**INTER-AMERICAN AGENCY FOR THE** OAS/Ser.

**COOPERATION AND DEVELOPMENT** AICD/JD/doc.200/22 rev.1

**BOARD MEETING** 08 Jul 2022

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WORKING GROUPS OF THE INTER-AMERICAN AGENCY FOR THE

COOPERATION AND DEVELOPMENT (IACD)

**WORK PLAN, GROUP No. 2**

**FUNDRAISING TO SUPPORT DEVELOPMENT PARTNERSHIPS AT THE OAS/SEDI**

(Includes comments and adjustments resulting from the Meeting of the Management Board of the IACD

held on June 22, 2022)

**Objectives:**

1. Review strategies to strengthen the Development Cooperation Fund and raise additional funds to carry out partnership for development activities.
2. Develop a framework for cooperation between the IACD and Permanent Observers and other States, as well as with national and international organizations and the private sector.
3. Promote IACD´s participation in multilateral organizations, platforms and spaces that promote private sector engagement in international cooperation.

**Member states:** Belize, The Bahamas, Peru, Guatemala, El Salvador

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| Guiding questions of the debate |
| * What are the current challenges in carrying out cooperation and partnerships in the DCF?
* The main challenge is the decrease in financial and human resources to execute projects with high impact in the member states.
* The long mandatory period of implementation of projects and the lack of inclusion of other non-financial resources for the implementation of projects in the member states, and actors such as academia, civil society, and private sector.
* The long period of execution does not always align with the deadlines for the execution, monitoring, and evaluation of projects by private sector actors.
* Low degree of visibility of the projects, as well as their scope, benefits, and results.
* The Fund’s conditionality of financing only countries that have voluntary contributions
* There is a need to scale up projects to maximize benefits and build on best practices/lessons learnt.
* Low visibility and a lack of competitivness in terms of donor costs are challenges that undermine the optimal functioning of the DCF. Additionally, the goal for the medium to longer term should be for the DCF to be established as the central funding vehicle within SEDI and be positioned as the mechanism for facilitation of all cooperation/partnerships funding for SEDI.
* What steps can be taken to attract Member States resources to recapitalize the Fund to meet their needs?
* It is recommended to propose a country agenda with specific but significant issues that attract the attention of possible sources of financing towards projects aligned with the priorities of the fund.
* This requires a strategy of relationship with other development actors such as academia, civil society, and private sector, both to leverage monetary and non-monetary resources (exchange of experiences, good practices, among others). Multi-stakeholder alliances.
* It is suggested to map possible financing actors, to find common points in the design of projects, which allow taking advantage of common interests and non-monetary resources (human resources, technological, among others) in the implementation of the project.
* Generate spaces for dialogue and outreach with regional bodies from other regions of the world for the exchange of experiences and new financing opportunities
* In order to increase the competitiveness of the DCF as a preferred cooperation funding vehicle for donors, Member States should be encouraged to advocate for the DCF to be exempt from ICR or be charged a lower rate than the standard 13%. Other funds/areas within the Secretariat have been afforded exemption from ICR and could serve as a template.
* How can the MB/IACD better organize to improve fundraising and partnerships for development?
* Have a unit that not only manages the Fund, but also has functions related to searching alliances to identify new sources of financing
* Generate a proposal for restructuring the Fund that contemplates a rethinking not only the contributions, but also the access for countries according to an established selection criteria (national counterpart) and systematized regional demand.
* Establish calls for the active participation of member states with projects that respond to the priority areas of the Fund and that can have the greatest possible impact on the sustainable development of their countries.
* There must be a thematic agenda that responds to the development needs of the region (demand catalog), which addresses the vulnerabilities and gaps present in the region, mainly after the impact that the pandemic has had on the social and economic structures of the region.
* It is considered convenient to provide spaces for sectoral coordination in which the contribution of the OAS in each member state is made visible to convene other development actors, who can align themselves with the initiative, and complement with greater financial resources the seed fund provided by the OAS.
* Finally, if the execution of the seed fund is carried out in a year, the complementary resources of the pilot project can be used to have an expansive phase of the project and resort to the strategic alliances established to give sustainability to the new projects.
* Raise the entire profile of the Fund at the political level.
* Is the programming cycle under the current structure serving the needs of the Member States?
* It is necessary to know more prior information about the projects executed, give them greater visibility, especially in their results and products.
* However, one proposal is to evaluate giving greater flexibility to the execution of projects of 4 to 2 years (at least) to have a planning of one year and execution of one year for the initiatives, and thus promote greater dynamism in the projects, and give space and time so that a greater number of countries can benefit.
* Another proposal is that, within the 4-year cycle, the ex-post evaluation phase and analysis of the impact of the projects can be considered so that the four-year cycle can be seized. It is important, as far as possible, to systematize and share the results of the projects.
* Finally, depending on the resources available, consider the possibility that the cycle is adjusted to a trial period (pilot project) of a maximum of one year within 3 years of implementation; for the refinement of mechanisms, synergies, and search for complementary sources of financing for a phase of expansion of the project with different sources of financing other than the seed fund.
* Review the DCF financing model and propose the necessary adjustments for contributions.
* The main adjustment will be the execution period of projects that are not able to secure greater funding sources. Thus, it will not be necessary to execute it in 3 years, but perhaps in one.
* Give relevance to regional partners (private sector, academia, organizations, or governmental, bilateral, and multilateral sources) for financing under the financial, technical, or in-kind modality.
* Propose strategies to increase the participation of Member States.
* The creation of a multisectoral working group so that the projects can have the greatest impact on the population and, at the same time, function as an articulator between the national authorities of the different sectors.
* It is important to design a strategy of greater communication about the benefits and results of the projects, as well as to design a strategy to encourage and increase the participation of other development actors. Visibility campaign of cooperation in the region
* Analysis of the added value of this model of regional cooperation
* Politicize the participation of Member States to draw in more attention and obligation.
* More promotion of the work that the DCF is doing is necessary. In order to raise the profile of the DCF among Member States, annual or biannual exhibitions or webinars to highlight the results being achieved across the projects should be convened. An annual special CIDI meeting dedicated to engaging on the results of the DCF could also be considered which could also coincide with a promotional call for voluntary contributions.
* Issue strategies and guidelines to raise additional funds to Member States' voluntary contributions and channel them through the DCF. (Refer to the DCF Statutes).
* A first step could be the presentation of initiatives/cases that have been developed with DCF resources that have been somehow successful. Demonstrating the effectiveness of the fund would allow to suggest an increase in contributions.
* On the other hand, consult the contributing member states what conditions would allow a greater monetary commitment on their part, as well as non-monetary in the implementation of priority projects for the beneficiaries of the fund.
* Member State champions should be identified to help 'sell' the DCF as a viable mechanism for cooperation to other member states and to potential external partners alongside the staff of the Secretariat.
* Propose strategies, guidelines, or recommendations for channeling private sector funds, review existing mechanisms to determine effectiveness, and issue recommendations/adjustments.
* One strategy is that, given the impossibility of establishing a national agenda that is supported by the private sector; priorities are reoriented towards those where the private sector has the greatest interest and can be aligned with the principles of sustainable development and the 2030 Agenda.
* Another possibility is to seek to attract not only large companies, but also medium and MSMEs, which contribute to implementing projects of local scope and with a smaller beneficiary population.
* Create a space for permanent dialogue of the Fourth Sector within the region so that, from the CSR approach, they contribute to the Fund.
* Develop the framework for the MB/IACD to establish a cooperation relationship with Permanent Observers, other States, national and international organizations and other entities, including the private sector.
* It is proposed to present a framework (dialogue mechanism) that serves as a guide to identify the most relevant aspects of each cooperating agent and thus, establish effective cooperation relationships, where a true solution is built to the existing demand and the interests of each actor. (observers’ profiles)
* This will be achieved by providing a clear identification of demands and presenting them to member states to request financing aligned to the areas of interest of each member state.
* Also it is important to take into account that the relationship with private companies requires binding or non-binding dynamic mechanisms.
* Finally, it is important to identify the available resources of the different actors, their communication channels and capacities to contribute to the efficient and effective implementation of the projects executed with seed funds in the member states.
* It is proposed that there be development of a strategy for multi sectoral engagement for partnerships within Member States and with Permanent Observers and to support this there should be dedicated staffing within the Technical Cooperation Section that is focused on partnership/donor engagement alongside administration of projects, broadly, and specifically for the DCF.
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| *Objective 1: Analyze strategies to strengthen the Development Cooperation Fund and raise additional funds to carry out partnership for development activities.* |
| Concrete actions | **Expected result** | **Implementation schedule** | **Responsible / Implementation Methodology** |
| Massive call in each member state to attract/identify other actors that can contribute with financial (and non-financial) resources for the implementation of the project. | There are 3 donors (minimum) that provide financial resources for the implementation of the project. | 2023-2024 | Each member state/Dissemination, selection, evaluation. |
| DCF Visibility Strategy | The visibility strategy implemented allows countries to know the advantages and opportunities of DCF in the region | 2023 (permanent) | IACD/Member States |
| Review of DCF functionality regarding the current game rules (Pay to Play) | The DCF has an accessible and viable governance mechanism | 2023 | IACD |
| Establish a multisectoral working group in each member state with ministerial representatives. | The countries have a multisectoral working group that analyzes and proposes cooperation projects | 2023-2024 | Each member state / Identification, call, dissemination, and selection of representatives. |
| Generate spaces for dialogue and negotiation with observer countries and bidding partners for a possible contribution to the Fund | Blended financing mechanism  | 2023-2024 | IACD/Member States |
| *Objective 2: Develop a framework for cooperation between the IACD and Permanent Observers and other States, as well as with national and international organizations and the private sector.* |
| Identify among countries successful experiences of good practices and relationship between development cooperation and the private sector  | New development partners are available  | 2023-2024 | Each member country/ Dissemination, selection, evaluation. |
| Convene various development sectors for the execution of projects in member countries that have the participation of actors from the public sector, private sector and civil society. | At least 1 project is executed per member country involving actors from the public sector, private sector and civil society. | 2023-2024 | Each member country / Identification, call, dissemination and selection of representatives. |
| Generate spaces for dialogue and rapprochement with other regions of the world to learn about their experiences of financing for development  | Exchange of regional and extra-regional good practices  | 2023-2024 | IACD |
| Generate a space for dialogue with the private sector organized at the regional level for the identification of a collaboration mechanism aimed at financing projects  | Private financing mechanisms  | 2023-2024 | IACD/Member States  |
| *Objective 3: Promote IACD´s participation in multilateral organizations, platforms and spaces that promote private sector engagement in international cooperation.* |
| Create a working group to analyze the feasibility of incorporating the participation of the Agency in multilateral organizations, platforms and spaces that promote private sector engagement in international cooperation. | Technical proposal supporting the Agency's participation in the chosen organizations, platforms and spaces | 2023 | IACD/Member States |
| Generate spaces for dialogue and rapprochement between the defined working group and representatives of chosen organizations, platforms and spaces  | Work plan proposal for IACD´s participation in multilateral organizations, platforms and spaces that promote private sector engagement in international cooperation | 2023-2024 | Each member state / Identification, call, dissemination and selection of representatives. |
| NOTES:  |

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