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MULTILATERAL INVESTMENT FUND

**PERU**

**PERU'S SILVER ECOSYSTEM: MAXIMIZING THE VALUE OF EXPERIENCE**

**(PE-T1501)**

**DONORS MEMORANDUM**

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**PROJECT SUMMARY**  
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The world is changing for older people and they, in turn, are changing the world. The longevity of today's older adults is historically unique. Older adults from all over the world are charting their paths towards new lives, and the world is becoming aware of the economic impact of their experience, which is also their competitive advantage. Studies have shown that three years after the launch of startups, 70% of those established by entrepreneurs over age 50 are still active, compared with only 28% of those founded by younger entrepreneurs.<sup>1</sup> However, private markets for consumer goods targeting seniors continue to be underdeveloped; overall, markets are less motivated to focus on older consumers due to the perception that this group has less disposable income or prefers to save.<sup>2</sup> The decision to unlock the potential of this natural resource to accelerate employment growth is not only theoretically smart, it's also doable.

This proposal aims to involve the different actors within the entrepreneurial and innovation ecosystem to generate a virtuous cycle of creating economic value for adults age 50 and older through new opportunities that maximize their prior experience and develop new skills. The project's main beneficiaries are: (i) 120 older adults (20% women) who participate in open training programs; (ii) 45 teams (20% women) led by an older adult or that provide products/services for older adults; and (iii) 1,000 older adults who are an active part of the silver economy ecosystem. Indirect beneficiaries include 9,000 older adult users of the solutions generated by the project, academia, business associations, nonprofit organizations, chambers of commerce, and government programs.

Lastly, the project seeks to ensure sustainability and the scaleup of the ecosystem through the creation and management of a nonprofit organization that will continue to grow and promote the ecosystem's activities. That organization will be sustained by member contributions and revenue from the various services that the ecosystem will provide in terms of connections, knowledge products, coordination with strategic actors through a digital platform, and the commissioning of important studies that will enable them to conduct specialized consulting projects to improve conditions and increase the productivity of the population age 50 and older.

Universidad del Pacífico, through its Center for Entrepreneurship and Innovation (Emprende UP), will be the project's executing agency and will sign the agreement with the Bank.

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<sup>1</sup> Khan, H. (February 2013). [Five Hours a Day: Systemic Innovation for an Ageing Population](#).

<sup>2</sup> Idem.

## **ANNEXES**

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## **ABBREVIATIONS**

CEDRO	Information and Education Center for the Prevention of Drug Abuse
GEM	Global Entrepreneurship Monitor
iDELTA	Development Effectiveness Learning, Tracking, and Assessment for Innovation
SDGs	Sustainable Development Goals of the United Nations
USAID	United States Agency for International Development
VRAEM	Valley of the Apurímac, Ene, and Mantaro rivers

## PERU

**PERU'S SILVER ECOSYSTEM: MAXIMIZING THE VALUE OF EXPERIENCE  
(PE-T1501)**

**EXECUTIVE SUMMARY**

<b>Country and geographic location:</b>	Peru: Lima, Huánuco, San Martín, Moquegua, and Ucayali regions		
<b>Executing agency:</b>	Universidad del Pacífico – Center for Entrepreneurship and Innovation (Emprende UP)		
<b>Focus area:</b>	Knowledge economy		
<b>Coordination with other donors/ Bank operations:</b>	This operation complements the Innovation, Technological Modernization, and Entrepreneurship Program (5287/OC-PE) approved in June 2021. It also complements Upskilling and Reskilling Adults Ages 50 to 65: Continuing Education for Digital Transformation (PE-T1454), an IDB Lab operation in Peru.		
<b>Direct and indirect beneficiaries:</b>	<p><u>Direct beneficiaries:</u> (i) 120 older adults (20% women) who participate in open training programs to launch startups; (ii) 45 teams (20% women; each consisting of 2 to 5 entrepreneurs), led by an older adult or that provide products/services for older adults, that participate in the entrepreneurship program; and (iii) 1,000 older adults who are an active part of the silver economy ecosystem in one of the project's priority areas (e.g. network of mentors, facilitators, crowdfunding campaigns, open innovation projects, and research).</p> <p><u>Indirect beneficiaries:</u> 9,000 older adult users of the solutions generated by the project, as well as academia, business associations, nonprofit organizations, chambers of commerce, and government programs.</p>		
<b>Financing:</b>	Nonreimbursable technical-cooperation funding:	US\$650,000	50%
	Counterpart:	US\$650,000	50%
	<b>Total project budget:</b>	<b>US\$1,300,000</b>	<b>100%</b>
<b>Execution and disbursement period:</b>	36 months for execution and 42 months for disbursement		
<b>Special contractual conditions:</b>	Conditions precedent to the first disbursement: (i) presentation of the annual work plan and milestones plan; and (ii) appointment of a Project Coordinator.		
<b>Environmental and social impact review:</b>	This operation has been screened and classified on 27 October 2021, in accordance with the requirements of the IDB Environment and Safeguards Compliance Policy (Operational Policy OP-703). Given the limited impacts and risks, the project is proposed as a Category "C" operation.		

## I. PROBLEM AND OPPORTUNITIES

### A. Diagnostic assessment of the problem to be addressed by the project

- 1.1 The silver economy. Aging is a worldwide phenomenon. There are over 700 million people over age 65 in the world, accounting for nearly 9% of the global population. This number has doubled over the last 30 years and is projected to reach 1.5 billion by 2050.<sup>3</sup> As a result of the exponential growth of the world's aging population, the silver economy<sup>4</sup> is increasingly attracting attention in areas such as public policy, academia, business, and startups.
- 1.2 Aging is often seen as an additional burden on society, as it poses the challenge of responding to increasing demands on three fronts: pension systems, health services, and long-term care.<sup>5</sup> The COVID-19 pandemic has underscored the physical and social vulnerability of this generation. Therefore, ensuring that society has sufficient capacity and resources to meet these growing demands is a key challenge.
- 1.3 In this global context, the COVID-19 pandemic has greatly affected the Peruvian economy. The country implemented some of the strictest quarantine measures in the world to contain the spread of the virus, which paralyzed most productive sectors and significantly affected employment and production. Approximately three million jobs were lost, and production decreased by 11.1% in 2020. This situation has severely impacted the overall Peruvian population and especially its most vulnerable groups, which include adults over age 50.
- 1.4 A recent report by The New School's Retirement Equity Lab revealed that older workers were more impacted by job loss at the beginning of the pandemic. Between March and April 2020, 10.9% of workers over age 55 became unemployed, compared with 8.9% of workers ages 35 to 54. The report also shows that unemployed people over age 55 have taken longer to be rehired. On average, 28% of people in this age group seeking employment found work each month between April and September 2020, compared with 32% of mid-career workers.<sup>6</sup> Another study by the Observatory on Aging of the Pontificia Universidad Católica de Chile found that 19 of every 100 jobs lost during the pandemic were among people over age 60.<sup>7</sup> It is therefore essential to strengthen older adults' capacities and provide them with tools to enhance their employability.
- 1.5 According to Peru's National Institute of Statistics and Informatics (INEI), people over age 50 will account for more than 34% of Peru's total population by 2050.<sup>8</sup> It is critical that they remain economically active and have access to education, financial, health, and technology services, which are even more relevant today as a result of the pandemic. Notwithstanding these challenges, aging also presents opportunities for economic development through older adults' new startups, job opportunities, and economic contributions, as improved health conditions lead to enhanced productivity throughout their lifespan. According to estimates, over the last two decades, healthy life expectancy has increased by approximately

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<sup>3</sup> World Bank (2021). [DataBank – Population estimates and projections](#).

<sup>4</sup> Inter-American Development Bank (2020). The Silver Economy in Latin America and the Caribbean.

<sup>5</sup> Idem.

<sup>6</sup> Retirement Equity Lab - The New School (2021). The Pandemic Retirement Surge Increased Retirement Inequality. New York.

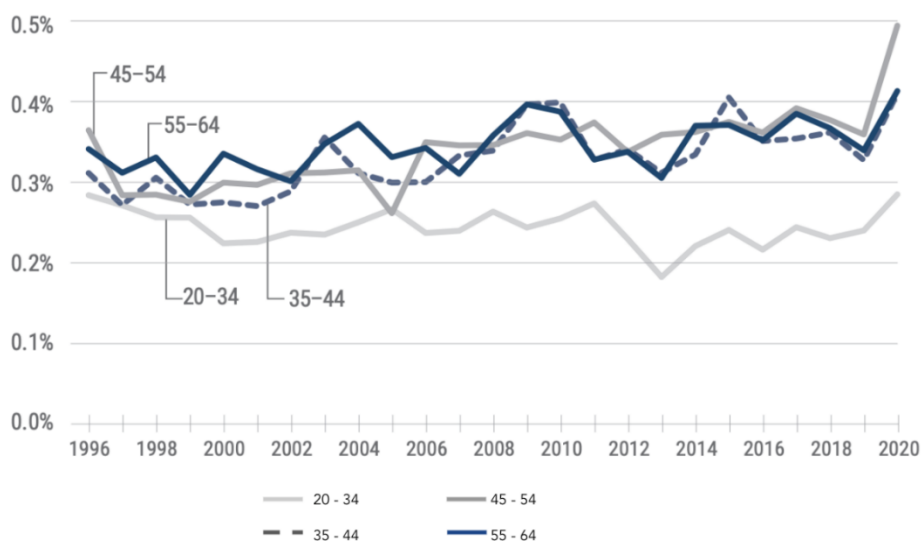
<sup>7</sup> Observatorio del Envejecimiento de la Pontificia Universidad Católica de Chile. (2021). Nuevas realidades del trabajo 60+ en pandemia.

<sup>8</sup> National Institute of Statistics and Informatics. As of 30 June 2019, Peru had 32,131,400 inhabitants. [Press Release of 11 July 2019](#).

5 years.<sup>9</sup> Therefore, older adults today are more likely to be able to continue working, studying, consuming, and enjoying better physical health than they did decades ago.

- 1.6 It is important to note that, over time, these actions will lead to older adults' increased demand for goods and services. Older people want to continue working and launch new businesses. Research by the Global Entrepreneurship Monitor indicates that entrepreneurial spirit among people over age 50 has increased by 50% since 2008; moreover, 70% of companies launched by people in this age group continue to be active after three years, compared with 28% of businesses founded by younger entrepreneurs.<sup>10</sup>
- 1.7 In regard to entrepreneurship among people over age 50, the 2020 National Report on Early-stage Entrepreneurship in the United States, published in February 2021, shows that the pandemic has provided a great opportunity for older adults ages 45 to 54 and 55 to 64 to outperform younger people as new entrepreneurs (see Figure 1). This is a significant achievement that reaffirms the current need for all economies to combine experience with the disruptive power of youth to meet the emergent challenge of the new economy, which is characterized by increasing digitalization and the greater speed of disruption. Only people with experience have the overall vision, contacts, and money to complement the drive of millennials and now, centennials (generation Z).

**Figure 1. Rate of new entrepreneurs by age group, 1996-2020**



Source: Authors' estimates based on the survey of the current population.

Source: Kauffman Indicator of Entrepreneurship (2021). National Report on Early-Stage Entrepreneurship in the United States: 2020.

<sup>9</sup> Emol. (7 April 2019). [Chile es el segundo país con mayor esperanza de vida en Latinoamérica: ¿Cómo es el escenario mundial?](#)

<sup>10</sup> Schøtt, T., E. Rogoff, M. Herrington, and P. Kew. (2017). GEM Special Report on Senior Entrepreneurship. Global Entrepreneurship Research Association.



- 1.8 Universidad del Pacífico's Center for Entrepreneurship and Innovation (Emprende UP) has studied some of this age group's needs and their desire to participate in the institution's activities. For example, it reports that, in the last two years, the number of entrepreneurs over age 50 who have expressed an interest in participating in its programs (pre-incubation, incubation, acceleration, and the Angel Investors Network) has grown from 15% to 30%. With the support and tools that they have received, these businesses have scaled up and become a significant source of financial support for entrepreneurs' households. However, startup initiatives targeting the needs of people over age 50 have not increased apace, even though, as previously mentioned, their needs have grown considerably. The Universidad del Pacífico's alumni network has also received many requests to promote networking among former students who are now entrepreneurs over age 50, given the growing need for collaboration among businesses.
- 1.9 Emprende UP has also identified other training initiatives that support this age group and provide them with development opportunities. Noteworthy examples include the Municipality of Lima and its Escuela de Emprendedores de Oro [School for Golden Age Entrepreneurs]<sup>11</sup> and Grupo Romero's online training for older adults.<sup>12</sup> Nevertheless, in order for these opportunities to be better optimized, entrepreneurs must have access to networks of valuable contacts beyond their immediate social circle, and these networks must help open doors to identify new partners, mentors, investors, clients, and suppliers,<sup>13</sup> all within a single ecosystem.

## II. THE SOLUTION

### A. Project description

- 2.1 Startups have proven to be critical agents for the economic growth and social well-being of a given place<sup>14</sup> because of their ability to innovate, break from traditional business models, create jobs, and transform industries.<sup>15</sup> However, to be successful, this type of organization requires an entrepreneurial ecosystem that facilitates its establishment and rapid growth, especially in increasingly global and competitive contexts such as those of the emerging countries.<sup>16</sup> An entrepreneurial ecosystem is an interconnected group of stakeholders (e.g. universities, government, professionals, support services, financing, and human talent) in a local geographic community, whose formal and informal ties, physical infrastructure, and culture contribute to the ecosystem's sustainability. In other words, it is an ensemble of different and interdependent components that interact to foster the creation and development of new companies through financial and nonfinancial support.<sup>17</sup>

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<sup>11</sup> Municipalidad de Lima (13 January 2021). [Municipalidad de Lima lanza primer escuela de emprendimiento virtual para adultos mayores.](#)

<sup>12</sup> IDB Lab (2 November 2020). [IDB Lab y Fundación Romero aprueban proyecto para la reconversión y mejora de las habilidades laborales de los peruanos mayores de 50 años.](#)

<sup>13</sup> Inter-American Development Bank (2021). ¿Cómo serán los futuros ecosistemas de emprendimiento en la post pandemia? Tendencias y escenarios en América Latina.

<sup>14</sup> Mack, E, and H. Mayer (2016). [The Evolutionary Dynamics of Entrepreneurial Ecosystems](#). Urban Studies, 53 (10).

<sup>15</sup> Finger, M., and O. Samwer (1998). America's Most Successful Startups: Lessons for Entrepreneurs. Springer Science and Business Media. Fornell, C. (1981). A Comparative Analysis of Two Structural Equation models: LISREL and PLS Applied to Market Data.

<sup>16</sup> Hernández, C. and D. González (2016). [Study of the Start-Up Ecosystem in Lima, Peru: Collective](#). Case Study, Latin American Business Review, 17 (2), p. 115-137.

<sup>17</sup> Cohen, B. (2006). Sustainable Valley Entrepreneurial Ecosystems. Business Strategy and the Environment.

- 2.2 Emprende UP,<sup>18</sup> using available technologies,<sup>19</sup> will endeavor to coordinate an ecosystem that enables people over age 50 to participate as both recipients and actors—providing products and services, experience, research capacity, investment, and strategic management—and that also mobilizes collective action and builds relationships of trust between the relevant actors.
- 2.3 In this context, the development of a silver economy ecosystem will be sustained by Emprende UP's work promoting the following subecosystems in Peru:
- Incubators – [Perú Incuba](#);
  - Angel investment to early-stage investment – [Peruvian Association of Seed and Entrepreneurial Capital](#) (PECAP);
  - Fintech ecosystem – [Asociación Fintech de Perú](#);
  - Ecosystems in regions – CEDRO USAID [Rural Fintech Challenge](#);
  - Rural ecosystems – United States Embassy, Academy for Women Entrepreneurs (AWE) [Emprende UP Facebook page](#); and
  - Ecosystems for immigrants – [Konrad Adenauer Stiftung Foundation](#).
- 2.4 The project will also benefit from the support of The Global Institute for Experienced Entrepreneurship,<sup>20</sup> an international leader in the experience economy movement and an Emprende UP partner. This institute will participate in the co-creation of specialized training programs for older adults, taking into account the characteristics and needs of the Peruvian population.
- 2.5 The project aims to connect, through a the [Economía Plateada Emprende UP](#) (minimum viable product<sup>21</sup>) digital space, a global network of partners and innovative resources that will help to develop the ecosystem. This digital space will facilitate the dissemination of research analyzing the national and international reality, to better understand this reality and seek solutions to concrete problems affecting people over age 50; mobilize private and public sector resources to identify solutions that are smart and simple (easy to implement and maintain), inclusive, innovative, and have greater potential for scalability; and connect experts over age 50 with high-value startups.
- 2.6 The project will also include actions to enhance the model's sustainability and scalability and the design of public policies and advocacy efforts that will be instrumental in reducing gaps in services and access to reliable information. It also seeks to develop entrepreneurial capacity, digital skills, and employment for the over-50 age group. It is anticipated that 20% of beneficiaries will be women and 9% will be migrants.
- 2.7 **Innovation.** The project is innovative because of its focus on the emerging market associated with the silver economy, and its goal to maximize the experience and capabilities of older people. It aims to provide training tools and facilitate the acquisition of entrepreneurial skills to develop solutions tailored to the over-50 age group. The project

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<sup>18</sup> [Emprende UP, Universidad del Pacífico](#).

<sup>19</sup> Weinberger, K., and L.C. Ortigueira Sánchez (2021). Desarrollo y desafío del ecosistema de emprendimiento en el Perú.

<sup>20</sup> [Global Institute for Experienced Entrepreneurship \(GIEE\)](#).

<sup>21</sup> The platform is in its initial version of validation (minimum viable product).

will facilitate the creation of the first networks of mentors and angel investors<sup>22</sup> comprised of people over age 50 in Peru, the latter focused on attracting women investors.

- 2.8 **General objective.** The objective of the project is to promote the development and strengthening of the silver economy ecosystem,<sup>23</sup> with a view to improving the quality of life<sup>24</sup> of adults over age 50 through the development of startups and innovative solutions by and for this age group, and by promoting programs that include and encourage them to continue actively contributing to their communities, while also fostering the increased representation of women in startups and their role in driving the private capital industry.
- 2.9 **Intervention model.** The intervention model is grounded in the provision of training, advisory, and monitoring services in entrepreneurship, innovation, and businesses through Emprende UP's integral value chain. Its goal is to have impact and boost the development of the country's silver economy ecosystem through the following phases:
- 2.10 **Knowledge generation.** The project will provide training, organize events, and conduct research on the silver economy to increase participants' awareness of the inclusion of this market segment, while simultaneously strengthening this age group in areas such as entrepreneurship, innovation, technology, leadership, and sustainability.
- 2.11 **Entrepreneurship programs.** The project will conduct various entrepreneurship programs for each stage of the startups (pre-incubation, incubation, and acceleration) that promote solutions for the silver economy age group or that include entrepreneurs from this segment, such as the following teams that have participated in Emprende UP's programs: Naturepia, Entre Árboles, Ezenz, Tu sueldo Ya!, Sueños de Lavanda, and Credigob. It will also organize events to forge connections, such as demo days<sup>25</sup> and speed mentoring.<sup>26</sup>
- 2.12 **Open innovation.** The project will use open innovation and crowdsourcing to solve challenges and respond to the needs of the target population. Businesses and institutions will be linked to startups, universities, and research centers so that, through collaborative work, innovative and sustainable solutions are generated that add value to older people and strengthen the ecosystem's networks. These challenges will be directed through Emprende UP's open innovation [crowdsourcing](#) platform.
- 2.13 **Network development.** The project seeks to create a network of mentors ([Red de Mentores Emprende UP](#)) and an angel investor network comprised of women over age 50 that will be incorporated into Emprende UP's Angel Investor Network ([Red de Inversionistas Ángeles Emprende UP](#)). These spaces will enable the creation of synergies among entrepreneurs and mentors, and among investors and entrepreneurs. They will also promote the creation of units that are interconnected and focused on the silver economy within different business associations.

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<sup>22</sup> [Red de Inversionistas Ángeles Emprende UP](#).

<sup>23</sup> The silver economy ecosystem is the interrelation of different actors such as public and private entities, academia, entrepreneurs, mentors, investors, multilateral institutions, and media partners to strengthen social capital, which is defined as the environment of trust that is essential for consolidating these relationships.

<sup>24</sup> Quality of life: generate new opportunities that maximize their prior experience and new skills.

<sup>25</sup> Entrepreneurship program teams selected based on their strength, execution, momentum, and potential for growth to present their pitch to a selected group of investors.

<sup>26</sup> This is a scheduled session in which, during 15 minutes at most, the mentor offers all her or his experience to the other person (mentee). Each mentee rotates and has brief sessions with other mentors until the time allocated for the session is up (60-90 minutes).

- 2.14 **Knowledge generation, scalability, and impact on public policies.** The project aims to connect different stakeholders with a view to promoting policies that address the needs of this population segment. Notably, it considers stakeholders such as academia, business groups, nonprofit organizations, chambers of commerce, government programs, international cooperation, multilateral institutions, and public and private institutions.
- 2.15 **Dissemination of outcomes, knowledge products, and good practices.** The project will endeavor to organize events to disseminate project outcomes, generate knowledge, and forge connections among participants, while contributing to the project's scalability.

## **B. Project beneficiaries**

- 2.16 The project's direct beneficiaries will be:
- (i) 120 older adults (20% women) who participate in open training programs to develop startups;
  - (ii) 45 teams (20% women) comprised of 2 to 5 entrepreneurs, led by an older adult or providing products/services for older adults, that participate in the entrepreneurial program; and
  - (iii) 1,000 older adults who are active participants in the silver economy ecosystem in any of the project's priority areas (e.g. network of mentors, facilitators, crowdfunding campaigns, open innovation projects, and research).
- 2.17 The project's anticipated indirect beneficiaries include (i) 9,000 older adult users of the solutions generated by the project; and (ii) academia, business associations, nonprofit organizations, chambers of commerce, and government programs.

## **C. Components**

### **Component 1: Entrepreneurial training for older adults, mentoring, and disseminating the model (IDB Lab US\$356,750; Counterpart US\$345,880)**

- 2.18 The objective of this component is to foster the establishment and growth of startups led by older adults, or the development of startups that provide products and services designed to resolve specific problems of this age group. At least 120 older adults will be trained, 20% of them women. The component will include activities to increase awareness of older adults' entrepreneurship opportunities, as well as the demand and opportunities for products and services that are not addressed by markets. Activities will include: (i) hiring an expert consultant in training methodology and entrepreneurship; (ii) developing a training program on entrepreneurship and an Internet-based platform with asynchronous courses; (iii) broadening Emprende UP's networks of teachers and mentors; (iv) conducting awareness-raising and entrepreneurial culture workshops, as well as products and services for older adults; (v) developing startups led by older adults or providing products and services for older adults; (vi) consulting assignment to promote outreach for entrepreneurship and mentorships; (vii) developing and launching the Silver Economy Forum dissemination event; and (viii) adapting the Senior Entrepreneurship Guide, prepared by the Fundación Mapfre for Europe, to the Peruvian reality, and its subsequent piloting and implementation.

- 2.19 The expected outcomes of these activities are: (i) 120 older adults trained in the development of entrepreneurial skills; (ii) 30 older adults incorporated into Emprende UP's networks of teachers and mentors; and (iii) 45 teams<sup>27</sup> of entrepreneurs<sup>28</sup> participating in the entrepreneurship program.

**Component 2: Open innovation and network development (IDB Lab US\$119,250; Counterpart US\$155,860)**

- 2.20 The objective of this component is to facilitate connections between entrepreneurs and public and/or private institutions so that, working collaboratively, they can develop solutions that meet the needs of older adults. The success of this component hinges on mobilizing innovation capacity to respond with new solutions to opportunities arising from the silver economy. Examples of these solutions include specialized UX<sup>29</sup> and UI-friendly<sup>30</sup> design for this population segment (bigger buttons and less text in applications<sup>31</sup>), specialized financial solutions,<sup>32</sup> and solutions related to housing, health, education, agriculture, style, entertainment, and culture. Entrepreneurs or innovative businesses from the local and regional ecosystems will be identified through open competitions launched by the executing agency's team, which has experience in these activities and has developed Emprende UP's [crowdsourcing](#) platform that automates the registration and selection of applicants. The model also includes the development of a support methodology based on the active involvement of representatives of participating companies or institutions, as industry experts, so they can develop these solutions collaboratively with the entrepreneurs.
- 2.21 The component includes the following activities: (i) hiring an expert consultant in business networks and relations; (ii) identification and active selection of entrepreneurs and innovative companies to serve the over-50 population segment; (iii) alternative financing (crowdfunding) campaigns; (iv) fostering of business relationships between entrepreneurs and public and private entities; (v) incorporation of angel investors over age 50 into Emprende UP's network and other entrepreneurial ecosystems; (vi) design and launch of a coordination, connection, and information platform; and (vii) dissemination support consultancy to foster business opportunities and promote networks.
- 2.22 The expected outputs of these activities are: (i) 5 new business lines developed by existing companies to serve the over-50 population segment; (ii) 5 crowdfunding campaigns organized by project beneficiaries; (iii) 30 business opportunities created between entities and entrepreneurs; (iv) 50 new angel investors incorporated into Emprende UP's Angel Investors Network of investors over age 50; and (v) a coordination, connection, and information platform designed and launched, facilitating connections between the different stakeholders who are interested in the project and create value. This platform will also facilitate the dissemination of the most significant achievements and research in this area, and will be the main resource consulted for information on the silver economy.

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<sup>27</sup> Teams of 3 to 5 entrepreneurs.

<sup>28</sup> Led by an older adult or providing products/services for older adults.

<sup>29</sup> User experience (UX).

<sup>30</sup> User interface (UI).

<sup>31</sup> [F5 Studio. Age-friendly: UI UX Design Thinking for Senior Citizens.](#)

<sup>32</sup> [Aging and Health Technology Watch Blog. Five FinTech Offerings for Older Adults.](#)

**Component 3: Ecosystem strengthening, sustainability, and scaleup (IDB Lab US\$94,000; Counterpart US\$66,860)**

- 2.23 The objective of this component is to ensure the integral strengthening, sustainability, and scaleup of the silver economy ecosystem developed by the project. Accordingly, the component will generate knowledge, coordination, and connections that demonstrate the silver economy's potential for developing innovations and new business opportunities, and that help to position this issue on the public agenda.
- 2.24 The component includes the following activities: (i) hiring an expert consultant in institutional relations and partnerships; (ii) development of the sustainability plan and a public policy proposal; (iii) organization of workshops to identify and incorporate strategic actors to develop the ecosystem; and (iv) generation of a nonprofit association that promotes the ecosystem's sustainability.
- 2.25 The expected outputs of these activities are: (i) a public policy proposal; (ii) 13 strategic actors involved in and committed to the development of the ecosystem; (iii) a nonprofit association formed to promote the ecosystem's sustainability (continuity of the silver economy initiative); and (iv) design and launch of a sustainability and scaleup plan.

**Project impact, monitoring, and evaluation**

- 2.26 The project activities will focus on organizing the relevant stakeholders interested in building a silver economy ecosystem focused primarily on providing opportunities for people over age 50. The activities will initially center on Lima, the country's capital; subsequently, an adapted version of the model will be replicated in the regions of Huánuco, San Martín, Moquegua, and Ucayali. They will always be grounded in local ecosystems and led by universities and chambers of commerce, which will play a key role in linking the initiatives in each region and with which Emprende UP has already collaborated and established partnerships that will help to scale up solutions generated by this project.<sup>33</sup>
- 2.27 The project's specific activities will focus on building strengths and skills in the over-50 population segment, to help strengthen their employability or become self-employed. In so doing, the project aims to support them in continuing to be a part of the economically active population, with a view to improving their quality of life<sup>34</sup> and enabling them to remain active as contributors to their community.
- 2.28 The project's main expected outcomes include:
- (i) 15 new formal startups<sup>35</sup> established as a result of the project. This outcome will be measured from project's second year, adding 5 startups in the second year and 10 more in the third.
  - (ii) 12 new products or services targeting older adults developed by the ecosystem's stakeholders. These products will be measured as startups whose products solve silver-economy problems, or new product lines developed by existing companies for older adults.

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<sup>33</sup> Emprende UP has developed the digital financial inclusion ecosystem and entrepreneurial and rural innovation programs in these regions (Rural Fintech Challenge Project, Innovación Rural, AWE); therefore, this intervention is based on an awareness of the area's opportunities and challenges (infrastructure, connectivity). In addition, connections have been developed with actors in these areas who can participate in this initiative.

<sup>34</sup> Quality of life: generate new opportunities that maximize their previous experience and new skills.

<sup>35</sup> Led by an older adult or providing products/services to older adults.

- (iii) 6 startups<sup>36</sup> receive some type of financing (venture capital) through the project. The projects that meet the criteria for growth and business momentum and are integrated into Emprende UP's Angel Investment Network will be supported in the corresponding investment round.
  - (iv) 5 new business lines developed by existing companies to serve the over-50 population segment. These initiatives must respond to the specific needs of the silver economy.
  - (v) 9,000 older adult users of the solutions that are generated under the project. This outcome will be measured progressively and will track direct and indirect beneficiaries by surveying programs, workshops, and other activities.
  - (vi) 9% of older adult users of the solutions will be migrants. Accordingly, priority will be given in project activities to a percentage of participants from a vulnerable immigrant population.
  - (vii) 1,000 older adults are an active part of the silver economy ecosystem in one of the project's priority areas.
- 2.29 Project monitoring and evaluation. The Universidad del Pacífico will be responsible for the project's monitoring and evaluation activities, based on the agreed indicators in the results matrix, which will be disaggregated by gender, as appropriate. Accordingly, it will develop a monitoring and evaluation plan based on data from the project's activities, establishing a starting point or baseline with indicators and producing a final report with evidence to validate its initial hypothesis. The monitoring plan will include data gathering from project beneficiaries.
- 2.30 Universidad del Pacífico plans to develop a knowledge product that documents the experience and extracts lessons learned and best practices. This will be key input for scaling up the project.

### III. ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS

#### A. Alignment with the IDB Group

- 3.1 This project is aligned with the IDB Group's **Vision 2025** in several ways: it promotes women's employment, inclusive and sustainable economic recovery, and public and private sector participation. The IDB Group can become a strategic and reliable partner of actors in Latin America and the Caribbean so they invest in the silver economy and maximize its potential for accelerating economic recovery.
- 3.2 The project is also aligned with the **Update to the Institutional Strategy** (document [GN-2933-5](#)), which strengthens the IDB Group's commitment to promoting productivity through technology adoption and innovation, while incorporating crosscutting themes such as "gender equality and diversity" and "social inclusion and equality." The gender focus (products developed for women) will be one of the selection criteria for startups to be supported by the project. Furthermore, the indicators agreed upon for the results matrix will be disaggregated by gender.

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<sup>36</sup> Led by an older adult or providing products/services to older adults.



- 3.3 The project is aligned with the first priority area of the **IDB Group Country Strategy with Peru 2017-2021** (document GN-2468-9), increasing productivity with an emphasis on the labor market, and it contributes to the strategic objectives “support[ing] the formalization of the economy” and “support[ing] business development.” The project will promote the formalization of startups by providing technical assistance and support for their incorporation; this will help to reduce informality, which is one of the main factors limiting the productivity and competitiveness of the Peruvian economy.
- 3.4 With regard to alignment with other Bank operations, the operation complements the Innovation, Technological Modernization, and Entrepreneurship Program (5287/OC-PE) approved for Peru in June 2021. This program provides seed capital, financing for business innovation projects, and guarantees for scaleup; these instruments will be available to new companies supported by the operation. The abovementioned program also finances the development of a network of innovative women entrepreneurs, and this network’s activities will have synergies with those of Components 1 and 3 of this operation. In addition, this operation has synergies with IDB Lab’s Upskilling and Reskilling Adults Ages 50 to 65: Continuing Education for Digital Transformation (operation PE-T1454) to the extent that this project will develop an online training model to improve the skills of people in this age group, enabling them to successfully negotiate the digital transformation and improve their employment prospects. In this sense, the operation envisages complementing this training model with content to help this group generate startups as a self-employment alternative; accordingly, the diagnostic assessment and identification of training needs for this group’s entrepreneurship will enrich the project. Operation PE-T1454 also involves the silver economy ecosystem proposed by the project, benefiting from contact networks, connections, knowledge, and various ad hoc services generated by the project for older adults.
- 3.5 This operation is aligned with the **Sustainable Development Goals** (SDGs), especially with: (i) SDG 8, *Decent work and economic growth*, by creating decent jobs in the silver economy market; (ii) SDG 9, *Industry, innovation, and infrastructure*, by driving innovation through the entrepreneurial ecosystem; and (iii) SDG 17, *Partnerships for the goals*, by seeking out and fostering partnerships between the private and public sector, potentially including international stakeholders.
- 3.6 The operation is congruent with IDB Lab’s **Knowledge Economy** pillar (document MIF/GN-241-1) because it is aligned with the objective of maximizing creativity, know-how, and new technologies and processes to provide market-based solutions that address the most pressing social and environmental problems. It is also closely aligned with IDB Lab’s strategic development objective “promote tech-driven enterprise growth and job creation.”
- 3.7 Importantly, this project was one of those selected by the IDB Group’s Silver Economy Challenge organized in 2021. Two very relevant projects were approved in 2020: Upskilling and Reskilling Adults Ages 50 to 65: Continuing Education for Digital Transformation (operation PE-T1454) and The Future is Silver: Building an Entrepreneurial Ecosystem (operation UR-T1246). The proposed project will be part of the emerging portfolio of projects focusing on the silver economy, and will generate synergies with existing and future projects.



## **B. Scalability**

### **The project will be scaled up through the following activities:**

- 3.8 Development and dissemination of a digital platform. This platform will be a forum to connect people and provide them with relevant, up-to-date knowledge, with a view to contributing to the development of the silver economy and strengthening the initiatives of its supporting ecosystem. The platform will house studies, research, activities, projects, and initiatives that facilitate the ongoing incorporation of actors. It will also mobilize resources from the private and public sector and international cooperation to identify smart and simple (easy to implement and maintain), inclusive, and innovative solutions with the greatest potential for scalability. In addition, the platform will automate the registration of interested actors and connect them with others so they can develop projects benefiting older adults. This space will be a model of reference for all those interested in this issue, and it will help to achieve scale at the regional level.
- 3.9 Incorporation of a nonprofit organization that ensures the sustainability of the silver ecosystem, developing connections that foster interactions with other regional and global associations. The nonprofit will facilitate the adoption of best practices and the development of projects with other institutions and organizations focused on this age group. Accordingly, Emprende UP will capitalize on its prior experience founding and leading organizations such as the Peruvian Association of Seed and Entrepreneurial Capital ([PECAP](#)), and the Peruvian Association of Startup Incubators ([PERUINCUBA](#)).
- 3.10 Implementation of working roundtables with the ecosystem's main stakeholders (e.g. chambers of commerce, professional institutes, public and private organizations, international cooperation organizations, multilateral institutions, academia, municipalities, the media, and government programs) with the goal of generating alternatives that will culminate in a public policy proposal and actions in the private realm that favor the project's beneficiaries.
- 3.11 Specialized event that positions the ecosystem as a model of reference for the region. This will include the participation of national and international exhibitors to attract the interest of public and private institutions, international agencies, academia, entrepreneurship, and the media. It will also disseminate the main trends, developments, research, initiatives, and outcomes of the silver economy.
- 3.12 Development and/or adaptation of incubator manuals to educate and train business incubator facilitators from other regions of Peru (i.e. Universidad San Pablo, Arequipa; Municipality of Ilo, Moquegua; and the La Libertad Regional Government)<sup>37</sup> in collaboration with universities and local institutions so they can develop and provide training for startups in which the beneficiary age group participates.
- 3.13 Adapt the Guide to Senior Entrepreneurship, developed by Fundación Mapfre to build entrepreneurial skills in adults over age 50, to the Peruvian and/or regional (Latin American) reality so it can become a benchmark training tool for this age group.

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<sup>37</sup> Some of the main national partners (not an exhaustive list).

## C. Project risks

- 3.14 Limited stakeholder interest (e.g. entrepreneurs, institutions, and associations). Mitigating factors: Dissemination of information, one-on-one relationships and involvement with actors, cooperation, business generation, and the development of trends.
- 3.15 Delays in developing learning skills for new technologies. Mitigating factors: Reskilling, training, and development activities; and ongoing contact with actors and beneficiaries to enable the adaptation of the project and initiatives in a way that is agile and focused on this segment.
- 3.16 Commitment and continued participation in the programs. Mitigating factors: Active participation of silver ambassadors, and successful and unsuccessful cases; dissemination of the scope and outcomes that are achieved; and community development involving the alumni network.
- 3.17 Maintaining interest and importance in the medium term. Mitigating factors: To be mitigated through the projection and analysis of trends throughout the world; globalization; and connections with outside actors.

## IV. COST AND FINANCING

- 4.1 The total cost of the project is US\$1,300,000, with a US\$650,000 (50%) nonreimbursable contribution from IDB Lab and a US\$650,000 local counterpart contribution (of which at least 50% will be in cash).

Expenditure category	IDB Lab (US\$)	Counterpart (US\$)	Total (US\$)
Component 1: Entrepreneurial training for older adults, mentoring, and disseminating the model	356,750	345,880	702,630
Component 2: Open innovation and network development	119,250	155,860	275,110
Component 3: Ecosystem strengthening, sustainability, and scaleup	94,000	66,860	160,860
Project administration	50,000	81,400	131,400
Evaluations	30,000	–	30,000
<b>Total</b>	<b>650,000</b>	<b>650,000</b>	<b>1,300,000</b>

## V. PROJECT COUNTERPARTS AND IMPLEMENTATION STRUCTURE

### A. Description of the project executing agency

- 5.1 Universidad del Pacífico, through its Center for Entrepreneurship and Innovation (Emprende UP), will be the project executing agency and will sign the agreement with the Bank. Universidad del Pacífico is a private and fully autonomous nonprofit institution specializing in academic training in institutional management, business administration, economics, engineering, and law. It aims to contribute to Peru's development in the context of a globalized and competitive world. It recognizes the Compañía de Jesús as one of its founding entities and values its contribution and apostolic work.

- 5.2 Emprende UP works to promote, coordinate, and disseminate all activities linked to the development of the country's business culture, emergence of new business initiatives, and strengthening of an entrepreneurial ecosystem that contributes to the country's growth and the well-being of society. It has developed the fintech ecosystem<sup>38</sup> and works on various gender-based initiatives through the Inspira Mujer brand,<sup>39</sup> a program that emerged to empower women and strengthen the women's entrepreneurial ecosystem in Peru. In 2015, it conducted the Política Nacional de Emprendimiento<sup>40</sup> design consultancy with the goal of developing a proposal to help overcome barriers faced by entrepreneurs. Since 2016, it has trained 281 startups through its business incubator. It has also promoted the development of regional ecosystems through the following programs: AWE 2.0 Amazonía,<sup>41</sup> a training program for women entrepreneurs in the VRAEM zone; Innovación Rural,<sup>42</sup> a training program for entrepreneurs in rural areas of the Peruvian Amazon; and Rural Fintech Challenge,<sup>43</sup> a project that aims to enhance the supply of digital financial services through fintech and/or startups in rural areas (alternative development zones). Emprende UP has likewise developed activities focusing on vulnerable populations through United for Peru-Venezuela Entrepreneurship [Unidos por el emprendimiento Perú-Venezuela] with the Konrad Adenauer Stiftung Foundation,<sup>44</sup> a training program that promotes the emergence of business initiatives and targets Peruvian and Venezuelan entrepreneurs living in Peru.
- 5.3 In addition, Emprende UP has established a collaborative partnership with Fundación Mapfre for the methodological adaptation, piloting, and implementation of the Guide to Senior Entrepreneurship, to have a tool to boost the entrepreneurial capacity of older adults in Peru and the wider Latin America and Caribbean region.

## **B. Implementation structure and mechanism**

- 5.4 The executing agency, Emprende UP, is responsible for project implementation and execution. To implement the project, it will use IDB Lab resources to contract a Project Coordinator who will oversee the various activities of the components and support project monitoring and evaluation. The executing agency will support the physical, operational, and logistical structure required to implement the operation effectively and efficiently. It will also be responsible for the counterpart required to supplement the contribution resources in the implementation of activities. The executing agency will also be responsible for presenting semiannual progress reports on the project's implementation through IDB Lab's project management platforms.

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<sup>38</sup> [Lima Fintech Forum 2021](#).

<sup>39</sup> [Inspira Mujer. Emprende UP](#).

<sup>40</sup> [Asociación de Emprendedores de Perú \(ASEP\)](#).

<sup>41</sup> [AWE 2.0 – Amazonía: Empoderar con conocimiento a las mujeres emprendedoras del VRAEM](#).

<sup>42</sup> [Alianza CR3CE. Taller Formación de Emprendedores Innovadores](#). VOCES (21 April 2021). [Emprendedores de la selva inician Programa de Innovación Rural de la Universidad del Pacífico](#).

<sup>43</sup> [Rural Fintech Challenge: Inclusión financiera digital](#).

<sup>44</sup> [Konrad Adenauer Stiftung Foundation, Peru Office. Unidos en el Emprendimiento Perú y Venezuela](#).

## VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 The executing agency will agree to the standard arrangements of IDB Lab with regard to results-based disbursements, and its procurement and financial management policies applicable to the private sector, in accordance with the terms of the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) of 12 June 2019, and the terms of the Guidelines on Management by Milestones and Financial Supervision for IDB Lab and Social Entrepreneurship Program Technical Cooperation Operations.
- 6.2 The risk level identified through the diagnostic assessment of institutional capacity and integrity was low, which is evidence that the executing agency has a financial management system that is acceptable to IDB Lab, as well as a monitoring and reporting structure for presenting its financial statements to the Bank.
- 6.3 Project **disbursements** will be subject to the verification of fulfillment of milestones, in accordance with the means of verification agreed upon by the executing agency and IDB Lab. The fulfillment of milestones does not relieve the executing agency of the responsibility to comply with the agreed outcomes.
- 6.4 Unless the Bank decides otherwise during implementation, the executing agency's policies will be used for **procurement**. An annual plan containing all procurement items needed to implement the project and achieve milestones will be submitted with the annual work plan. At its discretion, IDB Lab will review the technical aspects of procurement operations on an ex ante basis, particularly those considered critical.
- 6.5 The executing agency will prepare and make available to the Bank its **annual financial statements**. Using resources from the contribution, the Bank may review these financial statements and the use of project resources, verifying financial and procurement practices.

## VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY

- 7.1 **Access to information.** The information in this document is classified as public upon approval in accordance with the Bank's Access to Information Policy.<sup>45</sup>
- 7.2 **Intellectual property.** The Bank will retain intellectual property rights to all works and outcomes achieved under the project. The Bank will grant the executing agency a nonexclusive, free, and noncommercial license to use, copy, distribute, reproduce, exhibit, and publicly display any work or outcome of the project, within the country of execution.

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<sup>45</sup> [Inter-American Development Bank Access to Information Policy](#).