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MULTILATERAL INVESTMENT FUND

**URUGUAY**

**THE FUTURE IS "SILVER": BUILDING AN ENTREPRENEURIAL ECOSYSTEM**

**(UR-T1246)**

**DONORS MEMORANDUM**

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**PROJECT SUMMARY**  
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Aging is a global phenomenon. The number of people over 65 has doubled in the last 30 years, and there are more than 700 million in this age group today. Projections indicate that the figure will climb to 1.5 billion by 2050.<sup>1</sup> With this exponential advance in world aging, the silver economy is attracting heightened attention in different spheres such as public policy, academia, and the business and entrepreneurial worlds.

Aging is often seen as an additional burden for society given that it poses the triple challenge of meeting the growing demand for pensions, health care, and long-term care. The COVID-19 pandemic has once again demonstrated the physical and social vulnerability of the elderly. It is a crucial challenge to ensure that society has enough capacity and resources to address these growing demands.

At the same time, we need to destigmatize old age. Apart from the challenges mentioned, aging brings economic development opportunities in the form of new ventures and job opportunities, and the economic contribution of older adults, given that better health makes for a more productive old age. In the last two decades, life expectancy in good health is estimated to have increased by about five years.<sup>2</sup> Accordingly, older adults today have more possibilities to continue working, studying, and consuming, as well as to enjoy better physical health than their predecessors.

The demographic aging process that characterizes the developed economies is progressing rapidly in Latin America and the Caribbean. Uruguay is among the countries in the region that are furthest along in this transition. According to the most recent census (INE, 2011), people 65 and older represent a large population segment, accounting for 14.11% of the total population (more than 460,000 people), which is 5 points higher than the average for Latin America and the Caribbean. It is therefore important for Uruguay and the region to prepare for the major changes that will occur in the coming decades, addressing the challenges and tapping the opportunities of the silver economy.

The present proposal seeks to involve the innovation ecosystem, with its capacity for technological innovation and scale, to generate a virtuous process of creating economic value for older adults. The proposed approach for the intervention sees this population segment as offering new business opportunities for innovative companies, with particular emphasis on vulnerable older adults, with the concomitant social impact.

The project seeks to break ground in this early stage, when the private sector cannot envisage sufficient profitability. With support from IDB Lab, the foundations will be gradually laid, focusing on ventures in the initial stage and on innovative high-risk solutions. This pioneering intervention sees demographic changes as offering new business opportunities for innovative enterprises. IDB Lab has worked with SPH, CTI, HUD, IDB Invest, and others, to gain a better understanding of the challenges and

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<sup>1</sup> World Bank population estimates.

<sup>2</sup> Emol.social (<https://www.emol.com/noticias/Internacional/2019/04/07/943706/Chile-es-el-segundo-pais-con-mayor-esperanza-de-vida-en-Latinoamerica-Como-es-el-escenario-mundial.html>).

potential actions of the IDB Group. One result has been a pioneering publication on the silver economy, released in 2020.<sup>3</sup>

The general objective of the project is to contribute to the wellbeing of older adults by mobilizing economically-feasible solutions that are scalable locally and regionally. The intervention model entails: (i) raising awareness and increasing understanding about the opportunities offered by the silver economy; (ii) supporting innovative companies in developing new solutions that meet the needs of people over 65; and (iii) generating knowledge and linkages and contributing to the scalability of the project. The main beneficiaries will be 9,000 older adults impacted by the solutions generated under the project, 60% of whom will be women.

The project executing agency will be Endeavor, which is a not-for-profit civil association that has been present in Uruguay for 20 years and is a leader in promoting high-impact ventures. Endeavor has been an IDB Lab partner since it began to operate in the country, and its collaboration has been crucial, first for positioning the topic of dynamic entrepreneurship, and subsequently for promoting female entrepreneurs under the Más Emprendedoras program. It is a partner with a high profile in the local and regional entrepreneurship ecosystem.

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<sup>3</sup> <https://publications.iadb.org/publications/english/document/The-Silver-Economy-in-Latin-America-and-the-Caribbean-Aging-as-an-Opportunity-for-Innovation-Entrepreneurship-and-Inclusion.pdf>.

## **ANNEXES**

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**INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE IDB LAB  
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## **ABBREVIATIONS**

AGESIC	Agencia de Gobierno Electrónico y Sociedad de la Información y del Conocimiento [Agency for Electronic Government and the Information and Knowledge Society]
IDB	Inter-American Development Bank
IDB Lab	Multilateral Investment Fund
IICD	Integrity and institutional capacity diagnostic analysis
INE	National Statistics Bureau
MIDES	Ministry of Social Development

**URUGUAY**  
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**EXECUTIVE SUMMARY**

<b>Country and geographic location:</b>	Uruguay		
<b>Executing agency:</b>	Endeavor Uruguay		
<b>Focus area:</b>	Knowledge economy		
<b>Coordination with other donors/Bank operations:</b>	The project complements the work of the Competitiveness, Technology, and Innovation (CTI) divisions through operations UR-L1142 (Business Innovation and Entrepreneurship Project) (CCLIP) and Social Protection and Health Division (SPH) operations 3706/OC-UR (Program to Support the National Integrated Care System); ATN/JF-16300-UR (National Health and Quality of Care Objectives); and ATN/OC-17854-UR (Support for Improving the Effectiveness and Efficiency of the Integrated Health System).		
<b>Direct and indirect beneficiaries:</b>	The beneficiaries will be 9,000 older adults (60% women) who are potential users of the solutions generated under the project, 5,000 organizations in the innovation ecosystem, and at least 45 startups and innovative companies that develop new solutions or business lines.		
<b>Financing:</b>	Nonreimbursable technical cooperation:	US\$746,764	49%
	Counterpart:	US\$772,500	51%
	<b>Total:</b>	<b>US\$1,519,264</b>	<b>100%</b>
<b>Execution and disbursement period:</b>	36 months execution and disbursement.		
<b>Special contractual conditions:</b>	Prior to the first disbursement: (i) submission of the annual work plan and its milestones; and (ii) selection of the project coordinator.		
<b>Environmental and social impact review:</b>	This project has been evaluated and classified under the IDB's Environment and Safeguards Compliance Policy (OP-703) on 7 October 2020. Since the impacts and risks are limited, the operation is proposed as a category "C" project.		



## I. THE PROBLEM AND OPPORTUNITIES

### A. Problem to be addressed by the project

- 1.1 **The silver economy.** Aging is a global phenomenon. There are more than 700 million people over the age of 65, a number that has doubled in the last 30 years. Projections indicate that the figure will climb to 1.5 billion by 2050.<sup>4</sup> With this exponential advance in aging, the silver economy<sup>5</sup> is attracting heightened attention in different spheres such as public policy, academia, and the businesses and entrepreneurial worlds.
- 1.2 Aging is often seen as an additional burden for society given that it poses the triple challenge of meeting the growing demand for pensions, health care, and long-term care.<sup>6</sup> The COVID-19 pandemic has once again demonstrated the physical and social vulnerability of the elderly. It is a crucial challenge to ensure that society has enough capacity and resources to address these growing demands.
- 1.3 Apart from the challenges mentioned, aging brings economic development opportunities in the form of new ventures and job opportunities, and the economic contribution of older adults, given that better health makes for a more productive old age. In the last two decades, life expectancy in good health is estimated to have increased by about five years.<sup>7</sup> Accordingly, older adults today have more possibilities to continue working, studying, and consuming, as well as to enjoy better physical health than their predecessors.
- 1.4 Their needs and preferences influence the supply in almost all sectors, including health and nutrition, leisure and wellbeing, finance, transportation, housing, education, and employment, according to a European Commission report.<sup>8</sup> What is involved is an extensive catalogue of products and services for consumption by older adults, whose worth in Europe could rise to €5.7 billion by 2025, and which today in the United States amounts to US\$8 billion.
- 1.5 “We should not forget that 40% of world consumption is by people over 65, which makes them a driving force in the economy for goods and services that cover their needs and preferences,” says Iñaki Ortega, professor at Duesto University and chair of the Scientific Committee of the First Silver Economy Forum. This large group of seniors will bring radical change because it will enable millions of older people to continue working, saving, creating, and consuming, which will enable new industries and new entrepreneurs to arise to serve them, which will find opportunities that no one had thought of before.
- 1.6 Older adults consume goods and services that are at least partly different from those for the rest of the population, and satisfying their needs offers major

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<sup>4</sup> World Bank population estimates.

<sup>5</sup> The silver economy is defined as that part of the world economy linked to the demographic shift toward the aging of the population, focusing on the needs and demands of older adults.

<sup>6</sup> Aranco et al., 2018.

<sup>7</sup> Emol.social (<https://www.emol.com/noticias/Internacional/2019/04/07/943706/Chile-es-el-segundo-pais-con-mayor-esperanza-de-vida-en-Latinoamerica-Como-es-el-escenario-mundial.html>).

<sup>8</sup> <https://ec.europa.eu/digital-single-market/en/news/silver-economy-study-how-stimulate-economy-hundreds-millions-euros-year>.

investment and production opportunities. In the housing sector, for example, aging implies demand for housing with design adaptations that enable older adults to live independently despite their functional limitations (such as eyesight, hearing, and mobility); in public services adapted to people with scant independence; in the health sector, demand is growing for preventive services and chronic disease management, while the loss of independence will increase demand for care. These are some examples of trends that offer new opportunities for ventures and business.

- 1.7 Accordingly, the silver economy could play a driving role in the Latin America and Caribbean economies. Almost 60% of growth in urban consumption in northeast Asia and western Europe between 2015 and 2030 will come from adults over 60. The figure for our region is 30%, and estimates indicate that it will rise.
- 1.8 **The demographic transition in Uruguay and the feminization of aging.** The aging of the population, which is typical of most developed economies, is spreading rapidly to Latin America and the Caribbean. Uruguay<sup>9</sup> is among the countries in the region that are furthest along in this demographic transition. According to the most recent census (INE, 2011), Uruguayans 65 and older make up a large population segment, accounting for 14.11% of the total population (more than 460,000 people),<sup>10</sup> which is 5 points higher than the average for Latin America and the Caribbean. Among the older adult population, 52.6% are between the ages of 65 and 74, while 27% are 80 or over. This last segment accounts for 3.8% of the total population.
- 1.9 Looking at distribution by gender, women account for 60.28% of the group, while their weight in the total population is 52%. Therefore, a process of **feminization of aging** is taking place. This can be seen clearly by looking at the different age groups in the older adult population. For people between the ages of 65 and 74, women make up 56% of the total. The percentage rises to 67.6% in the population over 79. In other words, the weight of women rises as age increases. This result is predictable given that women have a longer life expectancy than men in Uruguay.
- 1.10 **The silver economy: an invisible sector in the entrepreneurial ecosystem.** According to the National Research and Innovation Agency (ANIMI), between 2008 and 2019, 646 projects were supported with seed capital. Just five of them (0.7%)<sup>11</sup> focused on the silver economy. Entrepreneurs still cannot visualize the economic opportunities afforded by this population segment, which they see as vulnerable and unable to pay for services. Some of the causes of the problem are:
  - Despite its large numbers and economic weight, the silver economy is still a **little-known niche** that needs to generate specific knowledge among innovators and develop better market connections. It is true that older adults lose capacity and buy less, but the majority of 65-year-olds are in good health which, coupled with the fact that they are free of economic burdens, makes them attractive users. Entrepreneurs, established businesses, and investors

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<sup>9</sup> Thevenet, Nicolas (2013). *Cuidado en personas adultas mayores: Análisis descriptivo de los datos del censo de 2011*. MIDES.

<sup>10</sup> This is an *a priori* indicator of the potential scale of the project.

<sup>11</sup> Some local examples are: Tu Nanny, Pills & Care, HelpLine.

should bear in mind that on account of sociodemographic trends, the silver economy represents a very large market.

- **Lack of awareness about the increased use of technology by seniors.** According to INE-AGESIC (2016),<sup>12</sup> in Uruguay the number of people over 65 using the Internet rose from 12% in 2010 to 20% in 2013 and to 40% by 2016. The same survey indicates that the 46% who have cell phones use smartphones. Older adults are willing to adopt new technology when its usefulness exceeds their feelings of user inadequacy and their negative opinion of it. That is one reason why efforts should be made to teach this group digital literacy and create technologies with low entry barriers (user expertise) that meet the needs of older adults to ensure they adopt them.
- **Ageism or age discrimination** views older adults as worthless to society, as unproductive, fragile, and incapable. Ageism stands in the way of developing adequate responses to the aging of the population since it skews our understanding of aging and adulthood and limits the types of responses we offer to the needs of older adults.
- There is also a **lack of understanding** in Latin America and the Caribbean of the changes that globalization will have on the **lifestyles of older adults**. They are increasingly unlikely to live with their children and new types of housing are beginning to be built. Public spaces also need to be adapted for use by them in terms of quality, activity, and interaction, in addition to aspects linked to transportation and mobility. The COVID-19 pandemic also poses new challenges in terms of urban services with social distancing for this population on account of its vulnerability.

- 1.11 The future is human, digital, and silver, and the silver economy will be key for innovation, new job creation, and economic growth. We must act already to create adequate ecosystems and promote a change in the way older adults are viewed by society.

## II. THE SOLUTION

### A. Project description

- 2.1 One of the most exact types of all projections relates to demographic change. The ageing of the population is a reality. It is therefore crucial for Uruguay and the region to ready itself to adapt better to the huge changes in the coming decades, addressing the challenges and tapping the opportunities of the silver economy.
- 2.2 The present proposal seeks to involve the innovation ecosystem, with its capacity for technological innovation and scale, to generate a virtuous process of creating economic value for older adults. The proposed approach for the intervention sees this population segment as offering new business opportunities for innovative companies, with particular emphasis on vulnerable older adults, with the concomitant social impact.

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<sup>12</sup> Main results of the survey on the uses of information and communication technology. INE-AGESIC (2016).

- 2.3 The publication *The Silver Economy in Latin America and the Caribbean: Aging as an opportunity for innovation, entrepreneurship, and inclusion*<sup>13</sup> points to some fields that can offer new opportunities:

Opportunity	Preidentified field
I. Health services	<ul style="list-style-type: none"> <li>▪ Connected health, telemedicine</li> <li>▪ Robotics to ease the burden of care</li> <li>▪ Task-sharing models for physicians and nurses</li> </ul>
II. Long-term care	<ul style="list-style-type: none"> <li>▪ Long-term care in the home</li> <li>▪ Telecare</li> <li>▪ Training and certification of providers</li> <li>▪ Robotics to facilitate independence (e.g. wearable to monitor persons with cognitive impairment, fall detectors, panic buttons, etc.)</li> </ul>
III. Financial products and services	<ul style="list-style-type: none"> <li>▪ Reverse mortgages</li> <li>▪ Inheritance services</li> </ul>
IV. Housing	<ul style="list-style-type: none"> <li>▪ Supply of rental housing adapted to the lifestyles and needs of the older population</li> <li>▪ Shared housing</li> <li>▪ Smart homes</li> <li>▪ Environment and housing</li> <li>▪ Safety in the home</li> </ul>
V. Urban infrastructure, transportation, and telecare	<ul style="list-style-type: none"> <li>▪ Self-driving cars</li> <li>▪ Home-delivery services</li> <li>▪ Cities without barriers, with recreational zones</li> <li>▪ Public transportation adapted to meet the needs of older adults</li> <li>▪ Public spaces that meet standards for use by older adults</li> </ul>
VI. Job market	<ul style="list-style-type: none"> <li>▪ Promotion of ventures by older adults</li> <li>▪ Use of technology to alleviate physical burdens <ul style="list-style-type: none"> <li>○ robotics, artificial intelligence (AI), the Internet of things (IoT), etc.</li> </ul> </li> <li>▪ Sharing economy for older adults</li> </ul>
VII. Education	<ul style="list-style-type: none"> <li>▪ Universities without age restrictions</li> <li>▪ Training in information technology</li> <li>▪ Online courses for older adults (e.g. digital literacy courses for older adults taught by university students)</li> </ul>
VIII. New consumption	<ul style="list-style-type: none"> <li>▪ Tourism</li> <li>▪ Sports, exercise</li> <li>▪ Videogames (e.g. virtual reality)</li> </ul>

- 2.4 **Innovation:** The project seeks to break ground in this early stage, when the private sector cannot envisage sufficient profitability. With support from IDB Lab,

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<sup>13</sup> <https://publications.iadb.org/publications/english/document/The-Silver-Economy-in-Latin-America-and-the-Caribbean-Aging-as-an-Opportunity-for-Innovation-Entrepreneurship-and-Inclusion.pdf>.

the foundations will be gradually laid, focusing on ventures in the initial stage and on innovative high-risk solutions. This pioneering intervention on the regional level sees demographic changes as offering new business opportunities for innovative enterprises.

- 2.5 The **general objective** of the project is to contribute to the wellbeing of older adults by mobilizing economically-feasible solutions that are scalable locally and regionally.
- 2.6 **Intervention model:** The intervention model entails: (i) raising awareness and increasing knowledge about the opportunities offered by the silver economy; (ii) supporting innovative companies in developing new solutions that meet the needs of people over 65; and (iii) generating knowledge and linkages and contributing to the scalability of the project.

#### **B. Project beneficiaries**

- 2.7 The project will impact at least 9,000 older adults, most of whom are vulnerable, who will be the potential users of solutions of this kind.
- 2.8 It is expected that more than 5,000 organizations in the innovation ecosystem (businesses, startups, organizations in the entrepreneurial ecosystem) will become better acquainted with the potential for innovation and business in the silver economy. The project will also offer technical assistance services to support 45 innovative businesses working to develop or accelerate their solutions targeted to the older adult market.
- 2.9 In the selection process for businesses to be supported (Component 2), priority will be given to those with potential for scalability and which offer solutions targeted to women and the most vulnerable adult population.

#### **C. Project components**

##### **Component 1: Greater awareness about the importance of the silver economy (IDB Lab US\$55,000; Counterpart US\$30,000)**

- 2.10 The **objective** of this component is to raise awareness about the current and potential importance of the silver economy as an opportunity for developing innovations and new business opportunities. The component proposes to examine the current status of the entrepreneurial ecosystem in Uruguay as it relates to the silver economy and the needs of this age group, highlight business opportunities, sensitize the entrepreneurial ecosystem and the press, and place this topic on the public and entrepreneurial agendas.
- 2.11 The **activities** to be developed include: (i) a survey of supply and demand, typification of the population over 65, identification of its needs, mapping of existing local solutions and gaps compared with other markets, and identification of businesses that offer these services; (ii) sensitization of the entrepreneurial ecosystem and press/media, raising awareness about ageism, breaking down existing age-related stigma, and communicating success stories; and (iii) identification of existing business opportunities in the silver economy and their dissemination to the entrepreneurial ecosystem, taking a gender approach. This component's activities, ranging from the classification of supply and demand and

identification of business opportunities to their dissemination will be conducted in conjunction with the private sector and the beneficiary population.

- 2.12 The expected outputs of these activities are: (i) three workshops to publicize the opportunities of the silver economy; (ii) a knowledge product on the typification and needs of older adults; and (iii) a map of the silver economy ecosystem (identifying existing products and services, institutions working in the sphere, businesses and entrepreneurs, investors, academia, and public and government agencies with an interest in the subject).

**Component 2: Support for entrepreneurs to develop solutions that meet the needs of people over 65 (IDB Lab US\$249,500; Counterpart US\$433,500)**

- 2.13 The **objective** of this component is to support entrepreneurs and innovative companies in developing solutions that attend to the needs of older adults. The success of this component lies in mobilizing innovative capacity to produce new solutions to tap the opportunities that arise from the silver economy.
- 2.14 The entrepreneurs or innovative businesses, which may be local or from the countries of the region, will be identified through public calls for proposals by the executing agency's scouting team, which will be facilitated by linkages with other stakeholders in the local and regional entrepreneurial ecosystems and/or open innovation processes through partnerships with large companies interested in developing solutions for this market segment.
- 2.15 The activities to be carried out include: (i) motivational events to spark the interest of entrepreneurs by socializing success stories; (ii) active search and selection processes for entrepreneurs and innovative businesses; (iii) partnerships with companies (e.g. financial services, telecommunications, construction, mass consumption) for open innovation processes; (iv) training workshops, and group and individual mentorships; (v) support in the search for financing, depending on the stage of development of the project from agencies that promote entrepreneurship and innovation (validation of ideas, seed capital) and through networks of angel investors and venture capital funds; and (vi) the development of a pilot project that promotes intergenerational entrepreneurship.
- 2.16 The following are some examples of solutions that may be generated: applications that help to track the quality of care for older adults; accessibility solutions for housing that is not suitable for people over 60; at-home entertainment; universally designed clothing; tools for planning savings based on artificial intelligence; solutions for succession planning, etc.
- 2.17 The selection criteria for the undertakings to be supported will include: the potential impact on the vulnerable population, the gender focus (products for women), the potential scalability of the solution, its response to one of the challenges identified by the IDB Group (health, functional dependency, savings and financing, housing, mobility and connectivity, workforce, education, new consumption opportunities such as tourism, entertainment, design).
- 2.18 The expected outputs of these activities are: (i) three motivational events; (ii) 500 people present business ideas to access the project's services; (iii) 250 entrepreneurs / businesses selected for group mentoring; (iv) 100 entrepreneurs / businesses selected for individual mentoring; (v) three

businesses supported by the project for regional and international scaling; (vi) one pilot intergenerational entrepreneurship project; and (vii) three partnerships to develop open innovation processes.

**Component 3: Linkages and support for scalability and dissemination (IDB Lab US\$98,000; Counterpart US\$3,000)**

- 2.19 The **objective** is to document and disseminate the knowledge generated by the project and place the topic on the regional and local public agendas to scale up the experience.
- 2.20 The **activities** include: (i) production of a document on results and lessons learned; (ii) production of communication materials; (iii) participation in events in the local and regional ecosystems (specifically the community that the IDB Group plans to develop and Endeavor offices in other countries); and (iv) actions to influence public policy.
- 2.21 The expected outputs of these activities are: (i) 45 mentions in the media; (ii) report on results and lessons learned; (iii) three events to share the project's results and findings (including local and international workshops and a workshop with the public sector); and (iv) at least 10 success stories documented.

**D. Project impact, monitoring, and evaluation**

- 2.22 The promotion of innovation as a response to the needs of the older adult population will not just improve the goods and services available to them but will also spur the development of private innovation in the country.
- 2.23 The main expected results are: (i) 5,000 stakeholders sensitized (startups, established businesses, organizations in the entrepreneurial ecosystem); (ii) 30 new businesses created; (iii) 15 companies developing new business lines; (iv) 5 products or services targeted to female clients / beneficiaries; (v) 25 businesses receiving some kind of financing to develop their solutions; and (vi) 9,000 older adults impacted by the solutions generated under the project, 60% of whom are women.
- 2.24 **Project monitoring and evaluation.** Endeavor will be responsible for project monitoring, using the indicators in the results matrix as its guide, disaggregated by gender as warranted. It will develop a monitoring and evaluation plan to be presented at the workshop to launch the project, which will make it possible to capture information on project activities, establishing a baseline with indicators and requiring a final report with evidence to validate the initial hypothesis. The monitoring plan will compile data on project beneficiaries.
- 2.25 Endeavor will produce a knowledge product that will describe the stages in the process, the lessons learned, and best practices, which will form an important input for scalability.

**III. ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND PROJECT RISKS**

**A. Alignment with the IDB Group**

- 3.1 The project is aligned with the **Update of the Institutional Strategy** (document [GN-2933-5](#)), which reinforces the IDB Group's emphasis on promoting

productivity by fostering the adoption of technology and innovation and incorporating crosscutting themes such as gender equality and diversity and social inclusion and equality. The gender approach (products developed for women) will be included as one of the selection criteria for the projects to be supported. The indicators in the results matrix will be disaggregated by gender. As for social inclusion and equity, which is one of the project's most relevant focuses, the potential impact on the vulnerable population will be included in the selection criteria as well.

- 3.2 The project is aligned with the **Bank's country strategy with Uruguay 2016-2020** (document [GN-2836](#)) in the priority area of "promotion of innovation" and the strategic objective "to promote business innovation." The topic of older adults is mentioned in the Overview Paper of the country strategy for 2021-2025 as a priority, and active discussions are being held in that regard.
- 3.3 The project is aligned with the **Innovation, Science, and Technology Sector Framework Document** ([GN-2791-8](#)) in that it promotes public policies that directly foster business innovation, prioritizes activities with a maximum direct impact on productivity and competitiveness, generating externalities, and involves broader needs and demands through different mechanisms to promote social innovation. It is also consistent with the **Urban Development and Housing Sector Framework Document** ([GN-2732-6](#)), whose lines of action include promoting accessible urban designs for people with disabilities and older adults and the removal of architectural barriers from public spaces.
- 3.4 The project is also aligned with the **Sustainable Development Goals**, particularly with: (i) SDG 8, Decent Work and Economic Growth, since it creates decent jobs in the silver economy market; (ii) SDG 9, Industry, Innovation and Infrastructure, since it promotes innovation in the entrepreneurial ecosystem; and (iii) SDG 17, Partnerships for the Goals, since it seeks and promotes partnerships between the public and private sectors, potentially including international stakeholders.
- 3.5 The operation is included in IDB Lab's focus area **Knowledge Economy** (document MIF/GN-241-1), since it is consistent with the objective of tapping creativity, know-how, new technologies and processes, to offer market-based solutions to the most urgent social and environmental problems. The project is closely aligned with IDB Lab's strategic development objective of promoting entrepreneurial growth and the creation of technology-based jobs.
- 3.6 As well, for IDB Lab this project will yield lessons on how to promote innovation ecosystems in smaller economies and developing ecosystems such as Uruguay's.

## **B. Scalability**

- 3.7 The scalability of this operation will come from the project partner itself and from its partnership in project execution with Xeniors, an organization that works to promote entrepreneurship and jobs for older adults.
- 3.8 The Bank's divisions (SPH, HUD, and CTI) have been actively involved in the identification and design of this operation and expressed an interest in piloting innovations of this kind intended to provide solutions for older adults, thereby generating knowledge for their operations in Uruguay and regionally.



The experience will be disseminated among IDB Lab's community of silver economy stakeholders.

- 3.9 The project also includes actions that can help to scale up the most promising solutions by connecting them with entities in the entrepreneurial and innovation sectors on the local and regional levels, and presenting those solutions at different regional investment forums.

### C. Project risks

- 3.10 **Risk:** Entrepreneurs do not find the silver economy market attractive. **Mitigation measures:** The knowledge generated and disseminated under Component 1 is highly important and will steer businesses in the direction of thinking about opportunities in this key local and regional market. In the event this risk materializes, the communications plan will be revised and strengthened, particularly by working with the media and social networks.
- 3.11 **Risk:** The response capacity of the local supply is weak. **Mitigation measures:** Work in coordination with other stakeholders in the regional system, particularly in the process of seeking new ventures.

## IV. COST AND FINANCING

- 4.1 The project will cost a total of US\$1,519,264, with US\$746,764 (49%) from IDB Lab as a nonreimbursable contribution, and US\$772,500 (51%) as the local contribution (at least 50% of which will be in cash).

Category	IDB Lab	Counterpart	Total
Component 1 – Greater awareness about the importance of the silver economy	55,000	30,000	85,000
Component 2 – Support for entrepreneurs	249,500	433,500	683,000
Component 3 – Linkages and support for scalability	98,000	3,000	101,000
Project management <sup>14</sup>	294,264	306,000	600,264
Contingencies	50,000	-	50,000
Total	746,764	772,500	1,519,264

## V. PROJECT PARTNERS AND IMPLEMENTATION STRUCTURE

### A. Executing agency

- 5.1 Endeavor Uruguay will be the project executing agency and will sign the agreement with the Bank. It is a not-for-profit civil association that has been present in Uruguay for 20 years and is a leader in promoting high-impact ventures. It works with the concept of scaling up, i.e. accelerating and growing the businesses of its selected entrepreneurs.

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<sup>14</sup> Project management includes US\$19,800 for the monitoring and evaluation team and US\$3,000 for analysis of the financial statements. It will be implemented by the executing agency.

- 5.2 Up to 2019, Endeavor has accelerated 72 entrepreneurs with revenue of US\$456 million, and the creation of 25,000 jobs, and has positioned Uruguay in the Endeavor community as one of the countries with the best per capita indexes of high-impact entrepreneurs. In Uruguay, Endeavor has been a IDB Lab partner since it began to operate in the country and its joint work has been crucial, first for positioning the topic of dynamic entrepreneurship, and subsequently for promoting female entrepreneurs under the Más Emprendedoras program. It is a partner with a high profile in the local and regional entrepreneurship ecosystem.
- 5.3 To implement the project, it will form a strategic partnership with Xeniors, a nonprofit organization that promotes an entrepreneurial culture among people over 50 and older adults. It has a support system that includes individual tutoring, group mentorships, training, coaching, network of contacts, and networking spaces.

**B. Implementation structure and mechanism**

- 5.4 Endeavor is responsible for project implementation and execution. Its executive director will be accountable to the Bank. For implementation, funds from IDB Lab's contribution will be used to hire a project coordinator, whose responsibilities will be to oversee implementation of the activities called for in the different components and provide support for monitoring and evaluation. Endeavor will provide the physical and operating infrastructure and the logistics needed to execute the operation efficiently and effectively. It will also be responsible for providing the counterpart to complement the contribution for project activities. Endeavor will submit progress reports semiannually on project implementation through the IDB Lab's project management platforms.

**C. Attainment of milestones and special fiduciary arrangements**

- 5.5 The executing agency will commit to IDB Lab's standard arrangements for results-based disbursements, and the procurement and financial management policies applicable to the private sector, consistent with the 12 June 2019 version of the Financial Management Guidelines for IDB-financed Projects (OP-273-12) and the guidelines for management by milestones and financial supervision for IDB Lab and SEP technical cooperation projects.
- 5.6 The risk level identified as a result of the diagnostic assessment of institutional capacity and integrity was low and indicates that Endeavor has a financial management system acceptable to IDB Lab and has a monitoring and accounting structure for presenting its institutional financial statements to the Bank.
- 5.7 Project **disbursements** will be contingent upon verification of the attainment of milestones, in accordance with the means of verification agreed upon by the executing agency and IDB Lab. Attainment of the milestones does not exempt the executing agency from responsibility to achieve the agreed results.
- 5.8 Unless the Bank determines otherwise during execution, the **procurement** policies of the executing agency will be used. Annual procurement plans on the procurements needed to execute the project and attain the milestones will be submitted together with the annual work plans. IDB Lab will perform ex ante reviews of the technical aspects of procurements requiring review in its opinion, particularly those considered to be critical.

- 5.9 The executing agency will prepare and keep its **annual financial statements** at the Bank's disposal. Funds from the Bank's contribution can be used to audit the financial statements and review the use of project resources, verifying financial and procurement practices.

## **VI. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY**

- 6.1 **Access to information.** This document will be made public upon approval under the Bank's Access to Information Policy.<sup>15</sup>
- 6.2 **Intellectual property.** The Bank will own all the intellectual property and results of the project. It will grant a nonexclusive license for their use, free of charge, for noncommercial purposes to Endeavor Uruguay, to use, copy, distribute, reproduce, exhibit, and publicly execute any project work or result within the country of execution.
- 6.3 The executing agency undertakes to include in all consulting contracts under the project a clause ceding the respective intellectual property rights, including copyright, to the Bank, to the greatest possible extent permissible under the laws of the Eastern Republic of Uruguay.
- 6.4 The Bank may disclose, reproduce, and publish all information related to the project and include in that information the name and logotype of the executing agency.
- 6.5 It reserves the right to scale up innovations of interest for its current strategy under different financing conditions.

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<sup>15</sup> [IDB Access to Information Policy](#).