

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

REGIONAL

SCALING RESULTS BASED INTERVENTIONS IN LAC

(RG-T4177)

DONORS MEMORANDUM

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PROJECT SUMMARY

REGIONAL SCALING RESULTS BASED INTERVENTIONS IN LAC (RG-T4177)

There is a growing consensus that more accountability and effectiveness in international development aid is needed. Despite the active intervention of international financial institutions and national, regional, and international donors and public expenditure on investment in the LAC, economic, social, and environmental progress in LAC, which was lagging pre pandemic, has been further undermined due to the impact of COVID-19 and in some cases, important gains have been reversed. Meanwhile, private investors find it difficult to address social and environmental problems and to reach the most vulnerable.

Results-Based Financing (RBF) has the potential to change this course. By introducing well-designed and targeted performance incentives in procurement of public services, RBF draws attention to outcomes, incentivizes delivery teams to maximize outcomes, generates greater accountability, and forces outcomes-based pricing that provide resources for innovation and quality assurance.

This project will establish the Scaling Results Based Interventions Hub (Outcomes Hub). Led by IDB Lab, the Outcomes Hub will drive greater resource efficiency, development effectiveness and improved gender inclusion, social, environmental outcomes, and innovation in LAC by reducing technical barriers to entry when developing results-based interventions.

The Outcomes Hub will focus on the following aspects (i) identifying 20 demonstration results-based interventions, (ii) incorporating digital technology to reduce costs related to verification and/or RBF processes, (iii) deploying 5-7 results-based projects that focus on IDB Lab thematic verticals and mobilize local co-financing to pay for results, and (iv) launch an Outcomes Knowledge Network that serves as a resource library where public and private practitioners will find frameworks, training and certifications, do-results-based-payments-yourself guides, result based intervention case studies, and an Outcomes Champion community.

ACRONYMS AND ABBREVIATIONS

IDB	Inter-American Development Bank
IIC	Inter-American Investment Corporation
IDB Lab	Multilateral Investment Fund
RBF	Results Based Financing
RBI	Results Based Interventions
PfS	Pay for Success
SIB	Social Impact Bond
DIB	Development Impact Bond
RBL	Results Based Loan
OBC	Outcomes Based Contract

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Country and Geographic Location:	Latin America and the Caribbean. Specific countries will be identified through the multi thematic challenge launched under Component I.		
Executing Agency:	Bank Executed Operation and selected local executing agencies		
Focus Area:	Knowledge Economy. Subprojects implemented will include Inclusive Cities and Climate Smart Agriculture.		
Coordination with Other Donors/Bank Operations:	Pay for Success Financing for Innovations in Urban Workforce Development CO-T1434 Salud Mesoamerica NI-G1005 Programa para Mejorar la Sostenibilidad del Sistema de Salud en Colombia con Enfoque Inclusivo (CO-L1248) Haiti Impact Facility HA-T1295 Education Impact Development Bond in El Salvador and Honduras ES-T1353 and HO-T1405 Promoting Innovative Financing Solutions in WSA RG-T4084		
Project Beneficiaries:	5-7 Subprojects covering: gender, diversity, poor and vulnerable, climate action, serving from 1500 to 5000 participants. See Annex I.		
Financing:	RG-T4177 Non-Reimbursable Technical Cooperation:	US\$ 1,000,000	7%
	TOTAL IDB Lab CONTRIBUTION:	US\$ 1,000,000	7%
	Counterpart ¹	US\$5,500,000	41%
	Co-financing ²	US\$ 7,000,000	52%
	TOTAL PROJECT BUDGET:	US\$ 13,500,000	100%
Execution and Disbursement Period:	48 months of execution and 52 months of disbursement.		
Special Contractual Conditions:	Do not apply		
Environmental and Social Impact Review	This operation was screened and classified as required by the IDB's Environmental and Social Policy Framework (GN-2965-21) on October 14th, 2022. Given the limited impacts and risks, the proposed category for the project is C.		
Unit responsible for disbursements	LAB/CCO		

¹ Potential donors through Project Specific Grants or Core Mobilization will be identified through Component I. Interested parties committed to piloting and scaling Results Based Interventions for verified impact in LAC include: SECO, FEMSA, CICAN, UNDP, USAID, among others. Donor resources will be used to pay for Component I, II, III activities. This TC expects to connect with local executing agencies for sub-project development under Component II.

² Executing agencies will crowd in local, national, or international private or public donors and financiers interested in piloting and learning from pay for results interventions, following the SIBs.Co model CO-T1434 where the Prosperity Department in Colombia pays for 50% of verified results in job placement.

I. The Problem

A. Problem Description

- 1.1. **Accountability and effectiveness of donors and governments.** According to the OECD as much as US\$14.6 billion of International Development Aid³ went to Latin American and Caribbean (LAC) in 2020. Despite the active intervention of international financial institutions and national, regional, and international donors and public expenditure on investment in the LAC, economic, social, and environmental progress in LAC, which was lagging pre pandemic, has been further undermined due to the impact of COVID-19 and in some cases, important gains have been reversed. These numbers fail to convey the human costs incurred as governments struggle to deliver social outcomes during the COVID-19 contagion, a disaster impacting the entire world at once. Meanwhile, private investors find it difficult to address social and environmental problems and to reach the most vulnerable.
- 1.2. The 2020 Sustainable Development Goals (SDGs) report is clear that the world is not on track to achieve SDGs goals by 2030 and that “LAC lags behind in meeting SDGs, demonstrating modest progress which has been threatened by increases in unemployment, inequality, poverty, and hunger”.⁴ Dissatisfaction with government erupted in a spike in social unrest in Latin America prior to the pandemic, with levels trending downward as the COVID 19 restrictions on public gathering and social distancing came into force.⁵ Given the scarcity of resources, governments and donors seek greater transparency, accountability and efficiency while achieving a) verifiable results and b) innovation in the delivery of critical services.
- 1.3. **Results-Based Financing (RBF)** has the potential to change this course. By introducing well-designed and targeted performance incentives in procurement of public services, RBF draws attention to outcomes, incentivizes delivery teams to maximize outcomes, generates greater accountability, and forces outcomes-based pricing that provide resources for innovation and quality assurance.
- 1.4. Governments and donors across the globe are expanding their use of innovative financing instruments to help mobilize new sources of funding, stimulate innovation, forge new partnership models, and optimize the use of scarce public resources. Emerging financing instruments that ‘pay based on success’ play a growing role in development finance. Key reasons for their efficacy include the results and accountability that accrue when development objectives are grounded on robust data and empirics, as well as a virtuous circle of learning-by-doing and continuous improvement. These instruments are a potential tonic for the “aid fatigue” that afflicts many donors and the local partners after years of assistance that fails to produce measurable results among intended beneficiaries.
- 1.5. Evidence from the field underscores how pay-for-success financing models deliver benefits, including⁶: (i) Sharpened stakeholders focus on the results that matter most,(ii) Greater innovation and flexibility in program delivery, (iii) Incentives to optimize data, empirics, and rigorous feedback loops, (iv) More effective institutional

³https://public.tableau.com/views/AidAtAGlance/DACmembers?:embed=y&:display_count=no?&:showVizHome=no#1

⁴ Stockholm Environmental Institute, October 2020.

⁵ IMF Reported Social Unrest Index: March 2022 Update Philip Barrett WP/22/84

⁶ Social impact bonds in Latin America: IDB Lab’s pioneering work in the region: lessons learnt” /Alma Agusti Strid, James Ronicle; supervising editor, Christine Tement. p. cm. — (IDB Technical Note ; 2087) Impact Bonds

capacities around results and performance management, and (v) Strong partnership with private, public, civil society and non-traditional funders.

- 1.6. As impact bonds, and other pay-for-success financing models have been expanding in developing and emerging economies⁷, the concept of development finance paying only for verifiable outcomes as opposed to paying for activities based on a pre-defined design has gained increased interest from governments and development agencies seeking to adopt innovations in public procurement and as a tool to test new approaches, reach indicators like SDGs, recover from the pandemic and improve the paths out of poverty and the climate crisis while innovating and disseminating findings⁸.
- 1.7. **IDB Lab's background in RBF.** Through the SIB Facility (RG-M1244), the IDB Lab pioneered use of the Social Impact Bonds and other types of outcome-based payments in LAC. As a first facility, it started building a cluster of operations that could further incubate and deepen institutional knowledge of why, when, and how to structure outcome-based payments for development financing. At the same time, the Pay for Success in Urban Workforce Development in Colombia (CO-T1434), successfully launched four social impact bonds that focused on market building activities, developing outcomes payment contracting, paying and service delivery among local and national governmental co-payers, employment service providers, and the local impact investor market.
- 1.8. However, the international evaluation of IDB Lab's work in this area has indicated that the market is still incipient and that leaving things where they are today is a risk to deepening and scaling results-based interventions in countries and sectors that have already started to work in this area and are keen in building outcomes-based payments & finance throughout the region⁹. Challenges potentially addressed in this project include: (i) barriers faced by outcomes funders (regulatory, budget constraints, skills and capacity, lack of incentives), (ii) barriers faced by ecosystem (service provider, evaluator, technical or investor capacity and availability), and (iii) high transaction costs or lack of (iv) data and evidence).

II. The Innovation Proposal

A. Project Description

- 2.1. Given the increased interest in the use of outcome-based payments in development finance, and IDB Lab's strategic leadership in LAC as part of IDB Group (IDBG), there is clear opportunity to champion and catalyze the use of this results-based finance model to enhance the impact of development financing in LAC. The IDB Lab, is poised to support and scale up innovation in pay-for-success financing models that can

⁷ Brookings Institution, Global Impact Bond Database. As of June 1 2022, 226 Impact Bonds had been launched in 38 countries worldwide, serving beneficiaries in six different sectors: Social Welfare, Employment, Health, Education, Criminal Justice, Environment/Agtech

⁸ Social Finance. EVOLUCIÓN DEL ECOSISTEMA DE PAGO POR RESULTADOS EN COLOMBIA : UN ESTUDIO DE CASO, and Brookings Institution, Global Impact Bond Database.

⁹ Social Impact Bonds CO-T1434 in Colombia, the Haiti Impact Facility HA-T1295, Salud Mesoamerica NI-G1005, Programa para Mejorar la Sostenibilidad del Sistema de Salud en Colombia con Enfoque Inclusivo (CO-L1248), the Education Impact Development Bond in El Salvador and Honduras ES-T1353 and HO-T1405, or Promoting Innovative Financing Solutions in WSA RG-T4084.

strengthen the IDBG's value added for the region in a time of unparalleled challenges, accelerating social outcomes and impact in gender inclusion, socio-economic development, and climate crisis.

B. Project Objective

- 2.2. This project will establish the Scaling Results Based Interventions Hub (**Outcomes Hub**). Led by IDB Lab, the Outcomes Hub will drive greater resource efficiency, development effectiveness and improved gender inclusion, social, environmental outcomes, and innovation in LAC by reducing technical barriers to entry when developing results-based interventions.
- 2.3. **The Outcomes Hub** will focus on the following aspects (i) identifying 20 demonstration results-based interventions, (ii) incorporating digital technology to reduce costs related to verification and/or RBI processes, (iii) deploying 7-10 results-based projects that focus on IDB Lab thematic verticals and mobilize local co-financing to pay for results, and (iv) launch an **Outcomes Knowledge Network** that serves as a resource library where public and private practitioners will find frameworks, training and certifications, do-results-based-payments-yourself guides, result based intervention case studies, and an Outcomes Champion community.
- 2.4. Executed by IDB Lab and through local selected executing agencies, the Outcomes Hub will respond to the growing demand of IDB Group (result-based loans) and regional partners in Outcomes Payment methodologies. The Hub will gather the IDB Group cross sectorial and team expertise gained in Results based Finance (RBF) projects in the region, capitalize these learnings and insights to test them in new economies, new sectors and scale results-based interventions throughout the region. The proposed project will be structured as follows:
- 2.5. **Component I: Scaling Results Based Interventions Challenge. (IDB Lab US\$200,000. Counterpart US\$414,000)**
- 2.6. This component will focus on (i) rolling out outreach to potential donors / financiers (public and private) that are interested in outcomes payment and result based intervention models, (ii) design and launch the Results Based Interventions multi thematic selection challenge, and (iii) deploy activities that optimize processes and reduce barriers to RBI adoption using technological solutions (process consultancy, blockchain among others).
- 2.7. The Outcomes Hub will accelerate technical and financial structuring for 7 to 10 projects. A target of US\$513,000 in core mobilization over a 4-year period will be used to identify and structure specific sub-projects in LAC countries connected to IDB Lab verticals and IDB sectors, which will inform and help in the design of better results-based finance operations as well as support the digital technology for verification purpose.
- 2.8. Under this component, IDB Lab will finance two Project Execution Consultancies to run the engagement strategy for results-based interventions sponsorship, source high-quality pay-for-success initiatives in the region and coordinate project activities under Component II and III. Specific activities under this component include:
 - i) developing and rolling out engagement strategy to identify donors for the Hub and coordination of the **Outcomes Knowledge Network**

- ii) identifying digital solutions¹⁰ that reduce adoption and verification cost barriers in RBI, including consulting services to identify technical requirements, sectorial customization, MVP development, quality assurance testing and incorporate insights in benefit of other outcomes payment impact measurements
- iii) identifying opportunities within IDB Group to test reimbursable and contingent recovery instruments in RBI (equity investments, loans, CRIGs, CRTC, etc.) as well as piloting IDB Group as a potential Social Impact Bond co-investor
- iv) and designing and launching a multi thematic RBI selection challenge, and a program administrative dashboard for the pay-for-success projects and initiatives

2.9. Subproject identification. Under Component I, sub-project design and implementation will be demand and country driven, these may be pre-identified, or selected through the multi thematic challenge. The Outcomes Hub will call for IDB Lab country and regional offices, IDB sector specialists, stakeholders, and donors to nominate potential RBIs through the challenge. The following table includes a series of pre-identified Results based Finance sub-projects that could be financed through the Hub:

COUNTRY (Exec. Unit)	IDB LAB VERTICAL	IDB SECTOR	DONOR SPONSOR /	DESCRIPTION
Dominican Republic (INAPA)	Essential Services	WSA	TBD	Pay for results based on # poor and vulnerable households connected with last mile WSA Financing poor and vulnerable with internal housing repairs to connect with last mile WSA
Perú (TBD)	Talent & Employment	LMK EDU	SECO	Pay for results based on skills acquisition through dual training for poor, vulnerable & women
Colombia (Fundación Corona)	Talent & Employment	LMK EDU	SECO	Pay for results based on skills acquisition through dual training for poor, vulnerable & women
Colombia (Outcomes Fund)	Health	SPH	USAID	Pay for results based on perinatal, maternal health services, emergency care, etc. for migrant mothers
Colombia (CICAN)	Talent & Employment	LMK	TBD	Pay for results based on skills acquisition through dual training for poor, vulnerable migrant population
Guatemala (Alterna)	Talent & Employment	EDU	TBD	Pay for results based on decreasing desertion rates for poor, vulnerable & women Pay for results based on quality improvement for poor, vulnerable & women
LAC	Climate Crisis	CCS	FEMSA FOUNDATION	Pay for results based on plastic collection/transformation as adaptation to climate crisis .
LAC	Health	SPH	JOHNSON & JOHNSON	Pay for results based on female nurse dual training and job placement in rural communities.
Brazil	Agriculture & Natural Capital	CCS	UBS	Pay for results in Regenerative Agriculture as adaptation to climate crisis .

2.10. Sub project selection and eligibility. A list of subproject proposals will be presented to IDB Lab management for non-objection. Subprojects will be selected based on their contribution to the Hub's objectives, including the following criteria: (i) scalability, (ii) demonstration effect, (iii) potential learning, knowledge production and framework design, (iv) the potential impact on climate adaptation and climate resilience, (v) the

¹⁰ Capacities for the integration of blockchain to support pay-for-success operations will be developed in collaboration with the LACChain team through a minimum viable product (MVP) platform to be piloted under high maturity RBF subprojects under Component II. This platform will combine three elements: an impact dashboard, root-of trust processes for transferring and verifying data, and blockchain-generated smart contracts, automatically linking payments with outcome delivery. Once completed, the MVP platform will be ready to be deployed in the other projects/ countries of this Hub.

potential impact on the specific needs of poor and low-income populations, and traditionally excluded groups such as indigenous populations, migrants, and women. For reimbursable financing operations under Component II, BID Lab will also apply additional eligibility criteria to include financial and technical considerations in project selection and eligibility.

- 2.11. Project Approval. Individual Subprojects approved under Component II will require a non-objection from the corresponding beneficiary country or countries. Individual subprojects will be approved by IDB Lab Manager.
- 2.12. For these country-specific individual projects, the relevant executing agencies will sign contractual agreements with the Bank based on the parameters set out in this document and subject to approval by the IDB Lab Manager (under the delegation of authority described in paragraph 2.11) for a budget up to \$300,000. IDB Lab will prepare the approval memorandum, the logical framework, the budget, and the evaluation plan for each project that is to be presented to the IDB Lab Manager for approval.
- 2.13. It is preferable to have an execution mechanism for project approvals under the umbrella of a broader program rather than have the projects approved separately. Consolidation of all projects under a single mechanism will make it easier to share the lessons learned during execution and attract other public and private assistance to expand the program when it comes to an end. The IDB Lab Manager will be responsible for the approval of each project following approval of the Donors' delegation of authority.
- 2.14. Delegation of project approval authority to the IDB Lab Manager. Since a successful implementation of the program will require an expeditious process of selection of executing agencies for each specific project, we propose that the IDB Lab Manager adopt an approval mechanism for individual projects under the program. In the first place, such a mechanism has already successfully been used for approval procedures in other occasions, such as in the case of LACCHAIN (operation RG T3370) and Green Finance for MSMEs and Low-Income Households: The EcoMicro Program (operation RG-M1205).
- 2.15. **Component II: Scaling Results Based Interventions Sub Projects (IDB Lab \$715,000, Counterpart US\$4,803,143)**
- 2.16. The objective of this component is to finance and implement individual results based thematic interventions pre-identified under component I. IDB Lab will work in close collaboration with IDB Group divisions, donors, country offices and local partners to launch and implement 7-10 Pay-for-success subprojects.
- 2.17. Funding. IDB Lab resources will be used to scope and structure specific sub-projects. A target of up to US\$3,900,000 in core mobilization is expected under this component. Donor and financier resources will go directly to the in-country implementation of the pre-identified RBIs.
- 2.18. At the same time, this Component expects to mobilize up to US\$1,500,000 in local **counterpart** financing for the Hub, as well as up to US\$7,000,000¹¹ of local **co-financing** from potential outcomes payers (private or public) over a 4-year period.
- 2.19. Funding will only be used for sub-projects that have been approved by IDB Lab Manager.

¹¹ In results-based interventions, local co-financing is usually deployed directly from government funding to thematic service providers once results are verified.

- 2.20. Subprojects. Up to 7 projects will be structured¹². A minimum of:
- 4 sub-projects are expected to have a strong focus on gender
 - 1 sub-projects are expected to have a strong focus on diversity
 - 3 sub-projects are expected to have a strong focus on climate change
 - 2 sub-projects are expected to support C&D countries
 - 3 sub-projects are expected to support and/or originate Bank operations
 - and/or poor and vulnerable populations and/or climate.
- 2.21. These sub-projects should aim at building capacities in any of the following:
- a) Service Provider Market building. Private and public service provider markets play a key role in achieving results. The Outcomes Hub will seek projects that offer opportunities for private sector engagement in three dimensions: (i) Building RBF awareness, capacity and incorporating innovation to their processes which in turn improve coverage and quality of service¹³, (ii) transferring and leveraging expertise from more mature RBF ecosystems to support the development of RBF ecosystems elsewhere, and (iii) developing support markets (legal firms, verifiers, auditors, etc.) that incorporate the technological solutions that reduce barriers to entry, optimize legal framework development, verification processes and de-risk investments.
 - b) Investor Market Development. RBF procurement introduces multiple challenges for providers, including pre-financing challenges and the need to finance long-term performance management capabilities without having the resources to do so. Impact investors can help fill those needs by providing strategic investments in capacity-building and pre-financing that can enable greater market participation by a wide array of private providers. The HUB will contribute to de-risking pay for results mechanisms through information platforms & open data, market awareness, and blended finance vehicle structuring.
 - c) Government RBF adoption. The pilots will focus on supporting and showcasing the impact of RBF instruments when institutionalized through large-scale procurement. The Outcomes Hub will seek opportunities that introduce performance-based contracting as a new standard of procurement in on-going outsourcing efforts of government entities.
- 2.22. Executing Agencies. Subprojects will be implemented by executing agencies or consortiums. Types of executing agencies may include industry associations, technical organizations, NGOs, universities, private companies and local municipalities and public sector agencies in special cases. There will be no bank-executed subprojects.
- 2.23. **Component III: Outcomes Knowledge Network (IDB Lab \$100,000, Counterpart US\$140,000)**
- 2.24. The objective of this component is to launch an **Outcomes Knowledge Network** that serves as an interconnected resource library where public and private practitioners will find frameworks, training, and certifications, do-results-based-payments-yourself guides, result based intervention case studies, and an Outcomes Champion community.

¹² Subprojects can target more than one indicator. For example, a climate focused RBI could target indigenous populations and so forth.

¹³ In the Pay for Success project in Colombia: one of the main constraints observed when attempting to scale RBF through the Secretaria de Desarrollo Económico of Alcaldía de Bogotá, was the supply of providers willing to enter RBF agreements. This points to the needs to grow the understanding and capacity of private providers to engage with RBF practices through a trainings, TA support, etc.

- 2.25. Under this component the IDB Lab will finance consultancies to support the gathering, packaging and dissemination of best practices, learnings, networks, and market intelligence to inform subsequent result-based interventions led by the Bank or third-party actors in LAC¹⁴. Key activities in this strategy can include:
- i) Designing key principles, guidelines, methodological guides and do it yourself blueprints for results-based financing.
 - ii) Learning evaluations, best practices and case studies of projects supported by the Outcomes Hub to capture and share learning and knowledge.
 - iii) Designing and sharing a LAC results-based finance expert and service provider directory.
 - iv) Targeted engagement of senior decision-makers across the public and private sectors in on-going expert-led bilateral meetings.
 - i) High-profile convenings of the community of champions –to share progress, inspiring evidence, and demonstrations from the local and international ecosystems, to identify new opportunities to initiate projects, to launch new commitments, etc.
 - ii) Technical workshops, knowledge platforms, and training for technical teams for civil servants and relevant private actors (investors, service providers, and intermediaries), ensuring they have to knowledge and the expertise needed to deploy RBF effectively. These will collaborate with other global events on this topic (Go Lab, International Bond Working Group, Global Impact Investing Network-GIIN, Social Capital Market – SOCAP, and others), to support knowledge-sharing among regional actors, non-regional actors, and Bank sectors.
 - iii) Positioning champions who have sponsored critical projects for public visibility through press releases, media positioning, video testimonials, and high-profiled publications.
- 2.26. Expected results for the Outcomes Knowledge Network include:
- i) Website developed integrated the Knowledge Hub tools designed through the consultancies:
 - Seven case studies, one for each subproject
 - One handbook integrating easy to use RBF guides
 - Expert directory
 - Seven audiovisual products
 - One publication on the cost-benefit analysis of RBI and/or government RBF adoption
 - ii) A certification and training course implemented reaching:
 - Three knowledge transfer workshops
 - 20 internal stakeholders and champions trained/certified on RBI
 - 100 external stakeholders and champions trained/certified on RBI

¹⁴ This component includes Social Impact Bonds CO-T1434 in Colombia, Salud Mesoamerica NI-G1005, Programa para Mejorar la Sostenibilidad del Sistema de Salud en Colombia con Enfoque Inclusivo (CO-L1248), the Haiti Impact Facility HA-T1295, the Education Impact Development Bond in El Salvador and Honduras ES-T1353 and HO-T1405 or Promoting Innovative Financing Solutions in WSA RG-T4084. For example:

<https://publications.iadb.org/es/guia-practica-de-financiacion-basada-en-resultados-en-el-sector-de-agua-y-saneamiento>

C. Project Results, Measurement, Monitoring and Evaluation

- 2.27. The Outcomes Hub will be open to several thematic areas and will employ an adaptive, flexible strategy to respond to changing conditions, new learnings, and emergent data. Rather than a rigid focus on granular definitions of target groups, themes, or geographies it will respond to country and demand-driven RBIs. This approach allows for more innovation and flexibility in developing pipelines and expanding critical experience and track records.
- 2.28. The project will make use of the performance reports designed by the Bank and IDB Lab and may develop a dashboard to easily visualize progress and generate an early alert system.
- 2.29. To broaden the capacities of the IDB and LAC ecosystems to launch results-based financing cost-effectively and at scale, the Outcomes Hub will report on the following indicators:
 - i) Resources mobilized for results-based interventions (from Donor community) for US\$ 5,500,000.
 - ii) Private capital mobilized from investors in Social Impact Bond or Development Impact Bond interventions for US\$2,000,000.
 - iii) Public resources mobilized from local Outcomes payers (public or private) for US\$7,000,000.
 - iv) Two governments that are involved in pay-for-success contracts through MOUs, agreements, or similar documents
 - v) One Outcomes Knowledge Network launched through IDB Lab website.
- 2.30. At the pilot project level, target populations will need to be rigorously defined at a highly granular level, and in some cases payment structures can be set up to segment target populations and incentivize targeting projects for those with the greatest needs, such as paying more for outcomes for women or people with disabilities. The pre-pipeline sectors are all focused on women, poor and vulnerable populations, unemployed or underemployed, populations that lack access to health, education, water and sanitation, and communities affected through the climate crisis.
- 2.31. Impact Evaluations: Projects in Component II will use an independent evaluation to assess if outcomes were achieved. These evaluations may be experimental (Randomized Control Trial) and/or observational depending on the sub-project. Evaluation methodologies and sources of information will be defined ex-ante and depend on the Sub-Project sponsors.
- 2.32. Learning Evaluations: In addition to evaluations of metrics tied to payments, the Bank may commission learning evaluations to (i) measure impacts of metrics that are not tied to payments (for example: populations addressed, how investment worked out, which innovations in service provision were most useful for better results, or anything that is not an outcomes metric); (ii) to carry out more rigorous evaluations when direct observational studies alone are used for payment; or (iii) to carry out process evaluations on operational learnings in order to adjust program targets, costing and/or designs (see learning agenda above).
- 2.33. Reporting. Progress reports on the Outcomes Hub will be made annually to IDB Lab. These will provide updates on development objectives and the Results Framework, along with an annual workplan. Reports will include trends in pay-for-success financing, lessons learned and proposed innovations in strategy and plans for the next

year. The IDB may provide periodic informational briefs to the Bank's Board of Directors and IDB Lab Donors Committee.

- 2.34. Coordination with other partners. The Outcomes Hub will also play an important role in coordinating and mobilizing the efforts of other units in the IDB, as well as other development partners, toward developing scalable solutions to advance outcomes. Additionally, it will leverage knowledge, lessons learned, and champions identified in the RG-M1244 Social Impact Bond Pilot Facility (SIBLAC), Salud Mesoamerica NI-G1005, Programa para Mejorar la Sostenibilidad del Sistema de Salud en Colombia con Enfoque Inclusivo (CO-L1248), Pay-for-Success Financing for Innovations in Urban Workforce Development (SIBs.CO CO-T1434), the Haiti Impact Facility HA-T1295 (HIF), the Education Impact Development Bond in El Salvador and Honduras ES-T1353 and HO-T1405, and the Promoting Innovative Financing Solutions in WSA RG-T4084

III. Alignment with IDB Group, Scalability, and Risks

A. Alignment with IDB Group

- 3.1. The Outcomes Hub is directly aligned with IDB's mission of improving the lives of poor and vulnerable populations in the region. It is a result of expansion efforts for results-based-financing within the Group and a continuation of IDB Lab's innovation agenda following the projects stated in paragraph 2.34.
- 3.2. Strategic Alignment. This Hub is aligned to the Second Update to the Institutional Strategy (UIS) 2020- 2024 (AB-3190-2) and the development challenges of: (i) Climate Change and Environmental Sustainability, as it will promote sub-projects that support climate innovation and bring forward climate resilient and environmentally sustainable solutions through pay for success programs; (ii) Productivity and Innovation, as it is expected to support pay for success subprojects that build capacities to work with outcomes payment contracts as well as build capacity in ecosystem actors to support innovation, job creation, social mobility through entrepreneurship and support the region's climate goals; (iii) Gender Equality and Diversity, by promoting gender mainstreaming activities where applicable to Individual Projects and advisory support services; and (v) Institutional Capacity and the Rule of Law, as it will finance activities to improve the capacity of regional and national entities to foster a Pay for results ecosystem.
- 3.3. The Outcomes Hub is aligned with the Corporate Results Framework (CRF) 2020-2023 (GN-2727-12) on (i) strengthening the IDB Group's Work on the cross-cutting issues of the Institutional Strategy; (ii) resource mobilization as this Hub is expected to attract donors interested in pay for results mechanisms as well as potential outcomes payers (governments or private sponsors) and, (iii) technology innovation considering that this Hub seeks to not only incorporate process and incremental innovation but to test more advance solutions for outcomes verification and payments through blockchain. The Outcomes Hub is also aligned to the IDB Lab Business Plan along with its cross-cutting focus on Climate Crisis and Gender and Diversity (MIF/GN-264). All interventions under this Hub will be aligned with country strategies (EOL#4).
- 3.4. In addition, depending on the multi-thematic Challenge and RBI selection, subprojects are expected to be aligned with one or more of SDGs:
- i) SDG 3 of Good Health and Well-being as it targets to improve maternal health and access to primary care.

- ii) SDG 4 of Quality Education with initiatives aiming access, reducing desertion rates, and quality.
- iii) SDG 5 of Gender Equality by including components that encourage women's participation and specifically targeting women in some subprojects.
- iv) SDG 6 of Clean Water and Sanitation.
- v) SDG 8 of Decent Work and Economic Growth, by increasing job placement and retention and by providing youth with the necessary tools and support to increase their opportunities to access the job market and formal employment.
- vi) SDG 10 of Reduced Inequality by supporting emerging countries and by targeting vulnerable populations.
- vii) SDG 13 of Climate Action for targeting a subproject on regenerative practices in agriculture and for including specific climate metrics across the pipeline.
- viii) SDG 17 of Partnerships for the goals as it strengthens the means of implementation by increasing and leveraging their wide partnership network.

B. Scalability

- 3.5. Outcomes funding is a relatively new topic in Latin America and the Caribbean, as well as in other less developed countries. IDB Lab's mission is to test new ideas to reach better results, like Pay-for-Success. Therefore, given the lack of knowledge regarding this innovative financing mechanism and the difficulties facing government spending around the world given Covid and other challenges, IDB Lab will incubate the Outcomes Hub as a BEO, piloting specific sectorial demonstration sub-projects with a view to install capabilities and knowledge and a key long-term strategy to:
 - i) transfer administrative and contracting learning, best practices and skill building of Pay-for-Success aspects to new governments, donors, thematic clusters, and sponsors seeking effectiveness in their social spending
 - ii) establish a practice that enables IDB Lab to tie a larger part of portfolio to results,
 - iii) provide evidence to a highly fragmented donors' landscape in LAC to be able to pool resources around impacts that matter most,
 - iv) provide new opportunities for mobilizing private finance and non-traditional funding into LAC around impact, and
 - v) experiment with blended finance products withing the IDB Group.
- 3.6. The project will demonstrate key learnings to potentially be used in other countries in LAC. The evidence provided by other PfS projects, as to improved results and more efficient and effective use of funds, is a strong motivator for a government to incorporate PfS in social programs and policies.
- 3.7. For the financial sustainability of the project, there is an interest in this Outcomes HUB playing a role in the ecosystem services offered by IDB Lab. Once the sub-projects are launched, the knowledge instruments developed, IDB Lab will be poised to deliver and support RBF in IDB Group and third party private or public sponsors. Additionally, the HUB through IDB Lab can partner with other international outcomes payment allies (ex. GoLab, Outcomes Accelerator) to support deployment of government RBF adoption projects.

C. Project and Institutional Risks

- 3.8. External Risks. This project is exposed to a variety of external risks that can have a medium to high impact on project implementation.

- 3.9. Socio-political and macro-economic risks are high due to the high volatility of the in-country contexts and the fact that the world is still living in a pandemic reality. These risks will be monitored throughout the program to ensure timed adjustments. Significant flexibility has been incorporated to facilitate pay-for-success financing in politically fragile ecosystems. Key provisions include sectorial flexibility and dynamic and negotiated pricing. The Outcomes Hub may also target key sectors impacted by COVID.
- 3.10. Another high external risk for long term scaling is tackling the traditional activity-based budget and procurement mindset in Governments when participating in results-based contracting. To mitigate that risk, the Outcomes Hub will identify country and sectorial sub-projects where local pay for results champions can help mainstream project outcomes.
- 3.11. A medium risk relevant to mention is the readiness of the regional ecosystem as local partners and service providers lack the capacity to adopt and work in pay-for-success mechanisms. Technical assistance will be provided in this area via the sub-projects and through the Knowledge Hub.
- 3.12. As with the external risks, the project faces various medium to high institutional risk to its implementation. Most notably:
- 3.13. Financial sustainability risk. The IDB or local Government's may lack funding for financing and scaling projects developed by the Outcomes Hub. Changes in donor and Government funding priorities will be mitigated by regular donor consultation and on-going fund-raising to diversify funding pool. ORP can play an important role in the fund-raising efforts.
- 3.14. Funding risk. Investment resources may not be available for pre-financing pay-for-success projects. Pre-financing RBI demonstration projects is a key element to its success, as it was showcase during IDB Lab's experience in Colombia where Fundación Corona and other impact investors played a critical role as co-investors in the SIB.Co model. To mitigate this risk, the Outcomes Hub will collaborate with investor networks and pay-for-success groups and champions, such as the IBWG, to seek steady support to the investment in projects that, if successful, will be paid with IDB or other funds. Part of the scoping and feasibility studies in Component I will include activities identifying potential investors especially in SIBs or DIBs sub-projects.
- 3.15. Operational risk. IDB Lab may have difficulty to source adequate pipeline executing agencies for new RBI designs. The Outcomes Hub will use networks from IBWG and other key market stakeholders to broaden reach for pipeline proposals.
- 3.16. Execution risk. Pay-for-Success projects do not achieve expected results, or contention arises in measurement and confirmation of results. The Outcomes Hub will seek to ensure that viable designs are funded, where risks are subject to information sharing. At the same time the Hub will be working on piloting digital technologies that help and automatize the costs and transactions related to result verification.

IV. Instrument and Budget Proposal

- 4.1. The instrument to be used is Technical Cooperation Grant given the need of catalytic funding that help drive experimental and demonstration RBIs for latter scale for which there is no possibility of direct capture of returns¹⁵.
- 4.2. The project has a total cost of US\$13,500,000, of which US\$1,000,000 (7%) will be provided by IDB Lab, US\$5,500,000 (41%) will come from donors, core mobilization and local counterparts, and will come from counterpart funding, and US\$7,000,000 (49%) is expected to come from local co-financing to pay for results¹⁶.
- 4.3. Additional contributions. The program structure provides for additional resources to accomplish the objectives stated in this document, in the event any new members joining the Outcomes Hub wish to contribute to it under its terms of execution. This additional funding will be in the form of non-reimbursable contributions (grants) to finance program components, thereby expanding the number of beneficiary countries or sub projects. These additional amounts will not exceed US\$20 million. Accordingly, donors would make contributions in the form of a project-specific grant. The IDB will secure the commitment of each donor through administrative processes that do not require the preparation or approval of individual project proposals and will maintain a reporting and coordination mechanism with the Donors Committee¹⁷. Under such agreements, the resources provided by the donor will be administered by the Bank through the sub project executing agencies designated in the following meeting. For these specific resources, the Bank will charge a non-reimbursable administrative fee, in accordance with Bank policy¹⁸.
- 4.4. Potential financing sources¹⁹ include the Swiss Agency for Cooperation and Development, private donors interested in PfS demonstration projects in Colombia and Perú, IDB donor funds, and IDB public funds in consultation with participating country governments.
- 4.5. Co-financing will be mobilized and engaged in local, regional, national, and international private or public actors interested in paying for the demonstration sub-projects as outcomes payers.
- 4.6. The proposed structure is an innovative Hub that has the flexibility to leverage and mobilize additional funding from counterparts at any stage of implementation.

¹⁵ The Outcomes Hub will invite the IDB Lab investment unit and co-design and experiment with the use of CRIGs or other source of reimbursable instruments to pay for results.

¹⁶ In Colombia, local and national government have co-financed US\$2,500,000 of the results in the Pay for Success Financing for Innovations in Urban Workforce Development CO-T1434 project.

¹⁷ Report on COFABS, Ad-Hocs, and CLFGs and a Proposal to Unify them as Project-specific Grants (document SC-114 of 21 April 2010).

¹⁸ For project-specific grant contributions made in currencies other than the U.S. dollar, the final amount of each contribution will depend on the exchange rate prevailing on the date the Bank receives and converts the funds into U.S. dollars. If adverse fluctuation in the exchange rate reduces the anticipated amount in U.S. dollars and that amount cannot be covered by contingency funding, the activities planned with the contribution will decrease proportionally.

¹⁹ At the time of QRR the team and ORP have developed conversations with the Swiss Embassy - SECO to scale result-based interventions in Colombia and Perú for approximately US\$2M; with FEMSA and Johnson & Johnson, both are interested in incorporating RBF to their funding strategies; and with the Amazon Initiative to launch a bioeconomy, sustainable management of agriculture, livestock and forests, sustainable cities and infrastructure, or human capital RBI focusing on Payment for Ecosystem Services.

- 4.7. The Outcomes Hub seeks to scale IDB Lab's leadership, experience and lessons learned in prior RBF projects, as it informs bank operations, supports regional and sustainable pay for success ecosystems. The Hub will work primarily with local non-state actors (NGOs, foundations, and for-profit enterprises). The Hub will support them through a range of pay-for-success instruments including impact bonds, pay-for-success contracts, social impact bonds, social impact incentives and others.
- 4.8. The choice of RBI mechanism should be defined by the goals and objectives of the IDB for specific projects and by the needs of delivery partners. Legal and outcomes verification costs²⁰ have been accounted for and built into the contract structure of PFS. The project expects these costs to decrease overtime with the continued growth and maturity of the ecosystem.

Table 2: Summary Budget (US\$)

COMPONENTS	IDB Lab	Partners + Local counterpart	Pay for Results	TOTAL
	RG-74177	SubTotal	Local Co-financing	
Component 1: Scaling Results Based Interventions Challenge	200,000	414,000	0	614,000
Component 2: Results Based Interventions Sub Projects	715,000	4,803,143	7,000,000	12,518,143
Component 3: Outcomes Knowledge Hub	85,000	140,000	0	225,000
Project Administration Fee	0	142,857		142,857
TOTAL	1,000,000	5,500,000	7,000,000	13,500,000
% of Financing including co-financing	7%	41%	52%	100%

- 4.9. Potential donors through Project Specific Grants or Core Mobilization will be identified through Component I. Interested parties committed to piloting and scaling Results Based Interventions for verified impact in LAC include: SECO, FEMSA, CICAN, UNDP, USAID, among others. Donor resources will be used to pay for Component I, II, III activities.
- 4.10. Executing agencies participating in sub projects selected through Component I will commit in-kind and cash counterpart financing to implement the result-based intervention sub project, the counterpart financing will pay for project administration, market building, and knowledge dissemination activities, among others.
- 4.11. Executing agencies will crowd in local, national, or international private or public donors and financiers interested in piloting and learning from pay for results interventions, following the SIBs.Co model CO-T1434 where the Prosperity Department in Colombia paid for 50% of verified results in job placement for poor and vulnerable populations.

²⁰ IDB Lab and/or local executing agencies will launch TORs to identify legal and outcomes verification firms.

V. Executing Agency (EA) and Implementation Structure

A. Executing Agency(s) Description

- 5.1. As in the case of any regional program, this one will be executed at two levels: centrally and in each of the beneficiary countries.
- 5.2. The Inter-American Development Bank (IDB), through IDB Lab, will be the Executing Agency of this Hub and will conduct fiduciary and administrative functions.
- 5.3. The Bank and IDB Lab have a commitment and strong track record implementing interventions like those in the pipeline for the Outcomes Hub. This will enable IDB Lab to develop its own internal expertise and to transfer learnings to other outcomes payment donors, sponsors and interested parties.
- 5.4. An Outcomes Hub Coordinator and a technical analyst will be hired and will be responsible for coordinating the overall administration of the Hub, see paragraph 5.14.
- 5.5. Individual sub projects, to be funded through Component II, will be designed by IDB Lab and Bank staff with support from the Outcomes Hub Coordinator and will be implemented by local executing agencies and partners.
- 5.6. IDB Lab will be responsible for the supervision and implementation of Project Specific Grant (PSG) contributions and others that might be join the Outcomes Hub.
- 5.7. Additional ecosystems actors will also be engaged, including bilateral and multilateral donors, foundations, investors, technology providers, evaluators, research organizations and think tanks, international and local consulting firms, and local Government officials (e.g., Mayors and other public authorities), and international actors such as Global Impact Bonds Working Group (IBWG) and the Global Steering Group on Impact Investing.
- 5.8. Sub-project execution. To carry out program activities through individual projects in beneficiary countries, the Bank will select local entities that meet strict requirements in terms of technical capacity, specialization, experience, leadership, and neutral position regarding the entities in each country ecosystem. Examples of possible executing agencies that satisfy these requirements and have shown interest and commitment during the preparation of this program include Fundación Corona in Colombia, INAPA in Dominican Republic, Alterna in Guatemala. The sub project execution agencies will be identified during Component I during the multi-thematic challenge and in Component II in the scoping, feasibility, and design technical assistance activities.
- 5.9. The agreements with these or other entities in the countries (selected based on the sub-project and country eligibility processes described in paragraphs 2.10, 2.11, 2.12, 2.20, 2.21 and 2.22) will be formalized during program execution in accordance with the Bank's relevant procedures and with authority delegated by the Donors to the IDB Lab Manager for a budget of up to US\$350,000 per sub-project. The selected executing agencies will be responsible for carrying out activities under specific projects for the establishment of consortia and networks in each country. Individual action plans will be developed for this purpose and executed in strategic partnership with the LAC-chain Global Alliance members.

B. Implementation Structure and Mechanism

- 5.10. The proposed structure is a unique collaboration between IDB Lab, IDB, and the sponsors to leverage their respective funding, expertise, and networks to incubate and transfer a sustainable, cost-effective, viable and scalable pay-for-success mechanism to improve social outcomes and generate data and evidence for LAC. It is based on an assessment of current market needs, on the goals and objectives of the IDB Group, on lessons from the IDB Lab SIB Facility, Colombia SIBs.Co project and best practices cited by the IBWG and other global working groups active in the topic²¹.

PARTICIPANT	ROLE AND RESPONSIBILITY
IDB Lab	<ul style="list-style-type: none"> •Non-reimbursable catalytic funding to crowd in new resources in each of the components •Funding for internal support team of consultants in IDB COF •Oversees program strategy and administration
IDB ²²	<ul style="list-style-type: none"> •Primary focal point with Government agencies •Provides technical inputs on pay-for-success contract design •Pays for outcomes, legal, evaluation and transaction-specific costs and capacity building
SPONSORS/ DONORS	<ul style="list-style-type: none"> •Participates in specific sub-project advisory committee •Facilitates data access for program design and implementation •Supports sharing project results with other donors and international community •Pays for outcomes, legal, evaluation and transaction-specific costs and capacity building
PARTICIPATING GOVERNMENTS	<ul style="list-style-type: none"> •Pays for outcomes •Represented by Finance or Sector Departments (local, regional, national level)
KNOWLEDGE PARTNERS ²³	<ul style="list-style-type: none"> •Provides technical services for scoping, technical assistance and market building •Technical advisor to IDB Lab team, supports upskilling of new team •Provides expertise to project implementers for contract readiness •Facilitates knowledge transfer for local ecosystem actors

- 5.11. The execution mechanism of future sub project approvals under the broader framework of this project will enable IDB Lab to leverage external funding from partners. Further, it will more effectively generate and share knowledge and learning during execution, and systematically raise awareness and form strategic partnerships with stakeholders in the public sector, private sector, and civil society.
- 5.12. Outcomes Hub Advisory Committee. The Hub will establish an Advisory Committee to provide strategic direction, guidance, and support to overcome challenges and to ensure its success. Members of the Committee may include the Outcomes Hub Coordinator, designated IDB Lab HQ and country office specialists, Bank specialists from CCS, RND, IFD, LMK, WSA, SPH, CTI (and others), Outcomes Hub Donor representatives and other external technical partners outside the Bank. The specific

²¹ Other organizations and literature that should be cited: •CGD: www.cgdev.org/working-group/development-impact-bond-working-group•Development Impact Bonds Working Group – report (2014)Investing in Social Outcomes: Development Impact Bonds (usaidlearninglab.org)•Development Impact Bonds - Social Impact Investing, Queensland (siiq.com.au)•Brookings publication (2020) and those related to the UK government projects: Impact_Bonds-Brief_1-FINAL.pdf (brookings.edu) & Impact bonds (ox.ac.uk).

²² An initial internal team of RBI champions are in contact with the team. More will be asked to join and support the multi-thematic Challenge and specific sub-projects in different forms.

²³ The program expects to hire at least one knowledge partner for the digital solution development, one knowledge partner to assist in the scoping, feasibility or technical assistance for sub-project design, one knowledge partner to generate specific case studies, program evaluation and content, and one knowledge partner to design content dissemination strategies

structure, composition and function of the Committee will be determined within the first year of implementation of the Outcomes Hub.

- 5.13. Procurement and contracting: For the procurement of goods and the contracting of consulting services, the Hub will apply GN-2350-9 and any other relevant Bank policies and IDB Lab guidelines in effect. For the contracting of individual consultants, the Outcomes Hub will apply the human resources policies of the Bank. For the contracting of baseline assessments and impact evaluations, the Hub will apply the Bank's policies on Corporate Procurement. The initial procurement plan will apply to the execution period of the Hub for resources allocated for its overall administration, which may be updated annually or as needed by the Hub. At the individual sub project level, IDB Lab will apply the Diagnostic of Executing Agency's Needs (DNA) to the executing agencies of the individual sub projects to determine the appropriate procurement policies to apply in conformity with OP 639.
- 5.14. Outcomes Hub Coordinator and Support. An Outcomes Hub Coordinator and technical support will be responsible for the timely and effective implementation of Hub activities. The coordinator and support consultant will be contracted to carry out activities related to the Hub that are considered additional to the responsibilities and/or expertise of IDB Lab staff required for the successful implementation of the Hub. The Outcomes Hub Coordinator will also be responsible for coordinating with sub-project teams, and reporting activities to Outcomes Hub co-financing partners and other external and internal audiences.
- 5.15. Execution Arrangements. The Hub will be implemented programmatically and contain multiple pay-for-success projects in priority IDB sectors. Consequently, beneficiaries and target populations will be rigorously defined at the pilot project level. Priority will be given to poor and low-income populations, vulnerable communities, youth, women, and other traditionally excluded and vulnerable groups in potential topics such as primary education, maternal health, sanitation, employment, and others, which will emerge from the on-going analysis of the local context and capacity.
- 5.16. RBI subprojects can be developed as a) market-initiated concepts, through a process of co-creation using a directing contracting/sole-source selection and TA challenges, or b) as IDB-initiated concepts, in which partners may be engaged via a competitive selection process. Key considerations will be:
 - i) The degree of consultation, collaboration, and co-creation with implementors during the design of the contract and service models.
 - ii) The capacity of the market to engage with tenders or bidding processes that incorporate cost and impact estimates.
 - iii) The capacity of the Bank to design effective service terms and specifications.
 - iv) The role of investors and/or intermediaries in the design and selection of service providers.
 - v) The amount of technical support to delivery partners to facilitate contract readiness.
 - vi) Potential to inform and scale RBF within public finances or Bank operations.
- 5.17. Implementation Roadmap. The Outcomes Hub will be designed to be implemented and rolled out simultaneously over extended lifecycle to allow for learning, discovery, and innovation over sequential funding rounds.
- 5.18. Central to this strategy is the need to build track record and deepen scope and breadth of the Outcomes Hub. Component I will focus on establishing the Hub, defining the advisory committees, RBI sub-project identification and selection process, launching

TAs for scoping studies and challenges to identify Component II sub-projects, as well as carrying out core hiring and donor identification.

- 5.19. Component II activities will be implemented on a rolling basis and simultaneous to Component I activities. For example, once a sub-project, potential sponsor and local executing agency have been identified, activities for that RBF demonstration should start. RBF sub-project implementation should start within the year of launching the Hub and no later than year 3.
- 5.20. Component III activities will initiate alongside Component I. Activating a community of champions is a key attribute to garner donor and sponsor interest in these social spending mechanisms. At the same time, the Knowledge Hub will structure and define the minimum set of templates, instruments, and mechanisms that each RBF sub-project should produce to build cases and sectorial blueprints for later use.
- 5.21. The strategy should remain flexible and adaptive and be updated on an annual basis.

VI. Compliance with Milestones and Special Fiduciary Arrangements

- 6.1. **Disbursement by Results, Fiduciary Arrangements.** The Sub-projects Executing Agencies will adhere to the standard MIF disbursement by results, Bank procurement policy²⁴ and financial management²⁵ arrangements.

VII. Information Disclosure and Intellectual Property

- 7.1. **Information Disclosure.** No project information is deemed confidential according to the Bank's Access to Information policy.
- 7.2. **Intellectual Property.** The intellectual property rights in relation to the Project's deliverables shall be distributed as follows:

Bank Deliverables	Sub project Executing Agency Deliverables
Digital Solution (blockchain or other) design under CI	Sub project participant databases
Scoping, feasibility or Technical Assistance deliverables under CII	Communication activities
Contracts and formulas designed for pay-for-success sub projects	Executing agency financed case studies and/or evaluations
Sub project participant databases	Executing agency financed audiovisual material
Program Evaluation under CIII	
Case studies under CIII	
Handbook integrating easy to use guides under CIII	

²⁴ Link to the Policy: [Procurement of Works and Goods Policy](#)

²⁵ Link to the document [Operational Guidelines for Management of Milestones and Financial Supervision for MIF and SEP Technical Cooperation Projects](#)

MOOC certification training course under CIII	
Audiovisual material under CIII	

- 7.3. Any Project result not specifically listed in the table above shall be deemed to be included in the Bank's Deliverables.
- 7.4. The Bank shall have a royalty-free, non-exclusive, world-wide, and irrevocable license to use, copy, distribute, reproduce, publicly display, perform, and create derivative works of the Sub project Executing Agency's Deliverables, as well as any other element of intellectual property developed by the Sub project Executing Agency prior to the Sub project and incorporated entirely or partially into the Bank's Deliverables. The Bank may sub-license such rights to third parties within the region of Latin America and the Caribbean.
- 7.5. The Bank shall likewise grant to the Executing Agency a non-exclusive and royalty-free license for non-commercial purposes to use, copy, distribute, reproduce, publicly display and perform the Bank's Deliverables. The Sub project Executing Agency may sub-license such rights to third parties.
- i) At the request of the Bank, the Deliverables of the Bank or of the Sub project Executing Agency shall be licensed by the Executing Agency to third parties under the terms of the Creative Commons IGO 3.0 BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode>). In such case, the Bank's Deliverables shall display the following language, and the Executing Agency's Deliverables, similar language:
- "Copyright © [year of first publication] Inter-American Development Bank (IDB). This work is licensed under a Creative Commons IGO 3.0 Attribution-NonCommercial-NoDerivatives (CC-IGO BY-NC-ND 3.0 IGO) (<http://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) license and may be reproduced for any non-commercial use with attribution to the IDB. No derivative work is allowed. Any dispute related to the use of works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than attribution, and the use of the IDB's logo shall be subject to a separate written license agreement and is not authorized as part of this CC-IGO license. Note that the link provided includes additional terms and conditions of the license."*
- 7.6. The Sub Project Executing Agency represents and warrants to the Bank that execution of the Project does not and will not infringe the rights of third parties, and it will do everything necessary to ensure that the Bank is able to exercise the rights set forth herein, without limitation. The Executing Agency shall release and/or indemnify the Bank, its staff, sub-licensees, and/or consultants from any actions, which could be initiated against them in the exercise of the rights licensed to the Bank. The Executing Agency shall ensure that all contracts entered with consultants involved in the development of the Bank's Deliverables under the Project include an express assignment to the Bank of all intellectual property rights, including copyright.
- 7.7. The Bank may disseminate, reproduce, and publish any Project-related information and include in such information the name and logo of the Executing Agency.