approval), the specific amount and the date from which the funds will be recognized should be specified.] [Note: MIF funds may not be utilized for expenses prior to project approval by Donors.]

	MIF	Counterpart	Co-financing (if applicable)	Total
Project Components				
Component 1: [Name of the Component]				
Component 2: [Name of the Component]				
Component 3: [Name of the Component]				
Project Administration (Executing Unit costs)				
Mid Term and Final Evaluation (if applicable)				
Ex Post Reviews				
Audited Financial Statements (if required)				
Contingencies				
Grand Total				
% of Financing				

V. Executing Agency (EA) and Implementation Structure

A. Executing Agency(s) Description

- 5.1. [Name of the Executing Agency] will be the Executing Agency of this project and will sign the agreement with the Bank. [In a short paragraph, provide key information about the Executing Agency and why it is the right organization for this project. Include reference to any prior IDBG experience with this EA, including project numbers.]

- 5.2. [If other actors will be involved in the project, briefly describe who they are and their roles.]

B. Implementation Structure and Mechanism

- 5.3. [Name of Executing Agency] will establish an executing unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. [Name of Executing Agency] will also be responsible for providing progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex V in the project technical files.
- 5.4. [Describe how the Executing Agency, key stakeholders and beneficiaries will each be involved in the project implementation, how they will participate in the decision making, and in project activities. Describe specific arrangements that are built into the implementation mechanism and identify the reasons for creating such arrangements. The proposed implementation mechanism must address project objectives and help deliver its promised results and its impact. Specify any specific MIF involvement in governance, or in implementation, and reasons for involvement.]

VI. Compliance with Milestones and Special Fiduciary Arrangements

- 6.1. **Disbursement by Results, Fiduciary Arrangements.** The Executing Agency will adhere to the standard MIF disbursement by results, Bank procurement policy¹ and financial management² arrangements as specified in Annex V and VI [as well as the following special arrangements which are specific to this project. If the project team sees the need to direct special attention to, modify or add special arrangements to the ones specified in Annex V, they should be highlighted in this section.]

VII. Information Disclosure and Intellectual Property**

[**Only include this section if your project has information disclosure and/or IP arrangements that differ from those mentioned in the standard clauses of the legal agreement.]

- 7.1. **Information Disclosure.** [Indicate any if any project information is deemed confidential according to the Bank's Access to Information policy and/or the timing of the future release of confidential information

¹ Link to the Policy: [Procurement of Works and Goods Policy](#)

² Link to the document [Operational Guidelines for Management of Milestones and Financial Supervision for MIF and SEP Technical Cooperation Projects](#)

- 7.2. **Intellectual Property.** [Optional section. Include only if there are intellectual property right arrangements that differ from those mentioned in the standard clauses of the legal agreement.]