

Technical Assistance Facility for Latin America and the Caribbean: IFC Plus **NEWS+**

Integrating Technical Assistance with the LAC Regional Strategy

Technical assistance (TA) has undergone a strategic shift within IFC. TA initiatives have grown robustly in recent years, representing an ever larger portion of IFC's staff and activities—and source of competitive advantage. To maximize the value of TA as a competitive differentiator, IFC is now integrating TA more closely with regional strategy. Moving the facilities from the small and medium enterprise (SME) department to the regional departments was a decisive step towards realizing this new, integrated strategy.



This transition was formative for the facility, shaping our growth and program development. Upon moving to the regional department, we worked to align our work program with the overall regional strategy and identify those areas in which we can add the most value for IFC. As a result, our focus is no longer exclusively SME-centric—though SMEs continue to be clients and partners in our work—but encompasses broader, private sector development issues.

Reorganizing Program Areas

We reorganized our program areas to better reflect our expanded focus:

Improving the Business Enabling Environment: Working with governments, civil society, and private firms to improve conditions for private sector development

Enhancing Local Benefits from IFC Investments: Working with IFC clients and the communities in which they operate to increase the local developmental impact of IFC investments

Strengthening SME Competitiveness: Working with small and medium enterprises (SMEs) to enable them to grow and compete in increasingly globalized markets.

This expanded focus allows us to continue building on the facility's initial SME work while enabling us to respond more fully to the region's overall needs. In many cases, we are also now able to recognize more explicitly the broader value of many of our initial projects. As evidenced by *Doing Business in 2005* and the *World Development Report 2005*, for example, simplifying business regulations is important not only for smaller businesses but for the private sector as a whole.

Communicating Our Message

To communicate our message of adding value through TA, we changed the facility's name from "Latin America and Caribbean Small and Medium Enterprise Facility" to "Technical Assistance Facility for Latin America and the Caribbean" or, in abbreviated form, "IFC Plus". To clients, our "plus" means TA adds value to investments. To donors, our "plus" means partnering with IFC adds value by providing unique opportunities for broader, synergetic impact.

Close coordination and constant dialogue with our colleagues in the region and IFC's industry departments were pivotal in realizing this integration with the regional strategy and will continue to guide our evolution as we seek to add value through technical assistance.

Editor's Note

Welcome to the first issue of News+, the quarterly newsletter of IFC's Technical Assistance Facility for Latin America and the Caribbean, IFC Plus. Each issue of News+ will feature one or two articles on specific program areas and/or projects, as well as updates on IFC Plus' progress and events.

We hope to make News+ a valuable source of information for our stakeholders. If you have any ideas for enhancing News+ (topics you would like us to cover, additional sections we should include, etc.), please let us know by writing to Paul Melton, pmelton@ifc.org.



Project News and Highlights

Improving the Business Enabling Environment

Peru: Ciudadanos al Día, a local NGO focused on promoting greater government transparency, announced its awards for best practice in public sector reform in an event sponsored by IFC Plus. Ciudadanos al Día is one of IFC Plus' strategic partners for improving the business environment through municipal regulatory simplification. For more information, [click here](#) and [here](#) (in Spanish).

Nicaragua: IFC Plus held a seminar for government and financial sector leaders to discuss the regulatory reforms necessary to develop a stronger leasing market in the country. For more information, [click here](#) (in Spanish).

Enhancing Local Benefits

Peru: IFC Plus sponsored Peru2021's annual expo on corporate social responsibility. Anita Bhatia, IFC Plus General Manager, presented IFC's work in the area as part of the plenary session. For more information, [click here](#) (in Spanish).

Enhancing Local Benefits (ELB)

Working with IFC clients and the communities in which they operate to deepen the local impact of IFC investments

One of the greatest challenges facing Latin America is inequality, and recent economic growth has tended to benefit the “haves” rather than the “have nots”. This has exacerbated social tensions, much of which is often directed towards foreign investors and multinationals. Many investors are, consequently, under increasing pressure to demonstrate their social responsibility and commitment to supporting stronger, more broadly-based economies.

While some firms only react when social tension affects their operations, others have identified stakeholder engagement and sustainability as important proactive strategies for establishing strong local ties, strengthening their reputation, and improving their bottom line. They recognize the benefits of working with local stakeholders—but, in some instances, lack the tools and expertise to develop these initiatives.

Corporate social responsibility (CSR) and ‘social license’ have thus emerged as priority issues for the region’s private sector, with NGOs and business associations actively promoting CSR initiatives in countries like Brazil, Peru, and Colombia. Globally, IFC has taken a leading role in promoting CSR as part of its sustainability agenda.

ELB Program Offerings

IFC Plus has designated enhancing local benefits from IFC investments as one of its primary program areas. IFC Plus’ “Enhancing Local Benefits” program has been designed within the context of IFC’s sustainability framework, which underscores “local economic growth and partnerships” as a critical factor for long-term development impact. The program comprises four lines of action to enhance local economic growth and forge partnerships in the communities where IFC clients operate:

Community Economic Development / CSR Strategy: Advising clients’ to strengthen the socioeconomic programs undertaken either in-house and/or through associated foundations’ to improve their performance and contribution to the community

Local Government Capacity Building: Working with local governments to improve the management of revenue derived from clients’ operations, leading to more effective local investments and greater transparency

SME Development: Connecting companies with local communities to extend market opportunities to traditionally excluded groups and thus diversify local economies, while also lowering procurement costs for clients

Client Networking: Providing clients with access to information on best practices and relevant experiences, resources offered by the market, and contacts to facilitate the exchange of ideas on how to engage local communities more effectively.

Thus, the program includes and builds on IFC’s “linkage” experience while encompassing new initiatives (particularly in local governance). Close coordination with IFC industry and specialist departments, especially CES and CSM, along with key World Bank units, is a pivotal part of the program’s design and will continue to play a significant role in the program’s development.

ELB Priority Sectors

IFC Plus has selected extractive industries as a priority sector for the program’s pilot phase, putting into practice many of the recommendations made in the IFC Management Response to the Extractive Industries Review. Projects in other sectors are being developed according to demand and fit with the regional strategy.

For more information, contact Javier Aguilar, Program Manager—Enhancing Local Benefits (jaguilar@ifc.org, +51 1 611 2504)

Project News and Highlights (cont’d.)

Strengthening SME Competitiveness

Nicaragua: IFC Plus sponsored the latest edition of Nicamueble, the country’s largest commercial expo for furniture and lumber producers. Over 3000 people, including representatives from several international wholesale and retail exporters, attended the event. For more information, [click here](#) and [here](#) (in Spanish).

Bolivia: IFC Plus and the Danish Embassy recently held a design workshop, led by graduating students from the Copenhagen Institute of Design, to improve indigenous textile producers’ capacity for product innovation and, thus, access to international markets. For more information, [click here](#).



Featured Program: Enhancing Local Benefits from IFC Investments

Project Pipeline

Currently, IFC Plus is working with municipal governments in Cajamarca, Peru, to improve their ability to manage mining canon resources generated by the Yanacocha mine (an IFC investment client). IFC Plus is also working with Orient Express Hotels in the Macchu Pichu area to develop commercial relationships with local goods and service providers (e.g. trout and lamb farmers, folkloric dance troupe). Other projects in development include working with Transierra (Bolivia) to strengthen its community investments and PanAmerican Energy (Argentina).



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