

# IDB GROUP ALIGNMENT



The MIF was founded in 1993 as an “innovation laboratory” within the IDB Group that could identify and pilot new private-sector-based models for economic development in LAC. Its mandate calls for creating opportunities for the poor and vulnerable through private sector innovation. In the context of a major restructuring of the IDBG’s private-sector operations launched in 2015, the MIF is aligning itself more closely than ever with its IDBG partners, by focusing on topics that match IDBG institutional priorities: climate-smart agriculture, inclusive cities, and the knowledge economy. The MIF actively seeks out opportunities for departments of the IDB and IIC to participate in the design and execution of its projects, and takes advantage of its position within the IDBG to facilitate the scaling up of successful pilot projects in Latin America and the Caribbean.

Current and future projects that exemplify MIF-IDBG alignment include:

## ■ LONG-TERM FINANCING FOR COFFEE PRODUCERS

In recent years, coffee growers in Central America have been hit hard by outbreaks of crop disease. The MIF is partnering with the IIC, the World Bank Group’s International Finance Corporation (IFC), and the global commodity company ECOM to provide flexible financing options to some 550 small and medium-sized coffee producers in Nicaragua so they can purchase disease-resistant plants. The IIC and IFC are guaranteeing a \$30M line of credit, while the MIF is providing strategic technical assistance grants to enhance the project’s sustainability and future scalability.

## ■ BUSINESS OPPORTUNITIES IN THE WATER AND SANITATION SECTOR

More than 100 million people in LAC lack sufficient access to quality water and sanitation services—half of them in urban areas. The MIF and the IDB’s Water and Sanitation department are working with the One Drop Foundation on a project that will promote behavioral changes that lead to improved water and sanitation services for poor populations. This regional program seeks to reach more than 300,000 people in five countries in its first stages.

Since the other partners in the program have less experience working with market-based social solutions, the MIF’s role will be to identify opportunities for entrepreneurship and job creation that will accelerate the program’s activities and boost incomes in the communities where it operates.

## ■ PUBLIC-PRIVATE PARTNERSHIPS FOR URBAN HEALTH SOLUTIONS

The LAC region is facing a public health investment gap of \$100 billion, and government alone cannot close it. The MIF is developing a regional project that engages multiple IDBG partners: the MIF, the IIC, and the IDB’s Social Sector division, to bring government agencies and private-sector actors together to improve access to health-care services for the urban poor in the region, and address urgent public-health challenges like maternal care and infant mortality. The MIF brings its experience in both developing PPPs and linking smaller firms to larger value chains to this ambitious effort.

• INNOVATION LAB FOR THE IDB GROUP •

