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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

REGIONAL

OPEC FUND-IDB TECHNICAL ASSISTANCE FACILITY

(RG-O1737)

FACILITY DOCUMENT

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EE#1	<u>Operational Manual</u>

ABBREVIATIONS	
ESPF	Environmental and Social Policy Framework
FC	Facility Coordinator
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
LAC	Latin America and the Caribbean
OM	Operational Manual
OPEC Fund	The OPEC Fund for International Development
PSG	Project-Specific Grant
SDG	Sustainable Development Goal
TC	Technical Cooperation

**PROJECT SUMMARY REGIONAL
OPEC FUND-IDB TECHNICAL ASSISTANCE FACILITY
RG-O1737**

Implementation Arrangements and Budget							
Beneficiary Countries:							
Regional - IDB borrowing member countries (except OPEC Fund member countries). ¹							
Executing Agency:							
Inter-American Development Bank							
Source(s)	Amount (US\$)	%					
The OPEC Fund for International Development (OPEC Fund) (PSC - Project Specific Contribution Account)	2,850,000 ²	100					
Total:	2,850,000	100					
Facility Summary							
<p>Objective: The general objective of the proposed Facility is to increase access to infrastructure in LAC countries by fostering the preparation and execution of high-quality infrastructure projects in countries of common interest to the IDB and the OPEC Fund. The specific objectives are: (i) to generate a robust pipeline of investment and policy-based loan operations that can be subsequently co-financed by both institutions, thereby supporting the expansion and consolidation of a joint loan portfolio; and (ii) to enhance the efficiency and quality of infrastructure project execution by strengthening institutional and technical capacities in beneficiary countries.</p> <p>Funding and Types of Financing: The facility will be financed by the OPEC Fund through OPEC Fund with US\$2,850,000. The Facility will provide financing through non-reimbursable Technical Cooperations (TCs). Resources will be channeled through individual projects. All individual projects must comply with the eligibility criteria described in this document and will be approved following the IDB policies and procedures.</p> <p>Structure: The facility will be structured in the following components: (i) Component I: Support to project design and implementation (US\$2,500,000); and (ii) Component II: Institutional strengthening (US\$350,000).</p> <p>Exceptions to Bank Policies: None</p>							
Strategic Alignment IDB Strategy+							
Core Objectives^(a):	PI <input checked="" type="checkbox"/>	CC <input checked="" type="checkbox"/>	SG <input checked="" type="checkbox"/>				
Focus areas^(b):	BNCCA <input checked="" type="checkbox"/>	GEIDP <input checked="" type="checkbox"/>	ICRLCS <input checked="" type="checkbox"/>	SPHCD <input type="checkbox"/>	SRII <input checked="" type="checkbox"/>	PCIPP <input type="checkbox"/>	RI <input checked="" type="checkbox"/>

- a) PI (Reducing Poverty and Inequality); CC (Addressing Climate Change); and SG (Bolstering Sustainable Growth).
- b) BNCCA (Biodiversity, Natural Capital and Climate Action); GEIDP (Gender Equality and Inclusion of Diverse Population Groups); ICRLCS (Institutional Capacity, Rule of Law and Citizen Security); SPHCD (Social Protection and Human Capital Development); SRII (Sustainable, Resilient and Inclusive Infrastructure); PCIPP (Productive Development and Innovation through the Private Sector); and RI (Regional Integration).

¹ Beneficiary countries include Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, and Uruguay

² The IDB will administer these funds through a Project-Specific Grant (PSG). The OPEC Fund will contribute US\$3,000,000. Out of this contribution, US\$150,000 will be set aside as a 5% administration fee. The remaining contribution of US\$2,850,000 corresponds to the facility amount as indicated above. The administration fee will be distributed to the Bank's offices involved in the origination and execution of the resources to make up for the costs associated with the administration and execution of the contribution

I. FACILITY DESCRIPTION AND OBJECTIVE

A. Background, problem addressed, and justification.

- 1.1 **Infrastructure investment gap.** Latin America and the Caribbean (LAC) face a substantial infrastructure deficit that must be addressed in order to achieve the Sustainable Development Goals (SDGs) by 2030. The IDB estimates³ that the region needs approximately US\$2.22 trillion in investments across water and sanitation, energy, transportation, and telecommunications sectors by 2030. Of this total, 59% should fund new infrastructure, while 41% should go toward maintenance and replacement of aging assets. These investments equate to roughly 3.12% of regional Gross Domestic Product (GDP) per year. Currently, the region falls far short—public investment averaged only about 2.08% of GDP between 2008 and 2021. This gap hinders the region’s economic competitiveness and its ability to deliver resilient, equitable services to all citizens.
- 1.2 **Transport sector.** The road sector remains underdeveloped and poorly maintained in much of the region. Only about 65% of roads are paved, and rural areas are particularly affected by limited coverage and poor quality networks. This directly impacts access to markets, raising logistics costs—which are on average 30–50% higher than in OECD countries—and weakening the competitiveness of local producers. For rural populations, the deficit translates into limited access to schools, healthcare, and employment opportunities, perpetuating cycles of poverty and exclusion. When other transport sectors such as public transport are considered, the infrastructure gap is even greater, further constraining mobility, inclusion, and economic productivity. The IDB estimates that closing the transport infrastructure gap will require annual investments equivalent to 1.37% of GDP through 2030,⁴ not only to expand road coverage but also to rehabilitate and maintain existing networks, ensuring resilient connectivity that reduces costs and promotes inclusion.
- 1.3 **Energy sector.** The energy sector in LAC faces critical infrastructure challenges that constrain progress toward broader social and economic development goals. While the region has made strides in expanding electricity access, disparities persist, particularly in rural and remote areas where service remains unreliable or prohibitively costly. Aging transmission and distribution networks, limited regional interconnections, and insufficient investment in renewable generation restrict the ability to meet rising demand sustainably. These gaps hinder industrial competitiveness, slow the digital economy, and compromise efforts to achieve climate commitments, including the decarbonization of energy systems. Bridging the gap requires annual investments of around 0.81% of GDP through 2030,⁵ a level essential not only to expand clean generation capacity and modernize grids, but also to ensure affordable, reliable, and sustainable energy that underpins inclusive growth and improved quality of life.
- 1.4 **Water and sanitation sector.** Securing universal access to clean water and sanitation will require investment equivalent to 0.50% of GDP annually.⁶ The reality, however, shows stark disparities: only about 87% of urban households have improved in-home drinking water, compared to around 38% in rural areas. Sanitation coverage remains low—only around 51% of the population is connected to sewer systems, and a mere 15% of collected wastewater is treated.⁷ These gaps exacerbate health risks, environmental degradation,

³ [IDB, 2021.](#)

⁴ [IDB, 2021.](#)

⁵ [IDB, 2020.](#)

⁶ Ibid.

⁷ Ibid.

and inequality. Historically, investment in water and sanitation averaged only 0.12% of GDP in the 1990s, far short of needed levels. Bridging this gap will also require innovative financing, better cost recovery, and targeted subsidies to ensure equitable outcomes.

1.5 **Digital infrastructure.** Despite notable progress in recent years, LAC countries continue to face a significant digital connectivity gap that undermines productivity and inclusion. Broadband penetration and internet quality remain uneven, while internet usage across LAC stood at 76.9%, fixed broadband penetration was just 17.7% of households, with urban centers far better served than rural and low-income areas, where infrastructure deployment is costly and private investment limited. This digital divide restricts access to markets, information, and essential services, reinforcing structural inequalities and limiting opportunities for education, remote work, and innovation. High costs of connectivity—estimated to be among the highest relative to income worldwide—further exacerbate exclusion, particularly for vulnerable populations.⁸ In terms of digital infrastructure, Latin America and the Caribbean (LAC) face a structural gap. With only 172 data centers, the region has just one facility for every 3.8 million citizens, clearly highlighting the digital divide.⁹ Moreover, digital content providers in LAC account for a significantly smaller share of total bandwidth consumption compared to other global regions.¹⁰ This reflects the underdeveloped regional digital infrastructure and undermines the region's ability to generate, store, and distribute digital services efficiently, resulting in higher latency and increased costs for users and businesses. Closing this gap will require substantial digital infrastructure investment, with an estimated US\$70 billion needed to bridge the region's broadband divide (footnote#11) directed toward expanding fiber optic networks, improving mobile coverage, fostering universal, affordable access and the development of Digital Infrastructure for Data and AI that can accelerate economic diversification and social development.

1.6 **Social infrastructure.** One of the main problems in the health system in LAC is that the physical infrastructure is aging and poorly maintained. The IDB estimates the need for investment in this area at around \$100 billion—both to replace old hospitals, clinics and medical equipment and to upgrade infrastructure to meet today's energy efficiency standards. Another challenge is inequity, with major differences in access and quality of health services between and within countries across the region. The region's educational performance is poor. In the most recent Program for International Student Assessment (PISA), LAC countries were placed in the bottom third of the ranking. As with health care, the educational infrastructure in LAC needs to be updated and improved. Only around 65 percent of students in the region have adequately equipped classrooms or attend schools that have at least one academic space in addition to classrooms, according to IDB data. This situation disproportionately affects rural areas, where students are most likely to attend under-resourced schools. These gaps in health and education infrastructure highlight the urgent need for targeted investments in social infrastructure. Addressing outdated hospital facilities, inequities in healthcare access, and inadequate school

⁸ Affordability gap: for the 40% of households with the lowest income, the cost of 1GB of mobile data can reach up to 3.52% of monthly income, while fixed broadband can exceed 17.24%, well above the ITU's 2% affordability benchmark ([International Telecommunication Union, 2023](#)).

⁹ North America (U.S. and Canada) 2,031 data centers, equivalent to one facility for every 187,789 people. Europe 1,720 centers, or one per 432,558 people. Latin America and the Caribbean (LAC) have only 172 data centers or one for every 3.8 million citizens ([CEPALSTAT, 2023](#)).

¹⁰ In Latin America, digital content providers account for a significantly smaller share of used bandwidth compared to other global regions, recently reaching 49% in 2024 on key routes like the U.S.–Latin America corridor, versus consistently higher levels (above 60%) in North America, Europe, and Asia ([TeleGeography's Transport Networks, 2025](#)).

environments is critical not only to improve human capital and social inclusion, but also to underpin long-term productivity and sustainable development in the region. The same logic can be extended to other social sectors, such as social protection, citizen security, employment development, and the provision of various types of services to the public, where adequate infrastructure is key to ensuring access, quality, and equity.

- 1.7 **Project preparation challenges.** Effective infrastructure delivery in LAC depends not only on meeting overall financing requirements but also on securing sufficient resources for pre-investment and project preparation. The region's limited support mechanisms and resources for project preparation constitute a major barrier to the development of high-quality infrastructure projects.¹¹ Pre-investment and preparation activities are often underfunded, creating bottlenecks that delay execution and limit the region's ability to expand and modernize its infrastructure. Directing financing toward project preparation is therefore critical to ensure a robust and mature pipeline of infrastructure projects. In addition, well-prepared projects will provide governments with high-quality information to support decision-making regarding project execution and the choice of contracting modality that maximizes value for money.
- 1.8 **Challenges in project execution.** The execution of infrastructure projects in LAC often encounters challenges that can affect timelines, costs, and overall impact. Limited institutional capacity constrains the ability of public agencies to manage complex projects, particularly in areas such as procurement, technical oversight, and supervision. Regulatory and legal frameworks, while essential to ensuring transparency and accountability, can sometimes involve procedures that extend approval processes or create coordination challenges across different agencies. In addition, frequent political transitions and evolving policy priorities may affect continuity in project implementation. These factors highlight the importance of strengthening institutional capacity, streamlining regulatory processes, and fostering inter-institutional coordination in order to enhance the efficiency and sustainability of infrastructure delivery in the region.
- 1.9 **IDB support to LAC countries.** The IDB has established itself as a key partner in addressing the infrastructure deficit in Latin America and the Caribbean by mobilizing financial resources, providing specialized technical assistance, and fostering the generation and dissemination of knowledge. Through its lending instruments, technical cooperation programs, and support for preparation of efficient and bankable public-private partnerships transactions in social and economic sectors, the Bank contributes to the expansion and modernization of critical infrastructure sectors, while promoting the preservation, rehabilitation, and resilience of existing assets. During the last twenty years, the IDB has devoted on average more than 32% of its sovereign-guaranteed lending portfolio to infrastructure-related sectors such as transport, energy, and water and sanitation (¶1.15), underscoring its strategic commitment to closing the gap. Its interventions are guided by rigorous environmental, social, and governance standards to ensure that infrastructure development not only enhances economic competitiveness but also advances inclusive and sustainable growth. By strengthening institutional and regulatory frameworks, improving project preparation capacities, and catalyzing the participation of private capital and other development partners, the IDB plays a pivotal role in creating the conditions for long-term investment that reduces structural inequalities, and accelerates progress toward the SDGs.
- 1.10 **OPEC Fund.** The OPEC Fund for International Development (OPEC Fund) is a multilateral development finance institution established in 1976 with the mandate to foster

¹¹ [BID, 2023](#).

economic and social progress in developing countries. Infrastructure has long been a cornerstone of its operations, representing a significant share of its public and private sector financing. The Fund supports projects in transport, energy, water and sanitation, social infrastructure, and digital connectivity, with an emphasis on initiatives that catalyze inclusive growth and regional integration. Its infrastructure financing is designed to close critical service gaps, reduce trade and logistics costs, and enhance resilience, while also aligning with climate and sustainability objectives. Beyond financing, the OPEC Fund is distinguished by its global mandate, which allows it to operate across regions, its established track record in infrastructure delivery, and its capacity to mobilize resources through concessional lending, blended finance, and partnerships with other partners. These characteristics strengthen its ability to deliver solutions that are both technically sound and financially sustainable, and enable the Fund to play a strategic role in advancing the SDGs while fostering long-term competitiveness in partner countries.

1.11 **IDB and OPEC Fund collaboration.** Recognizing the scale of the infrastructure gap and the need to accelerate the preparation of high-quality, bankable projects, the IDB and the OPEC Fund have agreed to collaborate in the establishment of a dedicated facility to ready infrastructure projects for investment. This joint initiative will provide LAC countries with enhanced technical and financial support to strengthen project design, align investments with international best practices, and mobilize public and private capital at scale. By combining the IDB's regional expertise and convening power with the OPEC Fund's global mandate, Gulf-based financing diplomacy and mobilization capacity, the facility will enhance the IDB's strategic visibility in beneficiary countries and open new channels for collaboration with cross-regional development partners. It will act as a bridge connecting Latin America and the Gulf, fostering knowledge exchange and collaborative networks, while strengthening investment linkages; thereby integrating the region into broader international development dialogues. In doing so, it will catalyze solutions that drive competitiveness, inclusion, and progress toward the SDGs.

B. Objectives

1.12 **Facility objectives.** The General Development Objective of the proposed Facility is to increase access to infrastructure in LAC countries by fostering the preparation and execution of high-quality infrastructure projects in countries of common interest to the IDB and the OPEC Fund. The Specific Development Objectives are: (i) to generate a robust pipeline of investment and policy-based loan operations that can be subsequently co-financed by both institutions, thereby supporting the expansion and consolidation of a joint loan portfolio; and (ii) to enhance the efficiency and quality of infrastructure project execution by strengthening institutional and technical capacities in beneficiary countries.

1.13 **Strategic alignment.** The operation is consistent with the IDB Group's Institutional Strategy "Transforming for Scale and Impact" (CA-631). It directly contributes to the strategy's three overarching objectives: reducing poverty and inequality, as well as bolstering sustainable and inclusive growth, by improving infrastructure availability, affordability and quality in LAC countries; and addressing climate change, by supporting resilience and adaptation measures and enhancing the technical and management capacities of public authorities in the projects supported.

1.14 In addition, the Facility is aligned with the strategy's operational focus areas including: (i) Biodiversity, Natural Capital and Climate Action; by promoting sustainable and resilient infrastructure, (ii) Gender Equality and Inclusion of Diverse Population Groups, by incorporating gender and diversity perspectives into infrastructure projects; (iii) Institutional Capacity, Rule of Law and Citizen Security, by strengthening institutional

capacities for the effective design and delivery of infrastructure projects; (iv) Sustainable, Resilient and Inclusive Infrastructure; and (v) Regional Integration, by supporting the development of infrastructure projects that contribute to regional integration.

- 1.15 The Facility is aligned with the Sustainable Infrastructure Strategy for Competitiveness and Inclusive Growth (GN-2710-5) and the respective Sector Framework Documents for Energy ([GN-2830-8](#)), Transport ([GN-2740-12](#)), and Water and Sanitation ([GN2781-13](#)), by supporting the design and implementation of projects that help close the infrastructure gap in LAC, therefore improving the quality of life in the region.
- 1.16 **Value added.** The Facility constitutes a strategic instrument to consolidate and expand collaboration between the IDB and the OPEC Fund, fostering a long-term partnership to scale infrastructure financing in LAC. By supporting the preparation of high-quality, investment-ready projects, it will act as a catalyst for a robust pipeline aligned with the IDB's strategic priorities and regional initiatives, progressively contributing to a shared portfolio of operations. The Facility introduces the OPEC Fund's global experience, technical expertise, and financing capacity ([¶1.10-¶1.11](#)) to enhance project quality and mobilize additional resources for the region, while building on and complementing existing IDB mechanisms. It creates synergies with Bank facilities focused on infrastructure sectors, including: (i) Source of Innovation ([RG-O1693](#)), which promotes the development and adoption of innovative and inclusive water and sanitation solutions; and (ii) SIRWASH Phase II ([RG-O1733](#)), which strengthens water and sanitation sector governance, policy implementation, and regional knowledge exchange. Furthermore, it complements other Bank facilities that promote private sector development, innovation, and sustainability, all of which benefit from enabling infrastructure and cross-sectoral collaboration.¹² Through this design, the Facility strengthens institutional synergies, expands access to diverse funding sources, and establishes a sustained platform for future joint and complementary operations that advance sustainable and resilient infrastructure development.

II. COMPONENTS AND RESULTS

A. Components

- 2.1 The Facility is structured in three components that will finance specific output and activities in beneficiary countries.
- 2.2 **Component I: Support to project design and implementation (US\$2,500,000).** The Facility will support a comprehensive set of activities aimed at strengthening project preparation and implementation. These include the preparation or updating of pre-feasibility and feasibility studies—such as financial, socioeconomic, and engineering assessments—together with the development of procurement documentation and processes. The Facility will also finance environmental and social safeguard studies, as well as legal due diligence and reviews where required. In addition, it will provide project implementation support, covering monitoring and supervision activities, and will contribute to project evaluation efforts.
- 2.3 **Component II: Institutional strengthening (US\$350,000).** The Facility may also fund other eligible activities that facilitate the design and execution of investment and policy-based loan operations, including upstream analytical work, sectoral studies, and a comprehensive set of capacity-building initiatives to reinforce institutional capabilities.

¹² These include facilities such as: (i) Scaling Results-Based Interventions in LAC ([RG-O1705](#)); (ii) CARIBEquity – A Blended Finance Facility to Consolidate a Caribbean Investment Ecosystem for Inclusive Private Sector Innovation ([RG-O1697](#)); (iii) Achieving Net-Zero Value Chains Through Inclusive and Circular Solutions ([RG-O1713](#)); and (iv) Regional Innovation Systems: Success Factors and Main Challenges ([RG-T1712](#)).

These may comprise training and technical assistance programs to strengthen project preparation and evaluation skills; the development of regulatory frameworks and policy guidelines; the creation of standardized tools and methodologies for project appraisal, procurement, and monitoring; activities aimed to generate and disseminate knowledge gained from projects and inform the design of future projects; and the introduction of digital systems to enhance data collection, project management, and transparency.

- 2.4 If necessary, resources will be reallocated among the components to meet the actual demand of the project.
- 2.5 **Target sectors.** Infrastructure, including renewable energy, energy efficiency, transportation, banking and financial services, communication, water and sanitation, and other basic/social infrastructure, with a focus on preparation of climate adaptation, mitigation, and resilience projects.

B. Key results indicators

- 2.6 **Key result indicators.** In the long term, the OPEC Fund-IDB Technical Assistance Facility will enable financing commitments of US\$400,000,000 for infrastructure projects, including Bank's resources and other public and private financiers. Measuring the value of financing commitments enabled for infrastructure projects will serve as an indicator of the achievement of the General Development Objective (¶1.12). Additionally, the following outcomes indicators will measure achievement of the Specific Development Objectives: (i) Infrastructure projects and programs developed or strengthened with high-quality standards; (ii) Value of investment-ready infrastructure projects or programs in the pipeline; and (iii) Institutions with improved tools for design and management of infrastructure projects (Annex I).
- 2.7 The Facility will target the identification, structuring, and preparation of projects aligned with regional development priorities, with an expected pipeline of 8 to 12 operations. Of these, approximately 50 to 65 percent are anticipated to reach financial close, contributing to a tangible increase in sustainable infrastructure financing and reinforcing the strategic partnership between the IDB and the OPEC Fund.

III. FINANCING STRUCTURE

A. Financing instruments

- 3.1 **Source of funding.** The Facility will be financed by the OPEC Fund with US\$2,850,000. A PSG administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)" (Document SC-114). As contemplated in these procedures, the commitment will be established through a separate Administrative Agreement. Under such agreement, the resources for this Facility will be administered by the Bank. Authorization from the Board of Executive Directors will be sought for Bank management to enter into administrative agreements with the OPEC Fund, contingent upon the donor's acceptance of the Bank's rules, procedures, and timeframes governing the execution of the Facility.
- 3.2 **Administration fee distribution.** The Bank will charge a non-refundable administration fee of 5% to the donor contribution. The 5% administration fee will be charged upon the Bank's receipt of the contribution. Authorization from the Board of Executive Directors will be requested to distribute the administrative fee received by the Bank among the relevant departments for which additional workload is generated by the Facility.
- 3.3 **Type of financing instruments.** The Facility will deploy funding through non-reimbursable Technical Cooperation operations and Contingent-Recovery Technical

Cooperation Operations. The use of this instrument will be defined based on the financial needs of each project approved under this facility.

B. Facility Budget

3.4 The OPEC Fund expects to commit US\$2,850,000 to this Facility.

3.5 The Facility's budget will be structured as follows:

Table 1. Summary of Program Costs (USD)

Components	Donor Amount	Total (US\$)	%
Component I. Support to project design and implementation	2,500,000	2,500,000	83.33
Component II. Institutional strengthening	350,000	350,000	11.67
Total	2,850,000	2,850,000	100

3.6 The project team will be responsible for preparing and submitting the facility and project reporting to the donor, as well as for all other actions and deliverables pertaining to project execution and agreed with the donor in the Administration Agreement.

3.7 The resources of the mechanism will be allocated exclusively to the financing of the Facility activities. Components I and II of the mechanism will finance the Facility sub-projects, and the processing, approval, and implementation of each sub-project will adhere to the IDB's policies and procedures.

3.8 Resources for this project will be administered from the Project Specific Contribution (PSC) Account.

IV. IMPLEMENTATION AND MAIN RISKS

A. Implementation arrangements

4.1 **Executing Agency.** The Bank will serve as the executing agency for the administration of the Facility and will be responsible for implementing and overseeing the resources provided by the OPEC Fund as a PSG contribution. The Bank will lead the implementation and programmatic supervision of the various activities to assess overall progress and program results. The Bank will also prioritize and select sub-projects based on the criteria outlined in ¶4.2. Technical Cooperations to be financed under the Facility may be executed by the Bank, government counterparts, or eligible external executing agencies, in cases where such arrangements are agreed upon with the counterparts of the selected countries. For execution purposes, the IDB will sign non-reimbursable technical cooperation agreements with external partners where necessary. Individual subprojects will be non-reimbursable technical cooperation operations that will be processed, approved, and implemented in accordance with Bank policies and procedures.

4.2 **Individual sub-projects eligibility criteria.** Technical Cooperations to be financed under any of the facility's components must comply with the following criteria: (i) be aligned with the objectives of the facility; (ii) be executed in an eligible country; (iii) be aligned with the beneficiary countries' institutional priorities agreed with the IDB as per the Country Strategies; (iv) preference will be given to projects that can demonstrate clear prospects for co-financing by IDB and the OPEC Fund; and (v) comply with IDB's Environmental and Social Policy Framework (GN-2965-23). OPEC Fund contributions shall be limited to

US\$500,000 per individual Technical Cooperation.¹³ In cases where this amount is expected to be surpassed, prior approval from the OPEC Fund shall be sought.

- 4.3 **Technical Responsibility.** The administrative and technical supervision of the proposed operation will be the responsibility of the Transport Division of the Bank. The project team will be responsible for the preparation and submission to the donor of all execution reports. The IDB holds full fiduciary responsibility and accountability for the receipt, custody, and disbursement of the OPEC Fund contribution. The IDB rules and regulations apply to the award of contracts for the activities of this Program. The identification, preparation, appraisal, approval, disbursement of resources, execution, cancellation, termination, and supervision of eligible activities financed through the Program, as well as the selection, recruitment, remuneration and supervision of consultants, contractors and/or suppliers hired for such activities, are carried out by the IDB, in accordance with IDB's applicable policies and procedures. Specialists from the Infrastructure and Energy Sector, both from Headquarters IDB country specialists, will lead activities and sector dialogue in each of the selected countries, bringing solid experience in executing infrastructure interventions through ongoing operations and TCs.
- 4.4 To support the coordination and comprehensive monitoring of the program, ensuring that all activities are aligned with the program's objectives, a Facility Coordinator (FC) will be hired with resources from the Facility. The FC will be in charge of the operational day-to-day implementation of the Facility, including administrative tasks and support to the Team Leader on tasks such as project identification and validation of potential individual projects against the eligibility criteria and objectives of the Facility, liaison with project teams, and supervision and monitoring of the Facility's portfolio. The FC may be based at the IDB headquarters or in a country office of one of the program's beneficiary countries. The terms of reference for the FC will be agreed upon with the OPEC Fund.
- 4.5 **Execution period and structure.** The resources of the mechanism are expected to span five years following its approval, as requested by the donor. The disbursement unit of the IDB for the Facility will be the Transport Division.
- 4.6 **Governance.** The governance of the Facility will be anchored in a collaborative structure between the IDB and the OPEC Fund, ensuring efficiency, transparency, and accountability in the identification, approval, and execution of activities. The Facility will be housed within the IDB's Transport Division, which will serve as the dedicated coordinating unit.¹⁴ In this capacity, the IDB will assume fiduciary responsibility for Facility resources and will be directly responsible for: (i) identifying and preparing sub-project proposals to be presented to the OPEC Fund; (ii) executing approved technical assistance activities, as applicable; and (iii) monitoring, evaluating, and reporting on the use of funds, including the submission of periodic financial and technical reports to the OPEC Fund. Each individual sub-project proposal will be reviewed and approved following the procedure detailed in the Operational Manual. Close collaboration will be maintained with other established committees and governance bodies within the Bank, including those associated with regional initiatives, in order to strengthen the quality and relevance of sub-project proposals.

¹³ The resources shall be allocated to eligible activities (¶2.2-¶2.3; [EE#1](#)) and eligible expenditures. Eligible expenditures shall be limited to 30% of the total budget for each individual sub-project.

¹⁴ The Infrastructure and Energy Department and the Transport Division will coordinate closely with the relevant sectoral divisions of the IDB to ensure effective internal collaboration and engagement, consistent with the multi-sectoral nature of the Facility.

- 4.7 **Additional contributions.** The Facility may receive additional contributions from the OPEC Fund, in the form of PSGs. Such contributions would be allocated among the components of the Facility in accordance with its design, and their approval would follow IDB policies and procedures.
- 4.8 **Operational Manual (OM).** An OM has been prepared to systematize the implementation arrangements of the Facility. The OM will guide the operational management of the Facility, including the approval of individual projects. The IDB Transport Division will be responsible for updating the OM.
- 4.9 **Procurement.** The Bank will hire individual consultants and consulting firms in accordance with the Bank's current procurement policies and procedures. All procurement to be executed under this Facility will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650); and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.
- 4.10 **Monitoring.** The Bank will be responsible for preparing and submitting implementation reports to the donor, in accordance with the provisions of the administration agreement and the OM. If, upon completion of implementation, the mechanism closes with an uncommitted positive balance, the team must request GPS/GCM to transfer it back to the donor, in accordance with the terms of the PSG administration agreement. Further details on monitoring activities are included in the OM.
- 4.11 **Evaluation.** Promptly following the completion of the Project, the Bank will submit to the Donor a final Project report. The Donor may also request a non-audited financial expense report of the Contribution. In addition, the Donor may request an "agreed upon procedures" report issued by an external auditor selected by the Bank on the use of the Contribution resources. The cost of such an auditor's report will be borne by the Donor and will not be deducted from the Contribution. The Donor will reimburse the Bank for the cost of this report promptly after receiving a written request from the Bank. The Bank will not provide audited financial statements for the Account. The according financial requirements for the evaluation and the non-audited financial expense report are considered in the budget.
- 4.12 **Environmental and social aspects.** The Facility and any individual sub-project financed with resources from the Facility will be managed in accordance with the IDB Environmental and Social Policy Framework (ESPF). Since the facility is an umbrella program for TCs and individual projects have not yet been defined, there are no environmental and social risks or impacts related to the facility. Once identified, each individual project under the facility will be assessed according to IDB's ESPF.
- 4.13 **Risks.** A medium high risk has been identified related to changes in government authorities or shifts in policy priorities, which can interrupt the continuity of project preparation and implementation and may lead to delays or adjustments in agreed activities, this risk will be addressed through strong communication and close coordination with the on-site IDB office, with sector specialists taking a proactive role in maintaining dialogue with relevant institutions to help preserve progress toward the program's objectives. Additionally, a medium-low risk has been identified related to the lack of pipeline, which could result from the Facility's preference for sub-projects with prospects for co-financing by IDB and the OPEC Fund. To mitigate this risk, the FC will work with country-specialists in INE and other IDB sectors, to publicize the existence of the Facility, its goals, and eligibility criteria to advance in pipeline identification. In addition, the team

will build upon existing dialogue between OPEC Fund and beneficiary member countries to create a pipeline for the Facility. Further measures include establishing a simple pre-screening mechanism to quickly assess project eligibility, maintaining a rolling list of potential sub-projects under early exploration, and organizing targeted outreach events or workshops with governments and potential executing agencies to ensure a steady inflow of viable proposals. The team will also explore opportunities to link with complementary IDB facilities and technical assistance programs to expand the range of potential entry points.

Annex I – Results Matrix
Project Development Objectives Statement

General Development Objective	The General Development Objective is to increase access to infrastructure in LAC countries by fostering the preparation and execution of high-quality infrastructure projects in countries of common interest to the IDB and the OPEC Fund.
Specific Development Objectives	The Specific Development Objectives are: (i) to generate a robust pipeline of investment and policy-based loan operations that can be subsequently co-financed by both institutions, thereby supporting the expansion and consolidation of a joint loan portfolio; and (ii) to enhance the efficiency and quality of infrastructure project execution by strengthening institutional and technical capacities in beneficiary countries.

A. General Development Objective

No.	Indicator	Unit of Measure	Baseline (pre-intervention)		Evaluation Scenario (post-intervention)		Observations
			Value	Year	Target	Expected Year of Measurement	
I.1	Total value of financing commitments enabled for infrastructure projects	US\$	0	2025	US\$400,000,000	2031	This indicator captures the total value of financing commitments secured for infrastructure projects, encompassing both the Bank's own commitments and those mobilized from other public and private financiers, as a direct consequence of project preparation activities supported by the facility

B. Specific Development Objectives

No.	Indicator	Unit of Measure	Baseline (pre-intervention)		Evaluation Scenario (post-intervention)		Observations
			Value	Year	Target	Expected Year of Measurement	
Specific Development Objective 1: to generate a robust pipeline of investment and policy-based loan operations that can be subsequently co-financed by both institutions, thereby supporting the expansion and consolidation of a joint loan portfolio							
R1.1	Infrastructure projects and programs developed or strengthened with high quality standards	Number	2025	0	8	2030	
R1.2	Value of investment-ready infrastructure projects or programs in the pipeline	US\$	2025	0	US\$250,000,000	2030	New financing operations registered in the Bank's systems as a result of facility-supported project preparation
Specific Development Objective 2: to enhance the efficiency and quality of infrastructure project execution by strengthening institutional and technical capacities in beneficiary countries.							
R2.1	Institutions with improved tools for design and management of projects	Number	2025	0	5	2030	

OPEC FUND-IDB TECHNICAL ASSISTANCE FACILITY

RG-O1737

CERTIFICATION OF FACILITY

The Grants and Co-Financing Management Unit (GPS/GCM) certifies that the referenced operation will be financed through:

Funding Source	Fund Code	Currency	Amount Up to
Project Specific Contribution Account ¹²	PSC	USD	2,850,000

For operations financed by funds where the Inter-American Development Bank (IDB) does not control liquidity, the availability of resources is contingent upon the request and the receipt of the resources from the donors. Additionally, in case of operations financed by funds that require a post-approval agreement with the donor, the availability of resources is contingent upon the signature of the agreement between the Donor and the IDB. (i.e.: Project Specific Grants (PSG), Financial Intermediary Funds (FIF), and single donor trust funds).

Certified by: _____ Originally Signed _____ November 20, 2025
Felipe Caicedo Sierra on behalf of _____ Date _____
Maria Fernanda Garcia Rincon
Chief
Grants and Co-Financing Management Unit
GPS/GCM

¹ Donor: The OPEC Fund for International Development (OPEC Fund) through a Project Specific Grant (PSG).

² The OPEC Fund will contribute US\$3,000,000. Out of this contribution, US\$150,000 will be set aside as a 5% administration fee. The remaining contribution of US\$2,850,000 corresponds to the RG-O1737 Facility amount, as indicated in the Indicative Budget of the Project Document.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/25

Regional. RG-O1737. OPEC Fund-IDB Technical Assistance Facility

The Board of Executive Directors

RESOLVES:

1. To approve the establishment of the "OPEC Fund-IDB Technical Assistance Facility" (the "Facility") in accordance with the terms and conditions set forth in document AT-___.

2. That up to the sum of US\$3,000,000, chargeable to the resources granted by the OPEC Fund for International Development (OPEC Fund) (the "Donor"), pursuant to the Administrative Agreement entered into between the Donor and the Bank on ____ 20__, will be granted for the financing of individual nonreimbursable technical cooperation operations in accordance with the terms and conditions of the Facility.

3. That the President of the Bank, or such representative as he shall designate, is authorized in the name and on behalf of the Bank, to enter into such agreement or agreements as may be necessary, and to adopt such other measures as may be pertinent for the implementation of the Facility in accordance with the terms and conditions set forth in document AT-___.

4. That the President of the Bank, or such representative as he shall designate, is authorized to distribute the administrative fees received by the Bank among the relevant departments for which additional workload is generated by the Facility.

(Adopted on ____ 2025)