

## Spotlights

Partnership Accelerator Survey Data  
A Letter to our Community

## Highlights

Ensuring Nutrition & Food Security  
Scaling Natural Capital Solutions  
Demonstrating Innovation in Migration  
Democratizing Healthcare Access  
Building a Circular Economy  
Creating Profitable & Sustainable Agriculture Systems  
Investing in Indigenous Communities

# Partnership Accelerator Report

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2020 Concordia Americas Partnership Accelerator

July 23, 2020 | Digital

The background of the entire page is a blue-tinted photograph. It shows a cable car (gondola) suspended from cables, moving across the frame. Below the cable car, a dense urban landscape is visible, with buildings and streets. In the far background, a range of mountains or hills is silhouetted against a lighter sky. The overall mood is professional and forward-looking.

# Partnerships For Social Impact

## About the 2020 Concordia Americas Partnership Accelerator

In July 2020, Concordia hosted a special, invitation-only working session that convened leaders from the private, public, academic, and civil society sectors working across Latin America under its 'Partnership Accelerator' format. The session, which highlighted innovation and impact in the Latin American financing space, had an objective of sharing insight regarding tangible, action-ready interventions underway and engaging as a group around solutions to achieve the Sustainable Development Goals in the region. This session extended conversation pieces held throughout 2019 as part of Concordia's CIFIC work and identified the most mature discussion topics from within its network for this accelerator.

The session centered around separate themes shaping investment in Latin America, with each theme independently and concurrently discussed in a small group setting.

*\*Next Steps reflect day-of discussion and key inputs participants could supply, but are not binding in nature and do not necessarily reflect organizational commitments moving forward.*

# 2020 Concordia Americas Partnership Accelerator Report

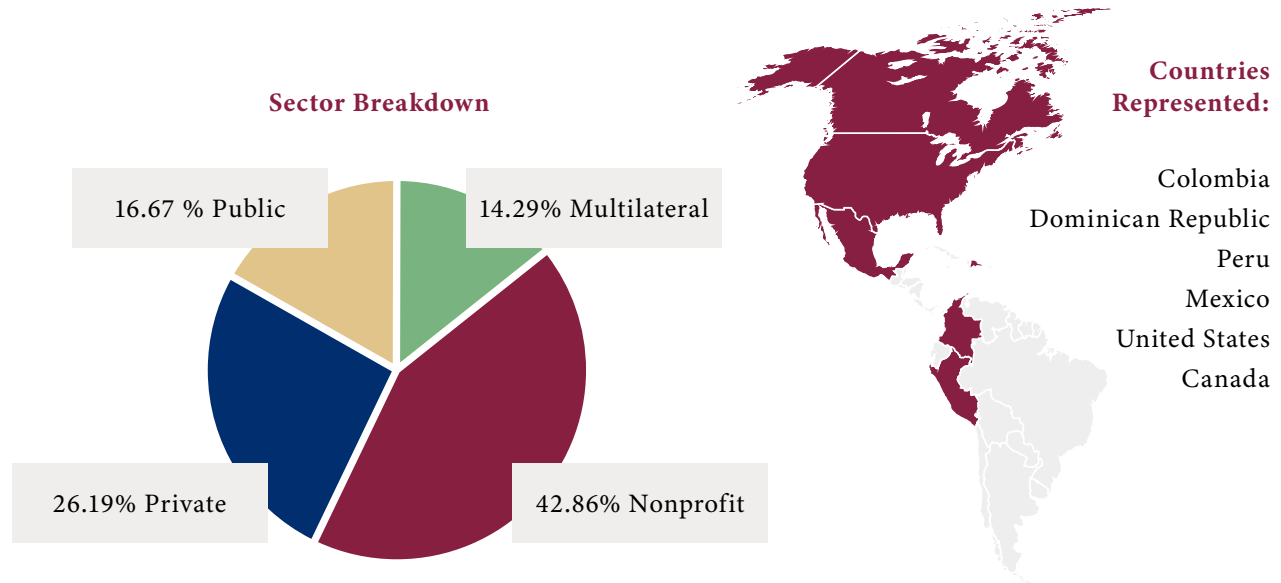
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## Partnership Accelerator Survey Data

*n=16 (38.1%)*

**87.5%** *of survey respondents are actively investing in Latin America*



Did you identify potential partnerships that can be executed in the next 18 months?	Total Numbers	Percentage of Respondents
Yes	12	75.0%
No	4	25.0%
Non-responses	0	0.0%

Did you have a conversation or make a connection that will support your strategy or work?	Total Numbers	Percentage of Respondents
Yes	14	87.5%
No	2	12.5%
Non-responses	0	0.0%



As Latin America continues to grapple with the ongoing, immediate, and long-term effects of COVID-19, Concordia's mission to build sustainable, impactful public-private partnerships and support cross-sector collaboration grows in importance. Now more than ever is the time to share learnings, identify and articulate common goals, explore resource and strength sharing, and build more equitable solutions. It is within this context and urgency that Concordia held its second annual Americas Partnership Accelerator, designed to explore how partnerships might strengthen, support, or scale initiatives that leverage innovative finance towards addressing widespread economic, social, environmental, and health-related challenges in Latin America.

This programming format, made even more unique by its digital format, blends two important initiatives for Concordia. First, its America Initiative, which is the cornerstone of Concordia's regional programming and is a space for leading public, private, civil society, and academic leaders from across North, Central, South America, and the Caribbean to come together to discuss challenges and opportunities facing the region. While the fifth Americas Summit was postponed until December 2020 due to the pandemic, Concordia believed it critical that we act with expediency to support partnerships at this trying time. The Accelerator could not wait.

The second initiative is that of Concordia's dedicated set of programming related to innovative finance, which aims to close the SDG funding gap by shoring up private and philanthropic capital. While opportunities for innovative or blended financing abound across the Americas region, the depth of

experience with these highly technical and complex financing tools varies widely country to country. Stated goals of this thematic programming area are to enhance regional coordination and knowledge sharing, the alignment of impact metrics, and the flow of capital in this nascent space. The Partnership Accelerator offers an opportunity to position select industry newcomers alongside more established investors towards that end goal.

The 2020 Concordia Americas Partnership Accelerator tackled seven pressing subjects, detailed further in this report: **Ensuring Nutrition & Food Security; Demonstrating Innovation in Migration; Scaling Natural Capital Systems; Democratizing Healthcare Access; Building a Circular Economy; Creating Profitable & Sustainable Agriculture Systems; and, Investing in Indigenous Communities.** It was made possible through the support of our Concordia Regional Members and the Eleanor Crook Foundation, and it was made successful through the insight, time, and commitment to partnerships that participants and Table Leads contributed. Concordia wishes to acknowledge and extend appreciation to its Advisors, Luc Lapointe (BC.Impact) and Teryn Wolfe (Measurement Matters), and their teams, for their support in the event's design and execution. In the coming weeks, Concordia's Partnership Development Department will work with Table Leads and participants to further establish and grow partnerships stemming from this discussion, as well as leverage the upcoming Annual and Americas Summits to elevate the importance of developing long-term, impact-driven financing mechanisms towards these pressing global issues. ♦



Hanne Dalmut  
Director of Partnership Development  
Concordia

## Ensuring Nutrition & Food Security

According to recent UN reports, chronic malnutrition in youth and children under the age of five is on the decline in Latin America, even while severe food insecurity continues to rise across the region. At the same time, obesity is on the rise, affecting one in four persons in the region, and climate change increasingly undermines food production and supply. But malnutrition and hunger is not solely a matter of health and wellbeing: economists report that reducing malnutrition can increase a country's economy by as much as 11%. These latest statistics demonstrate the complexity of food security and nutrition in the region—exacerbated by COVID-19—and the need for multifaceted, sustainable interventions achieved only through partnerships. By leveraging bold, large-scale funding solutions and partnering with local healthcare providers, food & nutrition product manufacturers, and other relevant enterprises, we can dramatically transform the state of malnutrition and food insecurity across the region.

COVID-19 has had an extreme negative impact on food security and nutrition in the region. From choking supply chains to altering customer purchasing behavior due to cost, fewer Latin Americans are accessing affordable, quality, and nutritious food. But there is an opportunity: Latin America has the potential to become a food exporter for the rest of the world. In order to accomplish this goal, key actors need to join forces to tackle the major obstacles of the moment: the need for increased public investment in infrastructure and technology that supports innovation in food supply chains; expanded connectivity and information sharing between regions and sectors to enhance efficiency and eliminate food waste; and, the prioritization of long-term government thinking as it pertains to food policy and investments.

While many of the called-for solutions lay at the hands of national and subnational governments, civil society and business associations are making

progress, particularly as it pertains to addressing malnutrition. For example, the Cámara de Alimentos Department within ANDI has set a goal for 2030 where Colombia will have the best indicators in children nutrition in all of Latin America, and CARE has a Peruvian-centric project that positions women's empowerment at the center of food supply and nutrition, where women take a central role in value chains and defining the social value of food and nutrition (known as She Feeds the World). Stemming from this Partnership Accelerator, there is also potential collaboration between ANDI and AMACA that uses the ANDI marketplace to promote farmers' crops at a national scale, driving market price and supporting Colombia's goals of eradicating illegal crops.

Recognizing the opportunity that Colombia's peace process, along with a growing movement to enhance transparency and traceability in agriculture value chains, affords Colombian farmers, AMACA directly supports coordination at the smallholder farmer and cooperative level through technical capacity building, agriculture inputs, and linkages to market. They currently serve roughly 400 independent farmers across the Sucre and Cordoba states of Colombia, but are expanding rapidly into the Guaviare, Cundinamarca, and Casanare regions, with the potential to organize over 5,000 farmers in the next year. Organization at this level is essential for Colombia to maximize the political commitment to 10 million hectares of sustainable, licit crop production and become not only self-sustaining but also an agricultural exporter.



Acknowledging the importance of a holistic, systems-based approach to addressing nutrition and food security needs in the region, there are a number of emerging funding vehicles that seek to finance impact:

- Global Nutrition Financing Alliance, launched in August 2020, seeks to mobilize \$100 million of private sector investment to eliminate malnutrition and food insecurity in low and middle-income countries. This alliance, supported by the Eleanor Crook Foundation, the U.S. Development Finance Corporation, and the U.S. Agency for International Development, is actively seeking opportunities to invest alongside private sector partners to achieve meaningful impact in the food system.
- The 2019 Concordia Americas Partnership Accelerator advanced a funding conversation that established a financing mechanism designed to eliminate disruption in food collection and distribution services for at-risk Colombians, in partnership with the Gates Foundation, Chipar, and Coomacovalle. This partnership is currently under study for a second round of funding.
- The Reactivalle -Pacific Fund is a multi-sector fund addressing the infrastructure, technological, and technical needs within Colombia's food system. Bringing industry association members and private sector partners alongside regional governments and multilateral financiers like the IDB Lab, this fund will strategically invest in small and medium-sized enterprises (SMEs) and micro businesses through a value chain approach that is supported by corporations.

Contact [partnerships@concordia.net](mailto:partnerships@concordia.net) for more information on the above.

Discussants emphasized the importance of full stakeholder engagement when addressing nutrition and food security matters in the region. They believe it imperative that a careful mapping of actors across the value chain take place, and that those perspectives are represented at decision making foras. Given the complexity of food security, particularly in countries with a decentralized decision-making structure, collaboration between and intra sectors is essential to address common challenges related to regulation, innovation, public goods, sustainable development, knowledge management, sanitation, and managing supply chains. ♦

#### **Next steps:**

- AMACA-Comark and ANDI to work towards formalizing a partnership that will seek to create a sustainable marketplace that promotes farmers' crops at a national scale, to support farmer income growth and encourage illegal crop eradication.
- 2020 Annual Summit to feature food system programming that brings together diverse and influential perspectives on food security and nutrition matters.

#### **Table Lead:**

- Paul Lucich Osorio, Head of Nutrition (CARE Peru)

#### **Participants:**

- Cesar Aponte, CEO (AMACA-Comark)
- Luc Lapointe, CEO & Founder (BCImpact)
- Mark Lundy, Sustainable Food Systems Program Leader (The International Center for Tropical Agriculture/CIAT)
- Camilo Montes Pineda, Executive Director, Chamber of Food Industry (ANDI)
- Tomas Rayes, Founder (Master of Regeneration)

## Scaling Natural Capital Solutions



With increasingly uncertain climate patterns, Latin America needs to prioritize initiatives that focus on resilience and adaptation. There are many aspects to climate change adaptation and environmental security that are pressing, but this conversation focused on deforestation and preserving biological and cultural diversity through a regenerative agenda.

In June 2020, the Under2 Coalition, a global community of state and regional governments committed to ambitious climate action in line with the Paris Agreement, entered its peer learning phase, in which project states will share their experiences with other states and regions around the world as they develop pathways towards their own climate goals. As part of this peer learning process, the State of Querétaro was selected as a subnational government ambassador of the Coalition. Querétaro will seek to scale and increase projects that advance regenerative agriculture, like their own partnership between the state and the Sierra Gorda Ecologica Group.

The partnership in Querétaro, known as a Nationally Appropriate Mitigation Action (NAMA), was created under the UN Framework Convention on Climate Change (UNFCCC). The project, titled Subnational Mitigation Actions for Landscape Regeneration, creates carbon sinks in forests and soils by valuing natural capital and benefiting forest landowners. The new revenue for beneficiaries is contributing to a circular economy for conservation and goes in hand with a public policy initiative developed by Grupo Ecologico Sierra Gorda and adopted by the state government. This is an extremely crucial and timely project, in that Sierra Gorda makes up 36% of Querétaro. In 2000 the State of Querétaro mitigated 40% of its greenhouse gas emissions. Without mitigating practices and the way the economy is growing, by 2050 it would only capture 9% in the state.



**Regenerative Agriculture:**

A system of farming principles and practices that increases biodiversity, enriches soils, improves watersheds, and enhances ecosystem services. Regenerative Agriculture aims to capture carbon in soil and aboveground biomass, reversing current global trends of atmospheric accumulation. At the same time, it offers increased yields, resilience to climate instability, and higher health and vitality for farming and ranching communities.

The question that arises constantly when speaking about the issue of preserving biological and cultural diversity through a regenerative agenda is how can you (*or, should you*) scale? In other words, can projects like these be open to alternative forms finance, beyond just traditional state funding? Some of the participants believed that in order to truly scale and to implement this model in other regions, you would need diverse investors—which of course means having investors with specific metrics and return-on-investment priorities in mind. The debate highlighted that this can be a slippery slope, given that investors with such a perspective can take advantage of indigenous or vulnerable peoples in these areas.

A project that has successfully navigated the financing of scale that was introduced to the table was the Finance for Forests (F4F) initiative, jointly run by BHP, Conservation International, and Pollination. This partnership works to harness private sector finance to contribute to the conservation of the world's forests. F4F shares BHP's experiences to help encourage replication of these investments and the exploration of other innovative private finance tools to conserve forests and further advance REDD+ processes. F4F serves as a hub of learning during a time of critical transition as countries, supported by businesses, follow through on Paris Agreement commitments. ♦

**Next steps:**

- The creators of this unique model in Querétaro are looking to promote the replication of the model in at least 20 different subnational governments in the region. They want to be the window to other opportunities in Latin America as a “best practice” model. If you are interested, or have a subnational government that would be interested in learning more, please contact [partnerships@concordia.net](mailto:partnerships@concordia.net).

**Table Leads:**

- Martha ‘Pati’ Ruiz, Director (Grupo Ecológico Sierra Gorda)
- Ricardo Torres, Deputy Secretary (Estado Libre y Soberano de Querétaro, Government of Mexico)

**Participants:**

- Hari Balasubramanian, Managing Partner (EcoAdvisors)
- Luis Fernando Rios Benavides, Country Manager (Partnerships for Forests)
- Camilo Santa, Founding Partner (Banca de Inversión Sostenible)
- Agustín Silvani, Senior Vice President, Conservation Finance Division (Conservation International)

## Demonstrating Innovation in Migration

More than 5.1 million individuals have left Venezuela as a result of the country's economic response and political violence, with Colombia hosting the largest number of migrants—over 1.8 million men, women, and children, the majority of which hold 'irregular status' and lack documentation to lifesaving rights and services. Colombia has leveraged strong government interventions and human-centered approaches to manage the economic and social impact of this migrant flow, demonstrating innovation in blending impact investing, results-based financing, and information management systems for vulnerable populations. However, more progress is necessary as COVID-19 challenges health and economic responses, and as existing measures are becoming increasingly exhausted. Additional investment and philanthropic capital to the sum of \$1.4 billion is needed to support the deliverance of short and longer-term humanitarian aid for this vulnerable population in accordance with the official Regional Refugee and Migrant Response Plans. And, a more holistic and regionally-coordinated approach is needed to shore up support of innovative solution building that generates a long-term impact in the face of COVID-strained resources, rather than a patchwork of national responses that fail to address the drivers of forced migration.

Discussants immediately connected the lack of reliable, timely, and complete data with the challenged responses, and thus sought to identify financing and partnership opportunities that resolve the problem statement: "Venezuelan migrants lack access to necessary citizen information that is essential to identify key factors to generate economic opportunities." This lack of two-way information flow prevents the creation of meaningful work that fully meets the needs as well as skills of these job seekers. The creation of decent work and economic growth is further challenged by the prevalence of an informal economy across Latin

America, which is incongruent by nature with the legal and procedural structures that governments develop as it pertains to special residency permits or identification mechanisms for Venezuelan citizens. To address these supply and demand side challenges, it was determined that Colombia's private sector and government must develop a process to classify the Venezuelan population by their labor capacity—that is, by their studies or work experience and language capabilities, to take advantage of different vacancies in the productive or manufacturing sector and more rapidly fulfill their socioeconomic needs.

**With improved data on volume of need and skills within the migrant community, meaningful jobs can be created. Discussants specifically spoke of the potential in green jobs and those related to addressing climate change, and modeling employment schemes after those used globally.**

The International Migration Organization (IOM) Brazil chapter has designed one such innovative work stream, in response to community and national green job goals. The project employs Venezuelan migrants alongside other vulnerable populations in Brazil to collect and recycle plastic waste (contributing to the country's waste management objectives) and trains them to process the waste to be repurposed for 3-D printing (contributing to the country's climate goals). This project not only met a direct environmental objective held by Brazil, which in 2019 was the fourth-highest plastic waste-producing country globally, but also created meaningful, technical jobs in the formal economy. The IOM is demonstrating similar innovation in the housing and agriculture sectors in the region.



These jobs must be designed to add value to the host community as well as the beneficiaries. By connecting sustainable job creation with migrant and refugee socioeconomic integration, expanded social benefits can be realized. Innovative financing schemes, like results-based financing or pay-for-success models, are ripe for these impact-driven and metric-heavy jobs that deliver economic and public service.

Innovation is not synonymous with technology and/or data, and can be just as valuable a process as it is a product. The IOM called for the need of flexibility within the traditional donor community to increase unrestricted funding and more nuanced, long-term reporting frameworks. This flexibility in finance and reporting structures could also enhance coordination, both within and across organizations as well as at the governmental levels. This would allow for development and iteration as a by-product of direct project financing and create more learnings and space for adaptation or evolution as an evolving context calls for it.

This conversation brought together key actors designing frameworks for Colombia's response. By coming together and sharing different perspectives related to obstacles and opportunity, the Colombian government is better equipped to direct efforts towards more sustainable and equitable results. ♦

#### **Next steps:**

- IOM to work towards establishing an Innovation Hub to facilitate enhanced coordination and learning across its 2,000+ active projects. To directly support this hub through in-kind (data science) or financial contributions, contact [partnerships@concordia.net](mailto:partnerships@concordia.net).

#### **Table Lead:**

- Jose Octavio Carrillo, Executive Director (AidLive)

#### **Participants:**

- Maria Moreno, Head of Operations, USA for IOM (International Migration Organization)
- Besem Obenson, Head of Sub-Office Medellin (UNHCR - The Refugee Agency)
- Angela Ospina de Nicholls, General Director (Agencia Presidencial de Cooperación Internacional)
- Juan Franciso Espinosa Palacios, Director (Migración Colombia)
- Gerardo Talavera, General Director (Casa Refugiados)
- Javier Urrutia, Executive Director for Foreign Investments (ProColombia USA)



## Democratizing Healthcare Access



For many Latin American citizens, healthcare is linked to geography: where you live directly influences access and quality, with rural citizens being the most disadvantaged. While technology and digital health is opening new opportunities, it is still unevenly distributed and still too many healthcare facilities are working on guaranteeing basic healthcare services—like water, sanitation, and hygiene facilities—to focus on new technologies, like remote healthcare or the leveraging of artificial intelligence (AI) to detect pandemic trends or

inform treatments. This disparity, evident in non-pandemic times, is profoundly felt as communities and countries grapple with a COVID-19 response. As with other regions, Latin America is struggling to respond and even quantify the scope of the unprecedented COVID-19 pandemic. Countries in Latin America must pay attention to the long-term inequalities present in the region that have been exposed by the pandemic, with a focus on healthcare quality, accessibility, and affordability.



Water Engineers for the Americas and Africa connect rural communities with reliable access to water, to support daily life as well as reduce health vulnerabilities. One current project centers on the indigenous community of Ixcán, Chiapas, Mexico, which has a population of approximately 1,000 people (180 homes), several churches, a community healthcare facility, and a primary school. The community uses the local river and small hand-dug wells for water supply, bathing, and clothes washing. The people of Ixcán experience many of the vulnerabilities discussed by the group, and

are at risk of COVID-19 and other illnesses due to their location and inadequate health infrastructure. Since 2015, WEFTA has donated volunteer time to mobilize the community for design and construction of a potable water system and will continue to donate time for the completion of the system. They have secured partial project funding from the private sector and guaranteed 25% of total project cost from the community. They are currently seeking additional philanthropic or grant capital to complete the initiative.

Investment in technology and healthcare infrastructure could offer a solution to the challenges in Latin America and meaningfully shift the region from a culture of recovery to one of prevention. Discussants believed a more equitable healthcare system starts with quality information, supported by technology. This data must not only cover the direct prognosis and response, but also the environment in which the ailment is being treated. Above all, it must be human-centric. By investing in improved data collection systems, Latin American governments can better understand the local drivers of health needs and finance, or partner on contributors to health and wellbeing.

Investment in systems must be complemented by investment in education. The government and health sector must collaborate to better educate and engage citizens in national health systems. Absent this bridge, healthcare will continue to be reactive and costly, rather than preventive and strategic. Discussants shared innovative ways in which hospital systems and public health agencies are reaching citizens through educational campaigns, which has helped reduce the spread of COVID-19.

This discussion included perspectives from the Dominican Republic, Venezuela, Mexico, and Colombia, reflecting a set of challenges at the regional rather than national level. Regardless of borders, healthcare remains a challenge for those living in rural communities and with lower incomes.

Increasing access to education on preventing healthcare practices can best help reduce the need for services and drive down healthcare-related costs. It is important to improve the capacity of health providers in these territories, and the education of the population. ♦

#### **Next steps:**

- Milken Institute will continue research regarding healthcare investment in Latin America, to support the ecosystem and dealflow.
- Participants will further explore collaboration in their respective countries that support health education and access to water, and overcome infrastructure barriers.

#### **Table Lead:**

- Elisa Torrenegra, Executive Director (Gestarsalud)

#### **Participants:**

- Rodrigo Bettini, Director (Milken Institute)
- Andrea Echavarria, Executive Vice President (Fundación Carlos y Sonia Haime)
- Carlos Eduardo Jurado, Director, Chamber of Health (ANDI)
- Ramon Lucero, Advisor (Water Engineers for the Americas & Africa)
- Joel Vicioso, Country Director Dominican Republic (Wine2Water)

## Building a Circular Economy



Since the early days of industrialization, society has adopted a linear approach to resource consumption, creating a one-way system of utilizing resources to make products and disposing of them after use. This process has become increasingly unsustainable as the global population grows at a more rapid pace and global demand increases exponentially. Furthermore, companies have begun to notice the higher-risk exposure associated with a linear model: as raw materials and resources decline, commodity prices have risen by 150% from 2002 to 2010, resulting in increased pricing volatility that increasingly makes the current linear model attractive from all sides.

In response to these obstacles, many experts have proposed a shift to a circular economy. Adopting a circular economy is poised to create a wide range of societal benefits, including reduced production costs, less resource volatility and disruption, increased innovation and job creation, and more long-term economic resiliency. Many global trends have created conditions for an easier implementation of a circular economy. An increasing number of people are displaying a preference for access over ownership, allowing for the growth of a sharing economy. Furthermore, urban populations are expected to rise by 20% to 4.2 billion in 2020, allowing for sharing economies to benefit from increased density and scale, along with

more simple logistics. Additionally, improvements in information technology have resulted in more efficient collaboration and better forward and reverse logistics setups. **Latin America, specifically, holds high potential for the implementation of circular economies. The region has an extremely resource-rich economy that produces 44% of the world's copper, 49% of its silver, and 65% of its lithium, and hosts 20% of the world's oil reserves and 33% of its fresh water. As a major resource-exporter, Latin America could realize significant economic potential and growth by moving to a circular economy.**

Discussants spoke at length on the current state of the circular economy in Latin America. As a result of COVID-19, the volume of home deliveries has increased significantly but there has been limited change in the amount of material being recycled. This lack of correlation is indicative of many underlying challenges surrounding the circular economy. One aspect highlighted by discussants is the divide between sustainability and design; rather than viewing this as a struggle between environmental impact and product quality, companies need to recognize that there are materials available that can fulfill both needs effectively. Discussants also noted the lack of research & development (R&D) on materials. Not only would increased R&D allow for new materials

with the potential for recyclability to be developed, but it would also discourage the use of multiple existing materials that have harmful environmental effects due to their chemical composition or that lack a viable market for recycling. Looking at the consumer end, discussants stressed the lack of consumer knowledge regarding proper recycling procedures and techniques, causing potentially recyclable material to end up in landfills. This is important as consumers are the last mile users and failure to properly handle products and packaging means any previous effort in the value chain to contribute to a circular economy is wasted.

Latin America has already begun to respond to these challenges, as seen by a number of programs and projects in development:

- Discussant Waste2Worth partnered with iNNpulsa to set up circular economy projects that will provide an education and prototyping program for 500 companies across 11 cities in Colombia.
- In hopes of reducing the logistical and operational expenses of moving large quantities of materials to processing plants for recycling, Waste2Worth also supported the Chamber of Grooming Cosmetics in its efforts to develop a joint plan to research the most viable methods of mobilizing materials.
- Chile's Production Development Corporation (CORFO) provides multiple innovation grants, ranging from \$12,000 to \$500,00 in value, for companies of various sizes and at varying stages of development.
- CORFO also runs the Start-Up Chile accelerator, which has two programs with a total portfolio

of up to 180 start-ups per year. The S Factory pre-acceleration program provides companies with \$10 million Chilean Pesos and four months of training, while the Seed program provides selected companies with \$25 million Chilean Pesos and seven months of training.

Discussants also proposed new ideas and focus areas in response to these challenges. A key point stressed was the need to align all actors under a set of joint values and to ensure that there is unified communication. In order to do so, many discussants proposed education-based solutions for all actors throughout the value chain. For instance, in Colombia, the national government could promote corporate and consumer education to increase the amount of material that is properly separated. Furthermore, producers should be educated on which materials have a viable processing market, taking the technological and logistical cost constraints of recycling processors into account. Similarly, easy to understand recycling instructions should be printed onto packaging to educate and help consumers. Beyond education, discussants also noted the need for financial support for research, especially that which would allow alignment between consumers, producers, and processors in the value chain. ♦

#### **Next steps:**

- Discussants plan to build on their discussions through virtual working groups that will meet in order to develop solutions and partnerships to effectively address the challenges of implementing a circular economy.

#### **Table Lead:**

- Joaquin Carabello, Director (Waste2Worth)

#### **Participants:**

- Kelly Basabe, Project Manager (CEMPRE)
- Gerónimo Basille, Founder (NOMO Waste)
- Valeria Frigeri, 3M Colombia Country Leader and General Counsel 3M Andean Region (3M)
- David Rachelson, Chief Sustainability Officer (Rubicon)
- Alfredo Ramos, Business Development Manager (Common Good Partners)

#### **Circular Economy:**

An economic system designed to eliminate waste and keep materials in a regenerative cycle of use.

## Creating Profitable & Sustainable Agriculture Systems

Although the UN Food and Agriculture Organization (FAO) expects global agricultural trade to slow, Latin America has shown significant growth in agricultural output over the last two decades. The region has a comparative advantage in the agricultural products it produces, especially commodities like maize, rice, and beef. These commodities are likely to experience growing global demand in the future, emphasizing the importance of Latin America as a global exporter and highlighting the region's market potential. Latin American agricultural growth is a result of productivity improvements that have allowed the region's agricultural total factor productivity to increase at an average annual rate of 2.1% between 1991 and 2015.

Moving forward, agricultural growth must be made more sustainable. Latin America is abundant in resources but there are still a number of environmental challenges, such as soil erosion and deforestation, that may hinder future progress. However, the sector lacks financial investment that is targeted at sustainably increasing agricultural productivity, such as thorough research & development or infrastructure improvements. COVID-19 further highlights the need to shift agriculture to a more sustainable model as food security becomes a major issue. Around 4.4 million people in Latin America are experiencing a food crisis and this is only exacerbated by persistent malnutrition and infectious disease in the region. The post-pandemic agricultural system must create a more resilient production system with increased investment from the private sector and greater involvement from women and youth.

Discussants identified a number of challenges Latin America faces in building sustainable agricultural systems. Beyond the aforementioned environmental challenges, producers in Latin America have limited agricultural education, thus preventing them from knowing about and utilizing

more effective and efficient production techniques. Discussants also noted that many agricultural workers tended to be older and with limited access to technology, making it difficult for them to access new and innovative ideas that could increase their productivity and income. Furthermore, many small producers in Latin America face difficulties in scaling up and bringing their products to international markets. As a region, Latin America faces severe poverty challenges that contribute greatly to the previously-mentioned food crises and further emphasize the need for sustainable agriculture systems in the region.

Multiple existing solutions in Latin America have successfully helped build sustainable agricultural systems:

- The Colombian government has established illicit crop replacement programs, aiming to help farmers swap coca crops for substitutes, like coffee and cocoa. Participating farmers will receive a payout of \$11,000 over two years in exchange for clearing their coca crops within 60 days of the first disbursement. While cocoa may not be as profitable as coca, producers also receive non-financial benefits, like peace and security.
- In 2019, the Inter-American Foundation (IAF) and the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC) announced a partnership intended to improve the income and food security of smallholder farmers. The partnership will include financing and research for sustainable farming best practices, and increasing access to finance for climate and crop insurance.
- The Fairtrade Access Fund launched in 2012 as an evergreen fund intended to provide agricultural producers in Latin America, the Caribbean, and Africa with better access to financing and to sustainable markets, both locally and globally. The fund has disbursed





over \$128 million in funding to agricultural communities and supported 252,000 farmers.

- Fair Trade Certified implements fair trade standards to protect producers and charges importers an additional fee that is returned to the producer community as a part of the Community Development Fund. The organization has generated over \$465 million in funds globally, and each producer community has control over how their own funds are used.

**While there is no lack of investors interested in addressing these challenges, discussants stressed that many proposed projects do not have designs or metrics that investors can confidently invest in.**

Looking forward, discussants agreed that proposed solutions should leverage innovative technology to provide producers and projects with increased visibility, income, and productivity by consolidating, shortening, and providing transparency to market value chains. One proposed solution underlined the potential value in shifting production focus to quality rather than just quantity—by providing information to consumers that demonstrate that a product is of high quality and has a positive social impact, producers may find that consumers are more willing to pay a higher price for their products. For example, iFinca suggested using blockchain technology to provide transparent information about the value chain to all actors involved, including consumers, who would have the opportunity to learn about the social and environmental impact of the products they are buying. In doing so, iFinca hopes to supplement other certification processes and show consumers how much they are paying for their products in comparison to the market

price for producers. Another proposed solution suggested building local markets for products, not just international ones. Focusing on local markets would help build local resiliency as more income remains within the community and more business and job opportunities are created for the younger generation. ♦

#### ***Next steps:***

- To learn more about Concordia Patron Member iFinca's mobile and blockchain technology as a critical input towards a better agriculture value chain in Latin America, contact [partnerships@concordia.net](mailto:partnerships@concordia.net).
- Concordia Annual Summit to feature food system programming that brings together diverse and influential perspectives on building sustainable and resilient agriculture value chains.

#### ***Table Lead:***

- Sebastian de los Rios, Natural Climate Solutions Consultant (HERE Communities)

#### ***Participants:***

- Andres Rodriguez Arévalo, Chief Investment Officer (Fiduagraria)
- Justin Dena, Chief Operating Officer (iFinca)
- Juan Carlos Mahecha, Director (Colombia Sostenible)
- Felipe Mejia, General Manager (Agua Siembra)
- Maria Luisa Luque Sanchez, Co-Founder (Plataforma Nuup)
- Manuel Tejada, Founder (Biocaucho)

## Investing in Indigenous Communities

Indigenous peoples in Latin America have made significant social progress, experienced a reduction in poverty levels in several countries, and gained improved access to basic services during the boom of the first decade of the century. That said, they have not benefited to the same extent as the rest of Latin Americans, according to a World Bank study published in 2015. While indigenous peoples make up 8% of the population in the region, they represent approximately 14% of the poor and 17% of the extremely poor in Latin America.

This table discussed how the landscape of indigenous communities can be improved through private investment or innovative financing to enable them to create the future they want. However, a number of cultural and structural barriers exist in current investment strategies. One such issue included the difficulties around the Territorially-focused Development Programs (PDET) that lack flexibility in some processes and that have been exacerbated by the pandemic. Additionally, it is difficult to justify or explain the role of an investor to indigenous communities from a technical perspective, since these communities have ways of approving or accepting matters that are very different to those of investors. For example, **indigenous communities tend to favor a broad and diversified portfolio, but this approach is not appealing for most investors who support traditional industries such as coffee or cocoa and seek larger production capacities and investments.** Lastly, the table identified that despite great enthusiasm among indigenous entrepreneurs to work with investors and finance institutions to shift from a donor to an investment model, there are multiple administrative and process issues that create barriers for indigenous entrepreneurs who are not accustomed to lengthy or bureaucratic processes.

Currently, all of the aforementioned issues have been exacerbated due to the pandemic.

The table did highlight the resources available

by discussing the existing projects in development and how other participants can add value:

- 25% of Inter-American Foundation (IAF) donations are for indigenous initiatives or organizations that work with them. For every dollar they invest, grantees mobilize on average \$ 1.31 in funds from counterparts or other allies.
- Nesst is working with USAID and WWF to invest in at least 30 entrepreneurship in the Andean region over four years. The process started last year, and they are currently in the process of choosing the entrepreneurs.
- The UN is implementing a blended finance initiative, where \$2 million has been invested in seven investments within the PDET municipalities in Colombia, some of which contain indigenous communities.
- Measurement Matters is supporting indigenous entrepreneurs in Colombia by teaching them entrepreneurial skills, as well as working with other organizations to study indigenous finance and develop new, innovative finance tools to make sure that they have access to appropriate finance in the future.

To truly reduce the vulnerabilities of indigenous communities more successfully, investments need to introduce more flexibility in planning time, so that there can be a greater transfer of mutual knowledge priority setting. In order for communities to feel connected to investors, trust needs to be fostered with all stakeholders. This means that long-term development projects should not be approached as quick discussions and additional time must be built into the planning and design stages. ♦



**Next steps:**

- Following this discussion, PROSIERRA, Measurement Matters, and two indigenous groups submitted an application for the UK Partnering for Accelerated Climate Transitions (UK PACT) grant, a program funded by the UK government. UK PACT supports countries that strive to overcome barriers to clean growth and have high emissions reduction potential to accelerate their climate change mitigation efforts. This project hopes to support an ecosystem mapping and needs assessment to support the creation of dynamic value chains for rural, indigenous entrepreneurs in the Southwest and Sierra Nevada regions of Colombia. The aim of this initiative is to connect entrepreneurs and rural value chains to markets and capital, and to better help answer questions around indigenous finance.
- Organizations at the table are supporting each other in conversations across different issues such as peace and security, economic development,

and environmental stewardship in indigenous communities in Colombia and Latin America.

- NESST will scale its investment into Colombia in the third or fourth quarters of 2020.

**Table Lead:**

- Teryn Wolfe, Founder (Measurement Matters)

**Participants:**

- Nicolas Bermudez, Local Liaison, Colombia (Inter-American Foundation)
- Isabel Castillo, Country Director, Andean Region (Nesst)
- Zoraida Castillo, Director (Programa de Desarrollo y Paz del Cesar)
- Santiago Giraldo, Director of the Colombia Heritage Program (Global Heritage Fund)
- Pontus Ohrstedt, Head, United Nations Resident Coordinator's Office in Colombia (UNDP)
- Alfonso Rodríguez Linares, General Director (Comba Internacional)



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