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MULTILATERAL INVESTMENT FUND

**MEXICO**

**ANA CARE: IMPROVING DEPENDENT CARE FOR THE LOW-INCOME  
OLDER POPULATION THROUGH TECHNOLOGY**

**(ME-T1485, ME G1023)**

**DONORS MEMORANDUM**

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**PROJECT SUMMARY**  
**ANA CARE: IMPROVING DEPENDENT CARE FOR THE**  
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In Latin America and the Caribbean, more than eight million older adults<sup>1</sup> are unable to perform at least one basic activity of daily living by themselves, such as bathing, eating, or getting in and out of bed. This situation is called care dependence and it affects 12% of people age 60 and older in our region, and nearly 27% of those 80 and older. Demand for dependent care services over the next 30 years will more than triple current levels, driven primarily by population aging and the epidemiological transition.<sup>2</sup> The supply of traditional caregiving services will also decrease, which is largely attributable to the unremunerated work of women who assume the responsibility of caring for aging family members. These scenarios will require society and governments of the region prepare for providing support to dependent persons and their caregivers, and these preparations will also lead to progress on the gender agenda.<sup>3</sup>

This proposal seeks to update and strengthen a technology platform (ANA or Automated Nursing Assistant) of the caregiving system, operated by Paz Mental S.A.P.I. de C.V. with the objective of professionalizing the home-based model of care for older adults and patients with chronic conditions. The proposal incorporates technology into the training of caregivers and in the care of patients in the home, with the aim of improving caregiver employment and personal conditions.

Lastly, the project aims to ensure the sustainability and scaleup of ANA Care's "Software as a Service" (SaaS) platform by promoting it with partner entities (home-care companies and medical groups). In turn, ANA Care's partners will use the platform to monitor, provide guidance, and train vulnerable older adults with chronic conditions and their caregivers in low-income urban and suburban communities throughout Mexico. Paz Mental<sup>4</sup> will be the project executing agency. Its financial position will be strong based on the revenue it is to receive from project services in the form of connections, knowledge products, and coordination with strategic stakeholders through the digital platform, as well as relevant research projects that will enable it to grow the demand of beneficiary caregivers with the aim of improving patient conditions and building a robust dependent care system.

The project is aligned with the IDB Group's Vision 2025 document in two ways. First, it helps to create jobs in a highly labor-intensive sector that will continue growing as the population ages (part of the silver economy); and second, the project supports better social protection systems, which includes caregiving. The project is also aligned with the IDB Group Country Strategy with Mexico 2019-2024, especially with its first pillar that focuses on social development, both in health and labor market access.

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<sup>1</sup> For the purposes of this project, persons age 60 and older are considered older adults.

<sup>2</sup> Cafagna, G., N. Aranco, P. Ibararán, N. Medellín, M. L. Oliveri, and M. Stampini. (2019). Inter-American Development Bank. [Age with Care. Long-term Care in Latin America and the Caribbean.](#)

<sup>3</sup> Idem.

<sup>4</sup> [Paz Mental. Cuidado y Rehabilitación en Casa.](#)

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

Annex IV	Itemized Budget
Annex V	Diagnostic Assessment of Integrity and Institutional Capacity
Annex VI	Procurement Plan
Annex VII	Preliminary Table of Milestones

## **ABBREVIATIONS**

CONOCER	Consejo Nacional de Normalización y Certificación de Competencias Laborales [National Council for Standardization and Certification of Job Competencies]
HIPAA	U.S. Health Insurance Portability and Accountability Act
IDB Lab/MIF	Multilateral Investment Fund
IDB	Inter-American Development Bank
iDELTA	Development Effectiveness Learning, Tracking, and Assessment in Innovation [tool]
IMSS	Instituto Mexicano del Seguro Social [Mexican Social Security Institute]
LAC	Latin America and the Caribbean
SaaS	Software as a service
SDGs	Sustainable Development Goals of the United Nations
SEP	Secretaría de Educación Pública [Ministry of Education]

**MEXICO**

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**EXECUTIVE SUMMARY**

<b>Country and geographic location:</b>	Mexico		
<b>Executing agency:</b>	Paz Mental, S.A.P.I. de C.V. (Paz Mental)		
<b>Focus area:</b>	Knowledge Economy		
<b>Direct and indirect beneficiaries:</b>	<p>The main project beneficiaries are: (i) 6,600 caregivers who will have received training (40% from vulnerable areas); (ii) 1,000 families who will engage a trained caregiver through the ANA platform; (iii) 225 caregivers who will be using the ANA platform as a patient monitoring tool; (iv) 159 students will have received accreditation from the National Council for Standardization and Certification of Job Competencies (CONOCER), an agency of the Ministry of Education (SEP), (10% from vulnerable areas); (v) at least 15 companies that provide care to older adults will be offered services through the ANA platform; and (vi) at least three companies or informal coordinators that provide caregiving services for older adults and/or patients with chronic conditions will be using ANA.</p>		
<b>Financing:</b>	IDB Lab nonreimbursable technical cooperation operation:	<b>US\$86,500</b>	5.8%
	Contingent recovery investment financing:	<b>US\$663,500</b>	44.2%
	Counterpart:	US\$750,000	50.0%
	<b>Total budget:</b>	<b>US\$1,500,000</b>	<b>100.0%</b>
<b>Execution and disbursement periods:</b>	36 months for execution and 42 months for disbursement		

<b>Contingency period:<sup>5</sup></b>	The first four fiscal years (2022-2025) following the first disbursement
<b>Recovery period:</b>	The executing agency will pay the <i>reimbursable amount</i> on a semiannual basis, beginning in the first quarter of fiscal year 5 of the project (2026). These payments will continue until either the full reimbursable amount has been paid or eight such payments have been made, whichever occurs first.
<b>Special contractual conditions:</b>	<p>The following will be conditions precedent to the first disbursement of technical-cooperation funding and contingent recovery investment financing: (i) one or more persons will have been appointed to represent the executing agency in all matters related to execution of the financing agreement; (ii) evidence will have been presented confirming the appointment of a project coordinator and internal accountant; (iii) a bank account will have been established at a financial institution acceptable to IDB Lab; (iv) the executing agency's board of directors will have approved, to the satisfaction of IDB Lab, the company's 2022 annual or semiannual strategic plan; (v) the company's 2021 financial statements will have been audited by an external audit firm acceptable to IDB Lab; (vi) managerial staff responsible for financial management will have been appointed.</p> <p>For disbursements of contingent recovery investment resources, the executing agency will present: (i) its most recent annual financial statements audited by an external audit firm acceptable to IDB Lab; (ii) its internal financial statements (unaudited, previous month); (iii) an updated investment plan; and (iv) promissory note. This information will be reviewed prior to releasing disbursements.</p>
<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 (Operational Policy OP-703) on 27 October 2021. Given its limited impacts and risks, the proposed classification for this project is category "C."

<sup>5</sup> The *contingency period* is the time frame during which an event (*milestone trigger*) could trigger the executing agency's obligation to repay the *reimbursable amount*. The *pay-back period* is the time frame during which the *reimbursable amount* must be repaid, in the event a *milestone trigger* event has occurred during the *contingency period*. The *reimbursable amount* is the sum the executing agency must repay the Bank in the event a *milestone trigger* has occurred during the *contingency period*.

## I. THE PROBLEM AND OPPORTUNITIES

### A. Diagnostic assessment of the problem the project will address

- 1.1 **Silver economy.** Population aging is a global phenomenon. Today there are more than 700 million people over the age of 65, accounting for nearly 9% of the world's population. This figure that has doubled over the last 30 years. According to a World Bank study, the number of people in that age group worldwide will grow to 1.5 billion by 2050.<sup>6</sup> With this exponential growth in population aging worldwide, the silver economy<sup>7</sup> is increasingly attracting attention in a number of areas such as public policy, the academic community, business, and startups.
- 1.2 Population aging poses a three-fold challenge to meeting the growing demand facing pension, healthcare, and long-term care systems.<sup>8</sup> The COVID-19 pandemic has once again demonstrated the physical and social vulnerability of older adults. A fundamental challenge, therefore, will be to ensure that society has the necessary capacity and resources to meet these growing demands.
- 1.3 The number of older adults who depend on long-term care in Latin America and the Caribbean (LAC) will triple by 2050 to more than 27 million. The increase in the elderly population as a percentage of the world's population is creating a considerable gap between the caregivers currently available to care for dependent persons and those who are needed. In Mexico alone there are currently 3 million dependent older adults.<sup>9</sup>
- 1.4 Traditionally, the main source of long-term care in LAC has been informal, namely, unremunerated care for dependent older adults provided by family members, most of whom are women. In fact, women account for nearly two thirds of unremunerated care provided each day.
- 1.5 The feminization of caregiving for older adults, based on the historical role of work in the home assigned to women, is clearly visible in LAC. According to estimates, approximately 63% of the time spent on unremunerated care in LAC is provided by women.<sup>10</sup> In the case of Mexico, 80% of care for dependent older adults falls to women,<sup>11</sup> primarily wives and daughters, who do not ordinarily remunerated for this type of work. In assuming the role of caregivers, many women must either curtail the time they spend at work or leave their jobs entirely, eroding their independence, professional growth, and financial autonomy.<sup>12</sup>

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<sup>6</sup> The World Bank (2021). DataBank – Population estimates and projections. Obtained from [DataBank – Population estimates and projections](#).

<sup>7</sup> Okumura, M., M. Stampini, C. Buenadicha, A. Castillo, F. Vivanco, M. Sánchez, P. Ibararán, and P. Castillo (2020). Inter-American Development Bank. [The Silver Economy: Mapping Actors and Trends in Latin America and the Caribbean: Aging as an Opportunity for Innovation, Entrepreneurship, and Inclusion](#); and Jiménez, C., J. Requejo, M. Foces, M. Okumura, M. Stampini, and A. Castillo, A. (2021). Inter-American Development Bank. [The Silver Economy: Mapping Actors and Trends in Latin America and the Caribbean. Monography](#).

<sup>8</sup> Idem.

<sup>9</sup> Ibararán, P., A. M. Aguilar, F. Benedetti, and N. Aranco (2021). [Turning Challenges into Opportunities: Accelerated Aging in Mexico](#). AARP, The Journal 14, p.p. 196-205.

<sup>10</sup> [International Labour Organization. Care Work and Care Jobs for the Future of Decent Work](#).

<sup>11</sup> [DaliaEmpower](#).

<sup>12</sup> [Gente Saludable \(blogs\)](#).



- 1.6 Recently, an outsourcing of care has been observed in LAC. Many families hire domestic workers (most of whom are also women) to perform household chores and provide caregiving. Demand for these workers is growing as life expectancy increases, and with it the caregiving needs of older adults.<sup>13</sup> The current situation results in the inefficient use resources, leading to unnecessary health care spending and burnout among those providing this care, due to:
- The lack of trained human resources to provide caregiving caused by the scarcity of training offerings. Both family members and persons hired to provide this care often lack training.
  - The absence of a system to ensure the quality of these services. Caregivers do not have sufficient technical support from physicians and nurses because there is no knowledge platform in place to improve the quality of in-home caregiving.
  - The lack of platforms to connect the supply of trained caregivers with demand. Families have trouble finding caregiving services tailored to their situation in terms of caregiver capacity, geographic location of caregivers, and prices for caregiving, among others.
- 1.7 Empowering caregivers with technology to facilitate training, professional guidance, and better monitoring of caregiving services are key to reducing burnout and care costs for the healthcare system. Caregivers who are better supported and trained will improve patient adherence and prevent unnecessary emergencies and hospitalizations.
- 1.8 With respect to this challenge, Paz Mental,<sup>14</sup> one of the leading in-home care companies for older adults in Mexico, has focused its efforts on developing a new digital app to facilitate caregiver training and provide real-time information to meet the challenges of caring for older adults.

## **II. THE SOLUTION**

### **A. Description of the project**

- 2.1 The project consists of professionalizing the care model for older adults and patients with chronic conditions living in their homes, through the incorporation of technology in caregiver training and patient monitoring. The project objective, then, is to improve job conditions and personal circumstances of caregivers, helping improve their employment prospects.
- 2.2 The proposed solution is to use Paz Mental's ANA (Automated Nursing Assistant) platform to improve: (i) training of professional caregivers who provide services in the home, offering them the possibility of obtaining certifications that can improve their job prospects; and (ii) the quality of dependent care services in the home, through monitoring and analysis of caregiver services.

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<sup>13</sup> [Economic Commission for Latin America and the Caribbean. Población, Envejecimiento y Desarrollo.](#)

<sup>14</sup> Through its partners, Paz Mental has offered services to more than 3,000 patients and 7,000 caregivers in the last six months. It is one of three finalists for the Fundación Mapfre Innovation in Health Awards. It was also a co-creator, together with ForoTV, of Dementia Week, raising awareness of this condition and providing clarity on national television of what families can and should do for a family member with this ailment.

- 2.3 ANA is a technology platform offered to users through a business-to-business-to-consumer model (B2B2C) or a business-to-government-to-consumer model (B2G2C), enabling caregivers, family members, medical teams, and patients themselves to provide and have better in-home care. The platform provides guidance and training to caregivers, monitoring of patients, coordination of family members, and anticipates medical emergencies, saving time and money for all involved (not to mention anxiety and stress). Originally created as an internal tool for Paz Mental, the ANA platform comprises three interconnected mobile apps (patient, caregiver, and family) and an Internet-based app for health sector providers. Its main functionalities are patient health monitoring and caregiver activities; training through e-learning, and awarding certifications; and providing guidance and remote support through notifications, alarms, video, and chatbots to prevent patent health situations from becoming medical emergencies, saving time and preventing expensive medical costs from seeking care at hospitals, clinics, and medical visits.
- 2.4 The project consists of updating and optimizing Paz Mental's ANA platform, with the aim of transforming it into an SaaS platform that can be used by other organizations, and strengthening it with components to help public and private organizations empower caregivers with no formal training to improve the health of their patients. Simultaneously, it will also help health care organizations reduce costs and accelerate service scaleup.
- 2.5 The project seeks to provide tools for training, skill building, and knowledge generation that can develop better quality services through certification programs accredited by the Ministry of Education (SEP). Specifically, the project expects to train 2,221 caregivers (i.e. the number of courses to be completed by students) and plans to license the platform to partners (in-home care companies and medical groups) that will use it to improve the quality of care for patients in low-income communities located in urban and suburban areas throughout Mexico. The main technological improvements included in the project to achieve these results focus on improving the platform's scalability and security, facilitating video consultations, and expanding the number of tools and learning modules for caregivers.
- 2.6 The care experience can create job opportunities in a market with high demand. Many caregivers who are seeking jobs begin that search after having entered the profession due to the need to care for a family member, while it may be the only employment opportunity for others. The project will enable caregivers to complement their work experience with formal training, which could result in opportunities to earn better wages and find jobs easier.
- 2.7 Additionally, the project will implement actions aimed at ensuring the model's sustainability and scaleup. It also seeks to build caregiving skills; professionalize caregivers; and provide them with decent work; and takes into account the participation of the vulnerable population, defined as people in a municipio where at least 40% of the population is classified as living in poverty—according to Mexico's National Counsel on Evaluation Policy for Social Development (CONEVAL).
- 2.8 **Innovation.** The project with Paz Mental is innovative since it is one of the first organizations in LAC that harnesses technology to train and provide guidance to caregivers, monitor patients, and facilitate the management of and reduce the costs of suppliers. Currently, training for caregivers and patients is conducted in person, involves delays, and is costly. The project is expected to provide training,

skill-building, and knowledge tools that can enhance service quality through certifications accredited by SEP.

- 2.9 **Intervention model.** The intervention model provides caregiver training, advisory, and monitoring services through Paz Mental's integral value network. Its aim is to generate impact and promote the development of a national silver economy ecosystem through the following activities: generating online content for training; promoting a virtual school and certification program; strengthening the management platform; monitoring and telemedicine for home healthcare organizations; and promoting the platform and its licensing.
- 2.10 **Knowledge generation.** An evaluation of the project's objectives and outcomes will be conducted at the end of the project. At the same time, efforts will be made to share the concept of the model with potential partners and clients both domestically and abroad, with a view to scaling up and replicating the model. The possibility of conducting an impact evaluation in collaboration with the IDB Group Social Sector will be discussed, in order to compile ample evidence of the model's positive impact in terms of the courses to be offered, which include the employment status of the service providers as well as the quality of life of patients and their families.

## **B. Project beneficiaries**

- 2.11 The project's direct beneficiaries will be the caregivers of older adults (dependent and independent) with chronic diseases in urban and suburban areas. It will also benefit the caregivers (most of whom are women) by facilitating training that will provide them income-earning opportunities that are needed by the market. The project seeks to improve the employment and personal conditions of caregivers, and enable families to engage better qualified caregivers to provide optimal care for older adults. The project also benefits families by enhancing the quality of care provided to dependent adults.
- 2.12 Specifically, 6,600 caregivers should receive training through the platform, 357 should earn certifications from the National Council for Standardization and Certification of Job Competencies (CONOCER – an agency of the Mexican State attached to the Ministry of Education (SEP), which coordinates and promotes the national system of job competencies); 1,000 families that engage a caregiver through the program; and 225 caregivers who use the platform to better manage their patients. Women are expected to account for 85% of students. The direct beneficiaries and their benefits are:
  - (i) Vulnerable seniors: long-term and dependent care patients who need help with daily activities and rely on the ANA platform for reminders to take medication and measure symptoms and vital signs. The platform also provides easy access to chats for telemedicine consultations and other assistance tools.
  - (ii) Partner institutions: public and private organizations that use the platform to empower caregivers by providing them with training and technical support, and creating job opportunities.
  - (iii) Other members of the caregiving circle: family members who need real-time information about the patient and perform caregiving activities themselves.

- (iv) Any interested party can access specific information and receive personalized alarms when the system detects the patient, the focus of our system of decision-making support.

2.13 The overall results expected from the project are: (i) 40% of students who have completed one or more courses on the ANA platform will have indicated that their employment conditions have improved;<sup>15</sup> (ii) 40% of students who have completed one or more courses on the ANA platform will have indicated that their personal conditions have improved;<sup>16</sup> (iii) 1,000 families will have engaged caregivers through the ANA platform; and (iv) 225 caregivers will be using the ANA platform as a patient monitoring tool, considering a weekly check-in over a period of more than four weeks. Most of these benefits are provided in vulnerable areas and the team will make an effort to ensure that the vulnerable population presenting the relevant indicators is covered. The following are beneficiary testimonials.<sup>17</sup>

#### Caregivers

Lupita (age 28): "I'm a single mother of an 11-year-old girl. I consider myself to be lower-middle class. I live in a low-income housing unit in Tecamac, State of Mexico, with my mother who cares for my daughter when I am at work. For the last nine years, my job has been caring for elderly patients in their homes. I began studying a nursing degree program, but was unable to complete it due to financial concerns. Consequently, most of my job knowledge was acquired in the homes of my patients. I have been studying ANA courses for the last three months. Having the flexibility to take courses in my free time has enabled me keep up with my studies. I now understand the theory underlying activities that I did not fully understand before, I enjoy greater job security, and have more tools available for working with my patients."

#### Patient family member

Santiago (age 40): "I'm from Mexico City, but have been living in Juriquilla, Querétaro, for the last 15 years. Due to a cerebrovascular accident (stroke) last year, my dad has problems with mobility and language. My siblings and I all work full time, making it impossible to help our mother with our father's care. Since the stroke, dad has needed in-home nursing care and we currently have two nurses we engaged through the ANA app, which as has been extremely helpful for us. Thanks to ANA, we now know when the nurses are in our parents' home, what activities they have been performing, and if they have given him his medication—all in real time. Our physician has also downloaded the app and

<sup>15</sup> In order to qualify as having "improved," students will have to provide at least one positive response to the following question: What facets of your work have improved after taking the course? Possible responses: (i) It has been easier to find employment; (ii) I was able to improve the quality of the caregiving and services I provide; (iii) I am more confident of the procedures I carry out with my patients; (iv) I was able to improve my income; (v) I feel other aspects of my work have improved that I am unable to explain; and (vi) There has been no improvement.

<sup>16</sup> In order to qualify as having "improved," students will have to provide at least one positive response to the following question: Which of the following changed for you after taking the course? Possible responses: (i) I feel surer of myself as a person; (ii) I feel better about myself because I am improving; (iii) I discovered that I have new personal growth options; (iv) I want to help others discover this opportunity; (v) I am a role model for my loved ones and friends; (vi) I am feeling prouder about the work I do; and (vii) The project has neither changed my life nor had any impact.

<sup>17</sup> These testimonials are based on real accounts that have been changed slightly to ensure privacy concerns.

receives notifications whenever a vital sign is out of range. ANA facilitates communication through its caregivers, enabling us to keep up with our father's health situation online."

### C. Project components

#### **Component 1: Content creation and platform strengthening (IDB Lab US\$327,600; Counterpart US\$356,000)**

- 2.14 The objective of this component is to facilitate the creation and implementation of courses and certifications for caregivers of older adults, and to strengthen the platform used to provide course instruction. This component seeks to improve the existing ANA platform and remake it into a new version of the platform that further enhances the quality of in-home care received by patients. This will be achieved by offering low-cost online training courses that caregivers can take in their spare time and by supporting their caregiving activities through the platform, which includes monitoring, alarms, and telemedicine consultations to prevent their patients from suffering avoidable medical emergencies.
- 2.15 The project plans to create more than 60 new courses designed to enhance the quality of care provided by caregivers, nurses, and family members of older adults. The courses will include specialized areas of general caregiving, nursing, physical rehabilitation, cognitive stimulation, and care of chronic diseases. The courses are developed by Paz Mental staff and consultants with expertise in the sector. Once approved by VP Education, the courses will be recorded in a studio with presenters that may include Paz Mental staff or external consultants. The courses will then be edited and produced by an external production company engaged by Paz Mental.
- 2.16 The specific activities designed to strengthen the platform are: transformation of Paz Mental's ANA SaaS management software; integration of the academic community with ANA management software; integration of data protection and security processes that comply with the regulations of the Health Insurance Portability and Accountability Act (HIPAA); design and user experience (UX/UI) improvements that enable all users to have an easy and intuitive experience and add value. The project development phase includes exploring the possibility of integrating artificial intelligence (AI) to facilitate the passive detection of symptoms, vital signs, and other indications of patient health risks.
- 2.17 In all, Paz Mental will train 6,600 students who have started one or more courses. The courses include nursing techniques, such as venous access, patient mobilization, oxygen management, and first aid. Course offerings also include technical areas that can improve caregiver income, such as physical and cognitive stimulation, and thanatology.
- 2.18 The expected results of these activities are: (i) 6,600 students will have started one course; (ii) at least 40% of these students will be from vulnerable areas;<sup>18</sup> (iii) students will have completed 2,221 new courses on the platform;<sup>19</sup>

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<sup>18</sup> The term "vulnerable population" is defined as people living in a municipio in which at least 40% of the population is classified as living in either "extreme poverty" or "moderate poverty," in accordance with [CONEVAL statistics for 2020](#).

<sup>19</sup> Not necessarily certificate courses.

- (iv) 306 students will have received CONOCER platform<sup>20</sup> accreditation; (v) 10% of whom will be from vulnerable areas. The general objective of the component is to improve caregiver employment and personal conditions.
- 2.19 The expected outputs of these activities are: 60 courses will have been created and added to the list of courses offered through the e-learning platform; the platform will have been fully upgraded with SaaS for licensing to unlimited healthcare organizations that comply with HIPAA data protection guidelines; and mobile and web-based apps will have been developed with efficient and user-friendly interphases. The project also includes a mentorship program through which caregivers provide assistance to other caregivers for training and certification.

**Component 2: Attracting users and awareness raising (IDB Lab US\$364,000; Counterpart S\$181,000)**

- 2.20 This component consists of developing and implementing the necessary marketing, advertising, public relations, and mentoring strategies to raise awareness about the platform and attract users from the market of caregivers and home health care organizations. Paz Mental will conduct a public awareness campaign to include advertising on social media and other digital media, and a mentorship program in which users of the platform promote it with other potential users, and pursue other activities required to promote and sell the platform to caregiving agencies, insurance carriers, and government.
- 2.21 The expected outcomes of these activities are: (i) 15 companies or coordinators that provide care for older adults will have been offered ANA services, as reported in the client relationship management (CRM) system; (ii) three companies or coordinators that provide care for older adults or patients with chronic conditions will be using ANA reports in the platform; and (iii) 900 job offers for caregivers will have been generated through the ANA.

**Component 3: Organizational strengthening (IDB Lab US\$58,400; Counterpart US\$213,000)**

- 2.22 This component provides for the comprehensive strengthening of Paz Mental to achieve the proposed objectives, through its strengthening and expansion. This includes the engagement of an external legal team; the participation of the company's human resources team in order to recruit and hire the staff necessary for the project; and the involvement of the company's managerial team for project coordination, management, and reporting of the project resources used and income generated.
- 2.23 The component's activities include general management of the project, whose activities include the design and execution of the scale-up plan, coordination with governments and other organizations, and ensuring compliance with objectives.

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<sup>20</sup> [CONOCER](#) coordinates and promotes the National System of Labor Competencies in order to ensure that Mexico has highly competent entrepreneurs, workers, teachers, students, and public servants who are certified in their labor competencies through an evaluation process that demonstrates their knowledge, skills, and relevant individual attitudes within their roles.

The scale-up plan takes into account the geographical axes and business model (direct sales to users, sales to health organizations, and sales to government). Component 3 also includes annual financial audits and a project impact study that will be designed in close coordination with the IDB, with the objective of understanding the project's results in terms of social and economic impact.

### **Project impact, monitoring, and evaluation**

- 2.24 The specific activities will focus on building strengths and competencies among caregivers of older adults and organizations that provide patients with in-home care.
- 2.25 The main outcomes expected from the project include: (i) 6,601 new courses will have been initiated by students on the platform; (ii) students will have completed 2,221 new courses on the platform; (iii) 306 students will have received CONOCER accreditation; (iv) 60 new courses will have been created; (v) 900 job offers for caregivers will have been generated; and (vi) at least three companies or informal coordinators that provide care for older adults and/or chronic patients will be using the ANA platform.
- 2.26 The project plans to create a knowledge product to document the experience and extract lessons learned and best practices. This will be an important scalability input. An impact evaluation in collaboration with the IDB's Social Sector will also be considered.

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

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

- 3.1 The project is aligned with the IDB Group's **Vision 2025** in two ways. First, it supports job creation in a highly labor-intensive sector that will grow with the aging of the population (part of the silver economy); and second, it supports better social protection systems (which include caregiving).
- 3.2 The project promotes social gains, empowering vulnerable populations that have had to endure the brunt of the health and economic crises; it promotes the digital economy, facilitating access to and the adoption of digital technologies, and fosters innovation; and it supports small and medium-sized enterprises (SMEs) by laying the groundwork for enabling the private sector to maximize its contribution to the recovery. The IDB Group can play the role of a reliable and strategic partner in the silver economy, encouraging stakeholders in LAC to invest in the silver economy and reach their full potential to accelerate the economic recovery.
- 3.3 The project also aligns with the **Update to the Institutional Strategy** (document [GN-2933-5](#)), by underscoring the emphasis on the IDB Group's role in promoting productivity through the promotion and adoption of technology and innovation, making it possible to close technology gaps, coordinate and apply instruments that stimulate innovation, and strengthen the development of competencies, thereby helping to mitigate impacts associated with the labor market.
- 3.4 The project is aligned with the **IDB Group Country Strategy with Mexico 2019-2024**, particularly its first pillar, which focuses on social development in



- health and labor market access. It will promote equitable and sustainable access to social services by working to close care gaps in the health field and in the coverage and quality of prevention and care services. With regard to the labor market, the project will also work to improve the quality and relevance of human capital formation in the health and caregiving fields. Through monitoring and the digital training provided on the e-learning platform, the project it is also aligned with the crosscutting areas of innovation and the digital agenda.
- 3.5 The project contributes to the **Social Protection and Poverty Sector Framework Document** (document [GN-2784-12](#)), by responding to the document's Challenge 2 "Promote services for the autonomy and inclusion of persons with care dependence or disabilities" through Line of Action 3 "[S]ervices for the inclusion and autonomy of persons with disabilities." Regarding the project's alignment with other Bank operations in Mexico, the operation complements technical-cooperation operation ME-T1439 "Support for the Development of a Long-term Care System for the Mexican Social Security Institute (IMSS)," which was approved in November 2020. This technical-cooperation operation supports and facilitates the development of a long-term care model for the IMSS, specifically with respect to the definition and delivery of long-term care services.
- 3.6 The project aligns with some of the **Sustainable Development Goals** (SDGs): (i) SDG 3, Good health and well-being, inasmuch as the project will provide greater access to essential services and good-quality health care for the beneficiaries; and (ii) SDG 9, Industry, innovation and infrastructure, as it will support innovation in developing countries through HealthTech solutions. The project's implementation is based on the [Principles for Digital Development](#), endorsed by the IDB and other multilateral organizations.
- 3.7 The operation falls under the IDB Lab "**Knowledge Economy**" thematic area (document MIF/GN-241-1), as it is consistent with its objective of leveraging creativity, know-how, and new technologies and processes that offer market-based solutions to address more urgent social and environmental problems. The project is closely aligned with the IDB Lab Strategic Development Objective of "Promot[ing] tech-driven enterprise growth and job creation." It is also vertically aligned with health and the crosscutting area of diversity, as its end beneficiaries are older adults.
- 3.8 This project has been identified as one of the operations selected in the IDB Group's Silver Economy Challenge (launched in 2021), and will form part of an initial portfolio of silver economy projects that will generate synergies with existing and future projects. Specifically, this projects aims to maximize synergies with and the lessons learned from two dependency care projects. One is "Innovative Community-based Caregiving for Older Adults in Jamaica" (JA-T1203), approved in January 2022, and the other is an Argentina project that is currently in the pipeline.
- B. Scalability**
- 3.9 Scalability is proposed in two dimensions: territorial expansion and expansion of the business model. The first seeks to scale up the e-learning platform model in other LAC countries. In Mexico, there are currently 3 million older adults who are



dependent on care in the home. The number of older adults in LAC who are dependent on long-term care will triple by 2050, surpassing 27 million.

- 3.10 These expansions are sought based on expansion of the business model. Work will begin with the current business-to-business model (B2B), where private-sector health care agencies and providers are direct clients. The model is expected to expand as a business-to-government (B2G) model in Mexico and in other countries, working with public agencies to accelerate scaleup. This process will maximize the value of IDB Group connections, particularly in the search for new public-sector clients.
- 3.11 Colombia is one of the countries Paz Mental is considering for its expansion. Potential partners, such as Colombia's Health Promoting Entities (EPS), could generate rapid growth in the medium term. The EPS were empowered by Law 100, which mandates that health services be provided to all Colombian citizens these entities. What this means is that more than 50 million people—including 6.8 million older adults—are already covered in Colombia. This coverage includes in-home monitoring of chronic and acute conditions. Other potential partners are the IMSS and private health care insurance carriers, since both seek to reduce unnecessary hospitalizations and facilitate in-home hospital care.
- 3.12 One advantage of the model is that it does not require major capital expenditures, since it is based on online platforms and can be used with new clients or in other countries with minimal adjustments. Accordingly, once appropriate partners have been identified, the model can be scaled quickly with only minor additional investments.

### **C. Project risks**

- 3.13 Because advertising to attract students will be conducted on Facebook, there is a risk of substantial price increases. As mitigating factors, strategies to attract students on other digital platforms is planned, as is a paid program of peer-to-peer recommendations.
- 3.14 Changes in regulatory policies for online health platforms could affect the project's proposed business plan. As mitigating factors, Paz Mental is in the process of reviewing existing policies and is constantly taking steps to comply with international policies for these types of platforms, including the HIPAA Act and the policies of the U.S. Food and Drug Administration (FDA), which are industry benchmarks at the global level.
- 3.15 The entry of competitors could impact Paz Mental's prices. As mitigating factors, the project includes substantial investments for the development and technology integration of innovations from Israel and other parts of the world will always provide a competitive advantage, differentiating the project and platform from those of its competitors, thereby limiting the need to change prices.

## **IV. INSTRUMENT AND PROPOSED BUDGET**

- 4.1 The total cost of the project is US\$1,500,000, of which US\$86,500 (5.8%) will be provided by IDB Lab as nonreimbursable funding; US\$663,500 (44.2%) will be provided by IDB Lab as contingent recovery financing; and US\$750,000 (50%) as the local counterpart contribution (of which at least 50% will be in cash).

- 4.2 Retroactive recognition of counterpart funds. Up to US\$100,000 in counterpart funds can be recognized starting on the date of project eligibility (30 September 2021).

Project components	IDB Lab nonreimbursable (US\$)	IDB Lab reimbursable (US\$)	Counterpart in cash (US\$)	Counterpart in kind (US\$)	Total (US\$)
Component 1: Content creation and strengthening	-	327,600	224,000	132,000	683,600
Component 2: Attracting users and awareness raising	56,000	308,000	125,000	56,000	545,000
Component 3: Institutional strengthening	30,500	27,900	28,000	185,000	271,400
<b>Total general</b>	<b>86,500</b>	<b>663,500</b>	<b>377,000</b>	<b>373,000</b>	<b>1,500,000</b>
<b>% of financing</b>	<b>5.8%</b>	<b>44.2%</b>	<b>25.1%</b>	<b>24.9%</b>	<b>100.0%</b>

## V. PROJECT PARTNERS AND IMPLEMENTATION STRUCTURE

### A. Description of the project executing agency

- 5.1 The executing agency will be Paz Mental S.A.P.I. de C.V. It has more than six years of industry experience in providing in-home care for older adults, in developing technology, and in training caregivers. Over the last six years, it has provided caregiving services to 3,000 adults, trained 1,500 caregivers, and its platform has been utilized by some 10,000 users. This emerging company is headquartered in Mexico and plans to license its technology and sell its courses to other LAC countries.
- 5.2 The Paz Mental team includes engineers, nurses, and medical specialists with more than 50 years of combined experience. Its founders, Manuel Rosemberg and Ariel Zylbersztejn, have more than 16 years of business experience and each has a strong focus on low-income populations. Both have been recipients of the World Economic Forum's Social Entrepreneur of the Year Award, and were recognized by the United Nations Framework Convention on Climate Change as the first creators of a large-scale program to reduce greenhouse gas emissions, among other achievements.
- 5.3 Mr. Rosemberg, an engineer, created Camino Copalita, a social enterprise, and served as the director of operations at BrainPOP México, the leading online K-12 education platform. Mr. Zylbersztejn, also an engineer, was a former executive director at CinePOP, a social enterprise that provides sustainable, free educational training for more than 1 million people in low-income communities.
- 5.4 Paz Mental also has a strong connection with Israel and has been leveraging that country's technologies for ANA Care solutions. This project plans to incorporate

Israeli technology for portable devices to measure vital signs. Medical protocols used in Israel will be incorporated with support from Maccabi, one of that country's largest health maintenance organizations (HMO).

**B. Structure and implementation mechanism**

- 5.5 Paz Mental, the executing agency, is responsible for the project's implementation and execution. Paz Mental will form an execution unit and the structure needed to execute the project's activities and manage its resources. The structure of the execution unit will be comprised of staff members of Paz Mental, and consultants, including the Project Coordinator and an Administrative Coordinator whose responsibilities cover the activities included in the various project components and support for monitoring and evaluation activities. Both of these roles figure in the counterpart budget and are paid in kind, since these are contractors who were previously engaged by Paz Mental and are also responsible for the activities that fall outside the scope of this project.
- 5.6 The execution unit will be housed within Paz Mental's offices in Mexico City and will be responsible for the day-to-day operation of the project to achieve its established goals. Paz Mental works under a hybrid (from office and from home) schedule. Its staff meet regularly to review the headway made on the project, in accordance with the timeline and to make any necessary adjustments thereto. It will also be responsible for consolidating and safeguarding all project information and for following the administrative procedures established by IDB Lab and Paz Mental. The execution unit will plan all meetings with the project's relevant actors, events, and communication materials.
- 5.7 The executing agency will provide the physical structure and operational and logistical support necessary for the operation's effective and efficient execution. It will also be responsible counterpart contribution needed to supplement the resources for the execution of activities. Furthermore, the executing agency will also be responsible for submitting semiannual progress reports on the project's implementation, using the management and project platforms of IDB Lab.

**VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS**

- 6.1 The executing agency agrees to adhere to the standard MIF arrangement for results-based disbursements, the procurement and financial management policies applicable to the private sector, in accordance with the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) of 12 June 2019 and specified in the Operational Guidelines for Management of Milestones and Financial Supervision for MIF and SEP Technical Cooperation Projects.
- 6.2 The level of risk, as determined by the Diagnostic Assessment of Integrity and Institutional Capacity (DICI), was low, confirming that the executing agency has an acceptable financial management system for IDB Lab and has a monitoring and accountability structure for the presentation of its institutional financial statements to the Bank.
- 6.3 **Contingent recovery.** This project includes a US\$663,500 contingent recovery investment financing component, since Paz Mental's business model generates revenue. The project technical files include a term sheet agreed upon with the

executing agency. The reimbursable amount was determined on the basis of the revenue to be generated by the project based on the following table.

Project revenue <sup>21</sup> accumulated in the first four fiscal years (2022-2025)		Reimbursable amount
i	Equal to or greater than US\$1,500,000	100% of the total amount disbursed, up to US\$663,500 (US\$663,500*100%)
ii	Equal to or greater than US\$1,000,000, but less than US\$1,500,000	80% of the total amount disbursed, up to US\$530,800 (US\$663,500*80%),
iii	Equal to or greater than US\$750,000, but less than US\$1,000,000	60% of the total amount disbursed, up to US\$398,100 (US\$663,500*60%),
iv	Equal to or greater than US\$500,000, but less than US\$750,000	40% of the total amount disbursed, up to US\$265,400 (US\$663,500*40%)
v	Less than US\$500,000	Contingency is not triggered

The executing agency will repay the reimbursable amount in semiannual installments, beginning in the first quarter of the project's fifth fiscal year (2026). The payments will continue until the reimbursable amount is fully repaid or eight installment payments have been made, whichever occurs first.

- 6.4 Project **disbursements** will be contingent upon the achievement of milestones, in accordance with the means of verification agreed upon between the executing agency and IDB Lab. Fulfillment of milestones will not exempt the executing agency from the responsibility of attaining the agreed-upon results.
- 6.5 Under the project management modality based on risk and performance, disbursement amounts for the project will be determined in accordance with the project's liquidity requirements for a maximum period of six months. IDB Lab and the executing agency will agree on these requirements, which will reflect activities and costs scheduled in the annual planning exercise. The first disbursement will be conditioned on fulfilling of the conditions precedent, and subsequent disbursements will be processed as long as the following two conditions are met: (i) verification by IDB Lab that milestones have been fulfilled, as agreed upon in the annual plan; and (ii) justification by the executing agency for 80% of the advances of funds accrued. These conditions will be described in depth in the contingent recovery financing term sheet.
- 6.6 Unless the Bank determines otherwise during execution, the policies of the executing agency will be used for **procurement operations**. An annual plan establishing the necessary procurement and milestones to be reached will be submitted together with the annual work plan. IDB Lab may conduct an ex ante review of the technical aspects of procurement that it deems warranted, particularly those considered critical.

<sup>21</sup> Defined as specific project income and broken down in the income statement of the financial statements.

- 6.7 The executing agency will prepare and maintain its **annual financial statements** available to the Bank. The Bank may use funds from the contribution to review the financial statements and the use of resources applied to the project, verifying financial and procurement practices.

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

- 7.1 **Access to information.** The information contained in this document is classified as public upon approval under the Bank's Access to Information Policy.<sup>22</sup>
- 7.2 **Intellectual property.** All works and results obtained under the project will be the property of the executing agency. The executing agency will grant a non-exclusive and free license to the Bank, including the rights of dissemination, reproduction, and publication in any medium of any evaluation or knowledge product and studies on results of the project, on general methodologies, trends in the scope of the project's activities, or studies relevant to the project objective, as derived from project execution.

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<sup>22</sup> [IDB Access to Information Policy](#).