

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**EL SALVADOR**

**SOY VIDA — URBAN ART**

**(ES-T1306)**

**DONORS MEMORANDUM**

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**PROJECT SUMMARY**  
**SOY VIDA — URBAN ART**  
**(ES-T1306)**

According to the international Crime Rate Index (CRI), El Salvador places eighth in a list of extreme risk countries and has been ranked one of the most violent countries in the world, with a homicide rate of 51 per 100,000 inhabitants.<sup>1</sup> Around 26.5% of Salvadoran young people ages 15 to 24 do not work or study<sup>2</sup> in a formal setting, and 15- to 29-year-olds are the group most affected by the latest violence. In the midst of this conflict, people living in the territories controlled by gangs, especially Salvadoran youth who are stigmatized as criminals even though they aren't, are limited in terms of the development of their communities and opportunities to better themselves socioeconomically.

To reverse this situation, one of the approaches that could help young people develop soft skills and create certain employment and entrepreneurial opportunities is through the expression of urban art. In other cities such as Buenos Aires and Medellín, these types of interventions have been shown to promote an environment conducive to renewing the social fabric of the communities and economically revitalizing the territories.

The objective of this project is to create employment and entrepreneurial opportunities for young people living in vulnerable communities by restoring public areas and renewing the social fabric in high-risk neighborhoods through urban art, by giving opportunities for artistic expression to vulnerable youth who do not want to be part of the violence occurring in their neighborhoods. The population will be informed through a destigmatization campaign for teachers; vocational and artistic (urban art) training activities will be organized, and a cultural and tourist circuit will be created in vulnerable communities, which will boost economic activity there, while restoring public spaces through cultural activities, among other activities.

This initiative could be scaled up for the San Salvador Metropolitan Area and by the central government through the Ministry of the Interior's new Dirección de Recuperación del Tejido Social [Office of Social Fabric Renewal], as well as other government agencies, academia, and the private sector, in order to replicate the intervention in other vulnerable neighborhoods with the intent of having a greater impact and broader scope. The project will be linked to the Program for the Revitalization of the San Salvador Historic Center, since one of the communities is involved in the second phase being promoted by the San Salvador Mayor's Office.

The main expected outcome of this intervention are: (i) 50 young entrepreneurs who will successfully launch "Graffitoursv" operations and open "Respeta mi arte" (Respect my art) shops, among other entrepreneurial initiatives; (ii) approximately 120 direct jobs and 500 indirect jobs will be created (related to the orange economy); (iii) a total of 950 visitors, who, as national and international tourists, will visit the revitalized areas over the three years of the operation; and (iv) nine companies will create job opportunities in their businesses for young people in the communities.

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<sup>1</sup> El Salvador recorded 3,340 homicides in 2018, for a homicide rate of 51 per 100,000 inhabitants. Source: Insight Crime, January 2019.

<sup>2</sup> "Neet" (not in education, employment, or training). "NINI," the Spanish version of this term, was first coined in a report by the Social Exclusion Unit (1999). According to the Dr. Guillermo Manuel Ungo Foundation, it encompasses young people ages 16 to 29 who neither work nor study, are unemployed, and are part of the economically inactive population. The reasons they are not pursuing an education, in most cases, are related to limited economic resources and lack of opportunities.

## **ANNEXES**

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## **APPENDICES**

Proposed resolution
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**INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE  
IDB LAB PROJECT INFORMATION SYSTEM**

Annex IV	Itemized budget
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Annex VI	Project status reports and Compliance with milestones and fiduciary agreements
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## **ABBREVIATIONS**

CONAMYPE	Comisión Nacional de la Micro y Pequeña Empresa [National Microenterprise and Small Business Commission ]
CRI	Crime Rate Index
DIGESTYC	Dirección General de Estadísticas y Censos [Statistics and Census Bureau]
FEDISAL	Fundación para la Educación Integral Salvadoreña [Salvadoran Foundation for Integrated Education]
FEPADE	Fundación Empresarial para el Desarrollo Educativo [Business Foundation for Educational Development]
INFOD	Instituto Nacional de Formación Docente [National Teacher Training Institute]
MINED	Ministry of Education
SDG	Sustainable development goal

**EL SALVADOR  
SOY VIDA — URBAN ART  
(ES-T1306)**

**EXECUTIVE SUMMARY**

<b>Country and geographic location:</b>	El Salvador – San Salvador Metropolitan Area		
<b>Executing agency:</b>	Productora Kino Glaz, S.A. de C.V.		
<b>Approach area:</b>	Inclusive cities		
<b>Coordination with other donors/Bank operations:</b>	The project will be coordinated with the Ford Foundation, the CUSCAMBIA Foundation, the Pestalozzi cooperation program, and the Business Foundation for Educational Development (FEPADE).		
<b>Project beneficiaries:</b>	The direct beneficiaries of the project will be young people from three communities in the San Salvador Metropolitan Area—the communities initially identified are Colonia IVU, the IBERIA community, and the SANTA FE/LA PAZ community—with a potential beneficiary population of 16,255, of whom 60%-65% are young people ages 15 to 29.		
<b>Financing:</b>	Technical cooperation:	US\$ 750,000	50%
	<b>Total IDB Lab contribution:</b>	US\$ 750,000	
	Counterpart: <sup>3</sup>	US\$ 750,000	50%
	<b>Total project budget:</b>	US\$ 1,500,000	100%
<b>Disbursement and execution period:</b>	Execution: 36 months Disbursement: 42 months		
<b>Special contractual conditions:</b>	Conditions precedent to the first disbursement: (a) appointment of the project coordinator; (b) letters of agreement with the institutions that will provide training content (FEPADE, CONAMYPE, and INFOD). The CUSCAMBIA Foundation will be directly contracted to design the main urban space revitalization product.		
<b>Environmental and social impact review:</b>	This operation has been screened and classified in accordance with the requirements of the IDB's Environment and Safeguards Compliance Policy (OP-703) of 12 August 2019. Given the limited nature of impacts and risks, it is proposed that this be classified as a category "C" operation.		
<b>Unit responsible for disbursements:</b>	The Bank's Country Office in El Salvador (COF/CES).		

<sup>3</sup> The counterpart funds will be contributed primarily by the Ford Foundation, the Pestalozzi cooperation program, and FEPADE.

## I. PROBLEM TO BE ADDRESSED

### A. Description

- 1.1 El Salvador has a population of approximately 6.5 million people, 29% of whom are under 30.<sup>4</sup> The Salvadoran economy's lack of growth has hindered the creation of jobs, particularly for young people in marginalized areas. According to World Bank reports,<sup>5</sup> El Salvador has one of the slowest-growing economies in the region: 2.3% in 2017, compared to the Central American average of 4.5%. It is important to note that around 26.5% of Salvadoran young people ages 15 to 24 do not study or work<sup>6</sup> in a formal setting. El Salvador has been ranked as one of the most violent countries in the world, with a homicide rate of 51 per 100,000 inhabitants.<sup>7</sup> In the midst of this conflict, people living in territories controlled by gangs, especially Salvadoran young people who are stigmatized as criminals even though they aren't, are limited in terms of the development of their communities and opportunities to better themselves socioeconomically. Unemployed youth are the most vulnerable to being recruited by gangs. Furthermore, since they are not in the educational system, their opportunities for future professional development are impaired. Aggravating this situation is the fact that, to date, the country does not have effective public policies to promote training and job creation for young people. Added to this is the violence and stigmatization from living in troubled neighborhoods with few possibilities of finding formal employment.
- 1.2 One of the five dimensions considered by the Salvadoran government for multidimensional measurement of poverty is habitat quality, which includes indicators such as the lack of public recreational spaces, the crime rate, and restrictions stemming from lack of security. Although the poverty rate in the metropolitan area is 20% (2017), there is a high correlation between the social exclusion rate (associated with high poverty) and the residential marginality index (associated with makeshift informal settlements, such as Colonia IVU, the Santa Fe/La Paz community, and the Iberia community).<sup>8</sup>
- 1.3 **Problem.** According to the international Crime Rate Index (CRI), El Salvador is eighth in a list of extreme risk countries. There is a high prevalence of all forms of violence against women in El Salvador. According to the 2017 National Survey of Violence Against Women (ENVCM) (DIGESTYC, 2018), 67.4% of women 15 and older reported having suffered some type of violence in a public or private setting over the course of their lives, and 33.8% were victims in the last 12 months. Young people ages 15 to 29 are the group most affected by the latest violence.
- 1.4 Experiencing physical violence during adolescence can affect a person's life cycle, particularly for women, especially in contexts with limited options for seeking help. In particular, violence against women can lead to mental health challenges, suicide, unwanted pregnancies, and other impacts. Violence is also associated

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<sup>4</sup> Multipurpose Household Survey (EHPM), Statistics and Census Bureau (DIGESTYC), El Salvador, 2016.

<sup>5</sup> El Salvador: Overview. World Bank, April 2019.

<sup>6</sup> Idem.

<sup>7</sup> El Salvador recorded 3,340 homicides in 2018, for a homicide rate of 51 per 100,000 inhabitants. Source: Insight Crime, January 2019.

<sup>8</sup> El Salvador Urban Poverty and Social Exclusion Map, FLACSO and UNDP, 2010.



with low school attendance and workforce participation rates, poor educational outcomes, and limited participation by women in public life.<sup>9</sup>

- 1.5 In view of this situation, interventions are needed that promote expressions of urban art as a tool to help young people develop soft skills and potentially generate certain employment and entrepreneurial opportunities. Although these interventions have improved conditions for the communities and their inhabitants to a certain extent, they clearly continue to be highly stigmatized. The creative economy, which includes audiovisual products, design, new types of media, the performing arts, publishing, and visual arts, is one of the fastest-growing sectors in the global economy. In addition, the sector is highly transformational in terms of generating income, jobs, and export earnings: growth in developing-country exports of creative goods averaged 12.1% annually between 2002 and 2011.<sup>10</sup>

## **B. Beneficiaries**

- 1.6 For the particular case of the intervention proposed in this document, three communities in the San Salvador Metropolitan Area (SSMA) were considered: Colonia IVU, the Santa Fe/La Paz community, and the Iberia community, which are the three in which the project partners have the most experience. These three communities have a total population of 16,255 citizens,<sup>11</sup> 56% of whom are women, and an average unemployment rate of 36.3%, with 19% of the population employed in the informal sector under precarious conditions. These communities are among the 10 most dangerous colonias (districts) in a list of 132 districts in San Salvador.<sup>12</sup>

## **II. THE INNOVATION PROPOSAL**

### **A. Description**

- 2.1 **Objective and intervention strategy.** The objective of this project is to create employment and entrepreneurial opportunities for young people in vulnerable communities. This will be achieved by restoring public areas and renewing the social fabric in high-risk neighborhoods through urban art, which coincides with the work currently being done by the San Salvador Mayor's Office (with the intention of scaling it up nationally through the Ministry of the Interior), giving vulnerable young people opportunities for artistic expression, building soft skills, and increasing vocational training and employability opportunities for young people who do not want to be part of the violence occurring in their neighborhoods. This strategy takes into account the broken windows theory (in criminology, the broken windows theory is that maintaining urban environments in good condition can decrease vandalism and reduce crime rates)<sup>13</sup> and the promotion of youth development and

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<sup>9</sup> Evaluando un Programa Comunitario de Violencia de Genero en Jóvenes Hondureños Mediante una Metodología Cuasiexperimental. IDB, Natalia Lemus y Adria Armibstser. July 2016.

<sup>10</sup> UNESCO, Global Database on Creative Economy (UNCTAD). May 2013.

<sup>11</sup> CUSCAMBIA Foundation, April 2019.

<sup>12</sup> Participatory Diagnostic Assessment of Violence in the Municipio of San Salvador, September 2015. Document prepared by the National Development Foundation (FUNDES) for the USAID-funded Local Solutions Project.

<sup>13</sup> George Kelling and Catherine Coles. Fixing Broken Windows: Restoring Order and Reducing Crime in Our Communities, ISBN 0-684-83738-2.

training opportunities based on urban art to attract their interest and creates opportunities to help them develop professionally and enter the job market. The intervention strategy will consider a gender approach from the outset with affirmative actions and promoting activities that foster participation by women as beneficiaries. To this end, the project is divided into the following components:

- 2.2 **Component 1: Destigmatization of young people and their families in vulnerable communities (IDB Lab: US\$174,477; Counterpart: US\$168,400).** The objective of this component is to use media campaigns to raise the population's awareness about the stigma against young people and their families who live in vulnerable communities, in order to create an environment conducive to development for residents of the communities as well as for local and international visitors. Awareness about the problem must turn into on-site actions both within and outside of the communities, working with stigmatized youth and the social groups that tend to stigmatize them through two types of workshops: "Habilidades para la vida" [Life Skills] and "Soy Autor" [I Create]. At the same time, an instructional manual on conflict resolution will be created with subject specialists so that teachers have an appropriate methodology to address the issue in the country's schools. This manual will also be developed as an app, so that anyone who works with stigmatized or stigmatizing populations can get didactic, creative guidance on how to approach the subject.
- 2.3 The activities in this component include: (i) the development and implementation of a "Soy Vida" [I am Life] media campaign. This campaign will raise awareness among Salvadoran society, and the topic will be included in the public agenda on unfair stigmas attached to young people and their families living in neighborhoods identified as "high risk." The campaign has three main parts: working with the national civil police to help strengthen the community police force's ties with youth in the community, working with these stigmatized youth through their life stories, which are filmed and disseminated on social media and in the traditional media; (ii) implementation of mobile cinemas to create public awareness, using virtual reality and facilitating the viewing of these filmed stories in public places and/or high-traffic shopping centers; (iii) development of a conflict resolution and destigmatization manual (virtual and physical), which will be passed on to curriculum developers at the Ministry of Education, who will in turn train teachers at schools in the project's area of influence; and (iv) awareness-raising events for businesses where sessions will be organized (breakfasts and/or discussions) with key personnel aimed at destigmatizing the communities and their young people who could potentially end up being employees of those businesses; the businesses will initially be selected based on their proximity to the intervention area, and more will be added based on the participants' response.
- 2.4 The outcomes and outputs of the component include: (i) 300,000 people exposed to the campaign on social and traditional media; (ii) 500 people have accessed the audiovisual content in the mobile cinemas; (iii) 18 curriculum developers and trainers trained in conflict resolution; (iv) conflict resolution manual (virtual and physical) developed; (v) 75 teachers trained; and (vi) 9 businesses informed at awareness-raising events.

- 2.5 **Component 2: Education and training for employment and entrepreneurship (IDB Lab: US\$77,000; Counterpart: US\$183,000).** The objective of this component is to improve the soft and technical skills of young people in the targeted communities, to facilitate their entry into the job market or develop an entrepreneurial initiative. Urban art creative activities (murals, music and dance) will be promoted, creating employment and entrepreneurial opportunities for young people in the communities. The intervention is based on the potential of the creative industries (orange economy), the use of technology in creative processes (music, video art, design, etc.), and the creation of a physical and virtual classroom for the technical training of young people, to build soft skills. These classrooms may become a tool for revitalizing communities and creating employment and entrepreneurial opportunities. The training activities considered in this intervention will be in vocational areas and the arts. Vocational training workshops with young people from the beneficiary communities will be organized more intensely in the first two years of the intervention.<sup>14</sup> The aim will be to promote differentiated strategies to encourage women's participation in the training activities.
- 2.6 Activities include: (i) vocational training and entrepreneurship workshops; (ii) artistic training workshops with national and international specialists; and (iii) development of the Graffitour ("graffiti tours") business model and other business ventures.
- 2.7 The expected outcomes and outputs of this component are: (i) 600 young people receive vocational training; (ii) 200 young people trained in the arts; (iii) 2 business models developed (Graffitour and stores with urban art products).
- 2.8 **Component 3: Revitalization of public spaces as learning and public gathering areas (IDB Lab: US\$369,391; Counterpart: US\$110,600).** The objective of this component is to create a cultural and tourist circuit in vulnerable communities that will boost economic activity there. The proposed intervention considers ideas such as the creation of an UrbanArtLab (Media Lab/Fab Lab) that would serve as a meeting and discussion place for young people with ambition and talent. This would be a creative co-working space where young people can develop their creations and help each other in their urban art- and technology-related initiatives. The project envisions the designing of guided tours, based on the Comuna 13 model in Medellín,<sup>15</sup> to visit and appreciate the targeted places in the stigmatized communities where youth have made graffiti art and murals and engage in other types of artistic expression (music, dance, etc.). This proposal seeks to transform stigmatized areas into public gathering spaces. This will be achieved through urban art and the creation of a community brand ("Graffitoursv"), as well as the sale of related artistic goods and services. This Graffitour will connect with the San Salvador Historic Center tourist corridor. A virtual Graffitoursv route and online stores with urban art-related products from these communities will also be created.
- 2.9 The activities in this component include: (i) startup of the Graffitour; (ii) launch of business ventures in the communities to sell creative art products; (iii) adaptation of public spaces and Urban Art Labs; (iv) promotion of film forums ("Cine Foros") in

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<sup>14</sup> Funding for vocational development and artistic training for young people is only for years 1 and 2.

<sup>15</sup> See <https://www.comuna13graffitour.com/>.

the communities that would educate the communities and their residents about urban art, as well as other areas of action that would promote employment and entrepreneurship in the targeted areas; and (v) development of a cultural agenda in the communities.

- 2.10 The main outcomes of this component are: (i) Graffitour operating in three communities; (ii) 2 stores (pop-up and virtual) that sell creative goods and services; (iii) 3 physical shops that sell creative goods and services; (iv) 900 individuals participated in Cine Foros; (v) 7 interventions in public spaces; (vi) 57 cultural activities organized; and (vii) 3 Urban Art Labs in operation.

## **B. Innovation**

- 2.11 The initiative seeks to create jobs and generate revenues for the communities as a result of the UrbanArtLab Center activities, the “Graffitours,” and the “Respeta mi arte” shops. These revenues will be used to cover the direct costs of operating the tours, including transportation, guides, etc. These services will be provided by residents of the same community, which will lead to quality jobs, income, and better living conditions, among other positive externalities stemming from this activity. In addition, the shops that sell creative goods are expected to contribute to the creation of jobs and income for the artists who sell their products through these commercial spaces. The tool will also be used to build the capacities of the communities and public and private participants, so that they can address the problem of creating income-producing opportunities and improve the living conditions of young people in the stigmatized neighborhoods through an innovative intervention with a creative economy and urban renewal focus.

## **C. Results, measurement, and monitoring**

- 2.12 The intervention primarily addresses three of the **Sustainable Development Goals** (SDGs, Agenda 2030): SDG 8 (target 8.5 and/or 8.6), SDG 10 (target 10.2), and SDG 11 (target 11.7) as follows: (i) promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all; (ii) reduce inequality; and (iii) sustainable cities and human settlements.
- 2.13 The expected **outcomes** of the intervention are: (i) 50 young entrepreneurs<sup>16</sup> who will successfully launch “Graffitoursv” operations and open “Respeta mi arte” (Respect my art) shops, among other entrepreneurial initiatives; (ii) approximately 120<sup>17</sup> direct jobs and 500 indirect jobs will be created (related to the orange economy); (iii) a total of 950 visitors, who, as national and international tourists, will visit the revitalized areas over the three years of the operation; and (iv) nine companies will create job opportunities in their businesses for young people in the communities.
- 2.14 The intervention addresses two of the five challenges identified in the “Country Development Challenges, El Salvador” (March 2019): (i) sustain and deepen the progress made in human capital to achieve inclusive growth that will lead to an increase in the consolidated middle class; and (ii) strengthen institutions, primarily by promoting the growth and development of these communities, given that citizen insecurity has been identified as one of the main limiting factors. The project will

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<sup>16</sup> Of which 50% will be headed by women.

<sup>17</sup> Of which 50% will be women who work full time in companies exposed to awareness-raising activities.

also be related to the Program for the Revitalization of the San Salvador Historic Center since one of the communities adjoins the second phase being promoted by the San Salvador Mayor's Office.

- 2.15 The project is also expected to be coordinated with other IDB Lab interventions carried out in El Salvador with the support of FEDISAL (New Employment Opportunities for Youth in El Salvador NEO-ES, ATN/ME-15209-ES), Impact Hub (Promotion of Resilient Entrepreneurs in El Salvador, Honduras, and Nicaragua, RG-T2903), and Glasswing (Inclusive Innovation, Citizen Participation, and Social Entrepreneurship of Youth ATN/ME-16341-ES), which will facilitate collaboration between the institutions to boost the use of best practices arising from these interventions in the areas of education and the promotion of dynamic, innovative and social business ventures with a strong focus on technology to address stigmatization problems in the targeted communities. Three of the four targeted communities are located in the vicinity where Glasswing will physically create a center for social innovation. In addition, the project will be coordinated with IDB operation ES-L1025, "Violence Prevention Program."
- 2.16 **Gender and diversity.** The initiative will promote equality and inclusion through the equal participation of the project's beneficiaries (considering gender equity, individuals with disabilities, other minorities based on race, ethnicity, etc.) in the activities included in it, as well as destigmatization messages and campaigns that will be promoted as part of the intervention. Lastly, it is important to note that the executing agency is aware of the advantages of inclusion and equality and promoting affirmative actions and practices that would facilitate the achievement of this objective. The intervention strategy will consider a gender approach from the outset with affirmative actions and by promoting activities that foster participation by women as project beneficiaries.
- 2.17 **Monitoring and evaluation.** The project includes an evaluation plan with resources to develop a midterm monitoring and evaluation system. The systematization of the intervention starting with the initial stages of execution has also been considered, in order to contribute to the scalability phase. The final evaluation will be commissioned by the Bank and will take place once 80% of the resources have been disbursed. The information needed for the evaluation should be obtained through the monitoring activities. The lessons to be learned from the intervention include the following: (i) Did the intervention have an impact on changing the stigma and circumstances of young people in the communities? (ii) Is urban art actually an effective strategy for changing the circumstances of vulnerable populations? (iii) Are the entrepreneurial initiatives resulting from the intervention sustainable and innovative?
- 2.18 The executing agency will have a technology platform to monitor progress and the achievement of results, which will allow continuous monitoring. A monitoring system will be set up for the training components, which will monitor the capacity-building of human capital and their connection with the educational system or employment opportunities. An in-depth monitoring system will be set up to regularly monitor social media metrics using tools such as Google Analytics, to verify that the messages are reaching the target population. In the particular case of new businesses created under the project, the individuals who received training that helped them launch a business initiative that is operating and generating

income will be identified. To this end, a tool will be developed to monitor the new ventures that are created, which will track their performance as a new business.

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

#### **A. Alignment with the IDB Group**

- 3.1 This project is consistent with the Update to the Institutional Strategy (document GN-2933), since it contributes to the updated priority areas (technology and mobilization of resources) to two of the three development challenges (social inclusion and equality, and productivity and innovation) and addresses the following crosscutting themes: (i) climate change and sustainability, and (ii) gender equality and diversity.
- 3.2 This project is aligned with the Institutional Strategy 2015-2019, particularly the challenge of increasing the quality of spending on human capital, which is aligned with the challenges of social exclusion and inequality, as well as low levels of productivity and innovation.<sup>18</sup> In addition, the area of strengthening public finance includes the strategic objective of improving the effectiveness of investment by prioritizing projects with high social returns.
- 3.3 The Bank is in the process of designing the new country strategy, taking into account the government plan of the new authorities (2019-2024), who have included in the security area: “Design the reconstruction of the social fabric, providing the resources needed to minimize risk factors and violence in projects involving the transformation of public spaces in any municipio of El Salvador.”
- 3.4 The project is included in the IDB Lab thematic area of Inclusive Cities to develop economic opportunities for the urban economy, particularly through innovations that promote the orange economy and creative industries in these communities. It is also aligned with the Housing and Urban Development Division (HUD) and the Knowledge, Innovation, and Communication Sector (KIC) urban renewal and orange economy approaches.

#### **B. Scalability**

- 3.5 This initiative may be scaled up by the San Salvador Metropolitan Area and other government agencies, academia, and the private sector to replicate the intervention in other vulnerable neighborhoods with the intent of having a greater impact and broader reach.
- 3.6 In addition, the central government is considering the advisability of scaling up this project through the Ministry of the Interior’s new Dirección de Recuperación del Tejido Social [Office of Social Fabric Renewal]. This agency’s five-year strategic guidelines specifically call for supporting a series of municipios (12 initially) located throughout the country, with the construction, repair, and equipping of social infrastructure, which will include capacity-building for the personal and professional development of young people in vulnerable situations. The project supported by IDB Lab could be used as an experiment to verify which orange economy activities have the most impact and greatest reach and could subsequently be institutionalized and replicated by the public sector.

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<sup>18</sup> IDB Country Strategy with El Salvador (2015-2019).

- 3.7 The methodology will be adopted by the Ministry of Education through the Instituto Nacional de Formación Docente [National Teacher Training Institute] (INFOD) and will be passed on to curriculum developers and an initial group of teachers for immediate implementation in public schools in high-risk neighborhoods. Kino Glaz has already entered into a formal agreement with both entities to implement this action.
- 3.8 In order to be able to work on the project's scalability from the start, a roundtable would be set up to coordinate and/or connect current partners (FEPADE, INFOD, Pestalozzi, FORD, etc.) as well as potential partners that could be considered to replicate the project. This roundtable would provide a forum to facilitate communication, interaction, and a sense of ownership of the intervention.
- 3.9 The project could be replicated in the Central American region in several countries facing similar situations, such as Guatemala and Honduras, through the demonstration effect and transfer of knowledge. Successful cases are expected to make the participation of the private sector more attractive, and the knowledge that is generated will be systematized and disseminated.
- 3.10 IDB Invest could also help scale up the project by facilitating access by companies in its portfolio that are interested in developing interventions such as the one proposed in this document in their respective areas of influence.

**C. Project and institutional risks**

- 3.11 Risk: Lack of capacity in the community to launch and maintain the venture. Mitigation: Promote strengthening actions and the creation of the UrbanArtLab where the creative entrepreneurship community could be developed and where youth in the community could support each other in different areas of creative expression and entrepreneurship.
- 3.12 Risk: Absenteeism and fear of getting involved on the part of the young people. Mitigation: Emphasize artistic creation and a community brand as a collective socioeconomic development project. Use virtual platforms to attract the attention of young people and mitigate potential problems related to insecurity in the communities. The insecurity issue will be addressed by working closely with the national civil police force to raise its awareness and include it as a key actor in the project.

#### IV. INSTRUMENT AND PROPOSED BUDGET

- 4.1 The project has a total cost of US\$1.5 million, with US\$750,000 (50%) contributed by IDB Lab and US\$750,000 (50%) in counterpart funds, broken down as follows:

Project components	Amounts (US\$)		
	IDB Lab	Counterpart – Executing agency	Total
<b>Component 1:</b> Destigmatization of young people and their families in vulnerable communities	174,477	168,400	<b>342,877</b>
<b>Component 2:</b> Education and training for employment and entrepreneurship	77,000	183,000	<b>260,000</b>
<b>Component 3:</b> Revitalization of public spaces as learning and public gathering areas	369,391	110,600	<b>479,991</b>
Project administration	111,630	288,000	<b>399,630</b>
Evaluation and audits	7,500		<b>7,500</b>
Contingencies	10,000		<b>10,000</b>
<b>Grand total</b>	<b>750,000</b>	<b>750,000</b>	<b>1,500,000</b>
<b>% of financing</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>

#### V. EXECUTING AGENCY AND IMPLEMENTATION MECHANISM

##### A. Executing agency description

- 5.1 Kino Glaz, S.A. de C.V. is a film and television production, distribution and exhibition company with offices in El Salvador and Mexico that was founded in 2014. Its main content focus relates to human rights, gender issues, and historical memory. It works in partnership with the CUSCAMBIA Foundation, a leading youth organization in projects that create positive change to help build a culture of peace and a society that offers comprehensive development opportunities for young people. This organization was founded in 2014 as a movement responding to the increase in youth violence.

##### B. Implementation structure and mechanism

- 5.2 The executing agency will be Kino Glaz with the technical support of the CUSCAMBIA Foundation, which will be contracted to execute key activities related to urban interventions. Kino Glaz has successfully managed the support of private partners and international organizations that share this intervention's vision, with US\$720,000 in counterpart funds for the project. The main contributing partners that will sign cooperation agreements and agreements to provide the counterpart funds, if applicable, are: (i) in the area of educational and vocational training activities, the Ford Foundation, the Pestalozzi cooperation program, the Fundación Empresarial para el Desarrollo Educativo [Business Foundation for Educational Development] (FEPADE), the Instituto Nacional de Formación Docente [National Teacher Training Institute] (INFOD), and the Ministry of Education; (ii) in the area of entrepreneurial development, the Comisión Nacional de Micro y Pequeña Empresa [National Microenterprise and Small Business Commission] (CONAMYPE); and (iii) in the area of revitalization of public spaces and promotion of the orange economy, the San Salvador Mayor's Office, the Ministry of Public Works, the Ministry of the Interior, the National Civil Police, and the Ministry of Culture.



- 5.3 To implement the activities specified in the project's budget: (i) conduct artistic education workshops with national and international artists (Component 2) and (ii) design and implement the Graffitour tourist route (Component 3) for US\$254,500 of the IDB Lab contribution. The CUSCAMBIA Foundation will be directly contracted in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-9). This procurement will be considered single-source selection as covered by paragraph 3.10(d) of those policies, which mentions experience of exceptional worth for the assignment as a reason for single-source selection. Accordingly, there is a specific need and exceptional value in the knowledge and experience that the CUSCAMBIA Foundation brings to the project based on its experience working with vulnerable communities in San Salvador and its pioneering urban art activities, with an extensive network of organizations working in this area in other countries.

## **VI. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY AGREEMENTS**

- 6.1 **Results-based disbursements and fiduciary agreements.** The partner executing agency will agree to comply with IDB Lab's standard procedures regarding results-based disbursements related to compliance with Appendix 4 of the Policies for the Selection and Contracting of Consultants and the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (documents GN-2350-9 and GN-2349-9)<sup>19</sup> and financial management guidelines<sup>20</sup> applicable to the private sector set out in the Guidelines for Management of Milestones and Financial Supervision of IDB Lab and SEP technical cooperation projects, consistent with the provisions of document OP-273-12, the Financial Management Policy of the Inter-American Development Bank. IDB Lab reserves resources for auditing (or ex post supervision) that can be used based on project supervision needs.
- 6.2 The foregoing is consistent with the results of the Integrity and Institutional Capacity Diagnostic Assessment. The executing agency, Kino Glaz S.A. de C.V., manages resources from private funds and donor agencies to implement its projects and activities. Those resources are audited annually, and it has a monitoring and accountability structure, supported by an auditing firm hired to provide support and advice on these topics and for preparing the institution's audited financial statements.

## **VII. INTELLECTUAL PROPERTY**

- 7.1 The Bank will hold all intellectual property rights, including but not limited to copyrights related to and/or associated with any deliverables to be developed, i.e. specialized technical assistance, studies on trends, studies on alternative financing instruments for the sector, studies on the registration modality and use of intellectual property in the sector, or other similar studies related to the project.

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<sup>19</sup> <https://www.iadb.org/es/projects/adquisiciones-de-proyectos>.

<sup>20</sup> Link to [Financial Management Guidelines for Projects Financed by the IDB](#).