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MULTILATERAL INVESTMENT FUND

REGIONAL

AGROHUB: AGRIFOOD INNOVATION AND ENTREPRENEURSHIP

(RG-T4589)

DONORS MEMORANDUM

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PROJECT SUMMARY

AGROHUB: AGRIFOOD INNOVATION AND ENTREPRENEURSHIP (RG-T4589)

The agricultural sector plays a vital role in the economies of the countries of the Northern Triangle of Central America (NTCA). However, it faces major challenges due to climate change, natural resource depletion, and environmental degradation. These factors have a serious impact on the population in terms of food security and socioeconomic development. The sector also notably lacks technologies that promote the resilience of the most vulnerable populations, which makes it essential to invest in education, research, and development.

AgroHub: Agrifood Innovation and Entrepreneurship is an initiative to promote innovation and entrepreneurship in the agrifood systems of Honduras, El Salvador, and Guatemala, with an emphasis on smallholder farmers and the agrifood value chain. Through its components, which form the acronym IDEA in Spanish (innovation promotion, capacity building, ecosystem, and strategic partnerships), AgroHub will become a forum for knowledge generation and the promotion of technological/innovative solutions, serving as a platform to connect and create synergies among the actors in the agrifood sector. In addition, it will be a driver for the development of start-ups that seek to have a positive impact on society, fostering collaborative work and facilitating the transfer of knowledge and technology to the community.

AgroHub will initially involve intersectoral coordination among the countries of the TNCA to outline a work plan. Ten start-ups with social and environmental impact for vulnerable populations will be developed, the capacities of 3,000 ecosystem actors will be strengthened, and 10 technologies developed in collaboration with producer groups will be implemented in the field. In addition, networks will be strengthened with ecosystem actors, 10 of whom will become key partners to foster innovation as mentors and advisors. Training on cutting-edge topics for the agrifood sector will be provided through seminar lectures, and these forums will serve as a platform for networking and creating synergies in the innovation ecosystem. Collaborative work with the private sector and other innovation-promoting institutions will also be strengthened in order to carry out research and joint work to enhance the innovative ecosystem.

The collaboration between IDB Lab and the Escuela Agrícola Panamericana (Zamorano) will have a significant impact on agricultural productivity in the region by boosting innovation and enhancing stakeholder integration in agrifood systems. This initiative will link the axes of sustainable development, maintaining climate change adaptation and attention to vulnerable populations as a crosscutting pillar, improving the quality of life of small producers and creating a dynamic environment for collaboration in the innovation ecosystem.

To achieve this vision and outcome, the project requires a total investment of US\$1.8 million, of which 50% will be provided by IDB Lab as nonreimbursable technical.cooperation funding and 50% by the executing agency in counterpart funding.

ABBREVIATIONS

AI	Artificial intelligence
AMIR	Asociación de Mujeres Intibucanas Renovadas
CGIAR	Consultative Group on International Agricultural Research
CRI	Global Climate Risk Index
ECA-EG	Escuela de Campo con Enfoque de Género (Gender-focused Field School)
ESOs	Entrepreneur support organizations
GDP	Gross domestic product
NTCA	Northern Triangle of Central America
PCR	Project completion report
PSR	Project status report
TRLs	Technology Readiness Levels
TYL	The Yield Lab Institute
USAID	United States Agency for International Development
WIPO	World Intellectual Property Organization

PROJECT INFORMATION

AGROHUB: AGRIFOOD INNOVATION AND ENTREPRENEURSHIP (RG-T4589)

Country and geographic location:	Honduras, El Salvador, and Guatemala		
Executing agency:	Escuela Agrícola Panamericana, Inc. ("Zamorano")		
Focus area:	Agriculture and Natural Capital		
Coordination with other donors/Bank operations:	The project will coordinate and generate synergies with (i) Environment, Rural Development, and Disaster Risk Management Division projects that promote agrifood production (ii) local IDB Lab operations in the agrifood sector and on strengthening the entrepreneurship and innovation ecosystem, including: RG-T4145, RG-G1066, GU-T1316, GU-T1323, ES-T1346, HO-T1416, HO-T1443.		
Project beneficiaries:	100 entrepreneurs who receive training to foster innovation, of which 10 receive seed capital and targeted training to promote their idea/business 3,000 ecosystem stakeholders, including 1,500 small producers ¹ with an average monthly income under US\$400, who are part of the capacity building and technology solutions programs		
Financing:	Technical cooperation funding:	US\$900,000	50%
	Total IDB Lab financing:	US\$900,000	
	Counterpart:	US\$900,000	50%
	Total project budget:	US\$1,800,000	100%
Execution and disbursement period:	36 months for execution and 42 months for disbursement		
Special contractual conditions:	None		
Environmental and social impact review:	On 24 July 2024, this operation was screened and classified under the Bank's Environmental and Social Policy Framework (GN-2965-21). Given that the impacts and risks are limited, the project is classified as a category C operation.		

¹ According to a literature review, small producers are considered to be those who have an average of less than 5 hectares in their production unit, and their production is subsistence or small-scale. As a result, they usually experience poverty and economic vulnerability, with an average monthly income of 1,700 Quetzales (US\$220) in Guatemala, 4,900 Lempiras (US\$196) in Honduras, and US\$185 in El Salvador. For additional information see: [FAO data portal](#), SDG indicator 2.3.2, average income of small-scale food producers.

No objection by the government	As of the date of preparation of this document, letters of no objection have been received from: <ul style="list-style-type: none">- Honduras: by means of official letter from the Ministry of Finance DGCP=FEN-469/2024 dated 15 July 2024- El Salvador: by means official letter from the Ministry of Finance MH.UM.DGICP/001.310/2024 dated 14 October 2024 The request for no objection to the Government of Guatemala was submitted by means of letter CID/CGU-876/2024 dated 19 September 2024.
Unit responsible for disbursements:	Country Office in Honduras (CHO)

I. THE PROBLEM

A. Description of the problem

- 1.1 The agricultural sector is fundamental to the economic and social development of millions of people in the Northern Triangle of Central America (NTCA). According to the World Bank,² in 2023, it accounted for 12% of the gross domestic product (GDP) in Honduras, 9.3% in Guatemala, and 4.6% in El Salvador. Despite its importance, the sector faces major challenges due to climate change, natural resource depletion, and environmental degradation. Honduras ranked second in the Global Climate Risk Index (CRI) published in 2019,³ as a country severely affected by extreme weather events between 1998 and 2017, mainly due to the country's poor response preparedness in the face of such threats. In 2021, Honduras ranked 44th, El Salvador 28th, and Guatemala 16th out of 180 countries. This has direct implications for productivity and food quality and availability, affecting the food security of the population. Rural populations are especially vulnerable to these challenges due to the interaction of multiple social, economic, and territorial inequalities.
- 1.2 The NTCA is marked by the duality of large-scale agriculture (which has stable links to international markets and access to state-of-the-art technologies) coexisting with small producers and productive cooperatives (which are the vast majority) with limited access to innovations and more advanced technology. This reflects the level of innovation in each country, with Honduras ranking 116th, Guatemala 122nd, and El Salvador 95th out of 132 countries in the Global Innovation Index (WIPO, 2023). According to data from the Agricultural Science and Technology Indicators (ASTI) program, the region—in comparison with the rest of the countries of Latin America and the Caribbean—operates agricultural research and innovation (R&I) systems with lower public investment relative to agricultural GDP. For example, while Honduras and Guatemala invest 0.20% and 0.10%, respectively, of their agricultural GDP, this percentage rises to 1.5% and 1.8% in Argentina and Brazil (2023).⁴ This low investment directly affects the sector's productivity, sustainability, and vulnerability to climate change, and results in greater inequality and rural poverty).
- 1.3 In "*Harvesting Prosperity: Technology and Productivity Growth in Agriculture*"⁵ (2020), Fuglie et al. note that developing countries must dramatically increase agricultural innovation and technology use to eliminate poverty, meet growing food demand, and cope with the adverse effects of climate change. Renewed investment to support the acquisition of new knowledge and ensure its adoption can help realize enormous potential improvements in agricultural productivity, and therefore, in incomes. The efficient and sustainable use of natural resources must go hand in hand with innovation to foster the development of sustainable production models that effectively reach the entire agricultural value chain,

² [WB AR 2023 Spanish PDF \(1\).pdf](#).

³ [Global Climate Risk Index \(CRI\) 2019](#).

⁴ [Unlocking-Innovation-Assessing-the-Role-of-Agricultural-RD-in-Latin-America-and-the-Caribbean.pdf \(cgiar.org\)](#), IDB (2023).

⁵ [Harvesting Prosperity: Technology and Productivity Growth in Agriculture](#), World Bank, 2020.

especially small producers. The low level of innovation in the region among the different links in the agrifood systems is attributable to various factors:

- (i) The low degree of development of the agrifood tech ecosystem⁶ in the region, which is reflected in the scarcity of adapted technologies that promote climate-smart agriculture and are adapted to the local scale and to the particular needs of the production areas;
- (ii) Various barriers to innovation development and adoption, including low digital literacy, poor continuing education, and disconnection from the research, development, and innovation (R&D&I) system; and
- (iii) Lack of strategic partnerships between neighboring countries to address common challenges in the agricultural sector and increase resilience by promoting sustainable solutions.

1.4 Women's participation in the agrifood sector has become more relevant in the NTCA. Twenty years ago, only 20% of those employed in agriculture were women; today, that figure has gone up to 25%, or approximately 503,277 people. This is due, in part, to the displacement of men to better-paying jobs and the demand for high-value crops that require unskilled labor, which has led to a "feminization" of agriculture. However, this process has been uneven.^{7,8} Women are underrepresented in high-productivity economic activities, in full-time and formal jobs, and in positions requiring higher qualifications. Management and decision-making positions continue to be occupied mostly by men. In addition, a significant wage gap persists: for comparable tasks, women receive only 80 cents for every dollar earned by men. Women also continue to take on the lion's share of unpaid work related to household and family care, at up to six times the rate of men. These unequal conditions exclude many well-educated and willing female candidates from the labor market, thus keeping a higher proportion of women in poverty compared to men.⁹

1.5 The need to increase investment in education, research, and development is clear from the above. It is also vitally important to create an environment conducive to fostering innovation, entrepreneurship, and equal opportunities in the region's agricultural sector.

1.6 Innovation is no longer conceived as a linear process that goes from basic to applied research and commercialization along a continuum of "technology readiness levels." Rather, stakeholders recognize and take part in the different elements of the innovation ecosystem (Figure 1), where basic research, applied

⁶ Agrifood tech is the small but growing segment of the start-up and venture capital universe that's aiming to improve or disrupt the global food and agriculture industry. AgFunder's Louisa Burwood-Taylor coined the term in 2017 to define the innovation taking place across the food supply chain, not just at either end per "agtech" and "foodtech." Source: [Agfundersnews](https://agfundersnews.com/).

⁷ ECLAC – United Nations. Regional data bank for statistical follow-up to the SDGs in Latin America and the Caribbean. <https://agenda2030lac.org/estadisticas/regional-data-bank-statistical-follow-up-sdg-1.html?lang=en>.

⁸ ECLAC - United Nations. Statistics and Indicators: Demographic and Social - CEPALSTAT Statistical Databases and Publications. <https://statistics.cepal.org/portal/cepalstat/dashboard.html?theme=1&lang=en>.

⁹ Feminity index of poor households | Gender Equality Observatory: <https://oig.cepal.org/en/indicators/feminity-index-poor-households>.

research, and the development of new commercial solutions can be encouraged and enhanced multiple times in a cooperative process.



Figure 1. Elements of an innovation ecosystem

- 1.7 In this context, Zamorano has the opportunity to enhance the innovation and entrepreneurship ecosystem, promoting solid connections with actors in the agrifood sector. This will generate opportunities and a collaborative network that will help reduce productivity and gender gaps, promote sustainability in agrifood systems, strengthen their resilience to climate events, and improve their competitiveness.

II. THE INNOVATION PROPOSAL

A. Project description

- 2.1 **The objective of the project** is to promote innovation and entrepreneurship in the agrifood systems of Honduras, El Salvador, and Guatemala, with an emphasis on smallholder farmers. The specific objective is to launch and implement the “**AgroHub**” within Zamorano, as a forum for knowledge generation and the promotion of agrifood tech solutions and as a platform to connect and create synergies among the actors in the agrifood sector. It will also be a driver for the development of start-ups that seek to have a positive impact on society, fostering collaborative work and facilitating the transfer of knowledge and technology to the community.
- 2.2 AgroHub will help generate solutions that address the needs of the population to be served, thus reducing barriers to adoption. The project will take action in the following areas, outlined by the Spanish acronym **IDEA** (Figure 2). These components will not occur sequentially, but according to how the project is conceptualized during the preparatory phase, and they will be connected throughout project implementation.



Figure 2. AgroHub intervention strategy.

- 2.3 The project's emphasis is on small-scale producers in the NTCA, unlike other IDB Lab interventions that focus on solutions and on ecosystems that are more developed than Central America's (Argentina, Uruguay, Colombia, etc.). Since it will be executed by an academic institution with research programs, technical capacity, and spaces conducive to new technological developments, these developments can be transferred more efficiently to small producers. As a regional initiative of the NTCA, AgroHub will promote locally adapted solutions, addressing the common challenges of the agrifood sector in the three countries, such as climate vulnerability, low productivity, food insecurity, and limited access to markets. Synergies will be created among the actors of the NTCA's agrifood tech ecosystem to seek innovative solutions through a collaborative process, with small producers as key stakeholder beneficiaries in the development of innovative solutions to address productive and other challenges within the agrifood value chain.
- 2.4 The project's approach will consider the [Principles for Digital Development](#), where it will seek to integrate the guidelines with respect to best practices for promoting sustainable and inclusive development, by highlighting essential considerations such as understanding the innovation ecosystem, promoting the exchange of resources and knowledge, involving people as part of the design processes and ensuring that projects are designed in a framework of inclusion; as well as the use of evidence to improve results. In addition, [fAIR LAC](#) criteria will be met in order to promote the responsible and ethical use of artificial intelligence.
- 2.5 AgroHub's preparatory phase will consist of the ideation, selection, and design of its functions and the services to be offered, and of its cooperation model as the nexus between the ecosystem and its governance model. The funding arrangements will also be determined. Funding may come from various sources, such as external resources, public-private partnerships, collaboration with other academic institutions and research centers, and the initiative's own research and development funds. The topics, areas, and sectors to be addressed will be defined during this phase in order to offer the most appropriate support to the beneficiaries. The proposed areas in which services may be offered include: (1) development of business and technical capacities, (2) research and development (R&D),

- (3) networks and collaborations, (4) sustainability and scale, (5) innovation in the agrifood sector, (6) digital transformation in agriculture, and (7) social innovation.
- 2.6 The implementation strategy will be coordinated with support from partners with extensive regional and global experience in the innovation ecosystem, such as [The Yield Lab Institute](#) (TYL). Zamorano has a memorandum of understanding with this institution, with which it has identified lines of collaboration, given its experience in fostering valuable linkages between start-ups, investors, corporate stakeholders, agro-producers, the public sector, and research communities for the development of agrifood tech ecosystems.
- 2.7 The project will have laboratories and production units on campus, which will be available to the community to promote development in the agrifood sector in the three countries and in the region. This includes an agroindustrial park with food processing plants; food, soil, grain, and seed laboratories, biotechnology, biological control, water quality, bioenergy, microbiology, tissue culture, geographic information systems, the Zamorano Innovation and Entrepreneurship Center, the Food Innovation Plant, the Productive Systems Technological Innovation module (D-Lab), and the Entrepreneurship Club.

The project will have the following components:

- 2.8 **Component I: Innovation promotion (IDB Lab contribution: US\$235,000; counterpart resources: US\$149,380).** This component will promote a training program for innovative ventures or agrifood tech start-ups in El Salvador, Honduras, and Guatemala. This training program will draw on innovative solutions to address challenges in the agrifood sector. These solutions may be at different stages of maturity, so they will require support in the incubation or acceleration phase. The objective of the [incubation](#) stage is to help the start-ups get started and achieve a successful market launch. [The accelerator](#) aims to help the start-up or venture to grow in terms of customers, sales, and turnover. The incubation and acceleration program will provide an environment for the development and growth of innovative projects that respond to the challenges faced by small producers, entrepreneurs, and different stakeholders in the agrifood chain. A six-month training program will be implemented, focused on laying the foundation for the incubation/acceleration of start-ups, financial planning, innovation in the agrifood sector, and management of social, environmental¹⁰ and economic impacts. It will begin with the registration of the start-ups through a form, followed by an evaluation of each proposal to ultimately categorize or classify the start-up based on its stage of maturity, focus on small producers, special attention to challenges arising from the effects of climate change, and other aspects of innovation proposals in the agrifood chain. There will be two main calls for proposals: one for early-stage start-ups (incubation) and the second one for those in the consolidation stage (acceleration). The latter call may emphasize identifying solutions already present in the market, in order to facilitate their scale-up, prompt implementation by small producers, and other beneficiaries, for which the counterpart contribution

¹⁰ For environmental issues, in the area of mitigation, the component will promote taking account of: considerations of preventing deforestation, the sustainable use of water, and meaningful non-dependence on the direct use of fossil fuels.

- will also be considered to provide the innovative solution as part of its scaling process.
- 2.9 The incubation program will promote the definition of the minimum viable product (MVP), the development of business skills, regulatory compliance, intellectual property, and marketing. It will offer training in the exploration of the innovation ecosystem to develop new business opportunities and raise capital. This phase will include collaborating with other incubators operating in the three countries to help identify innovative agrifood tech start-ups with high potential to continue in the acceleration phase or consolidate their incubation.
- 2.10 For the acceleration program, participants will receive training on topics related to idea development and prototyping using the design thinking methodology; business development, commercialization strategies, marketing, and financial management. Ten participants will receive seed capital as the result of a competition (which will have defined criteria relating to their innovative approach with potential productive, environmental, and socioeconomic impacts). Those selected will enter a mentoring and follow-up phase, during which they will use the seed capital, based on the nature and action plan of each start-up, to develop and test prototypes, and for other processes and services they require. They will receive technical support and access to spaces and resources (laboratories, equipment, and field testing) that will enable them to accelerate their start-ups. They will receive support in the go-to-market strategy and market testing.
- 2.11 During project implementation, Zamorano will define regulations for the operation of the entrepreneurial support program (incubation and acceleration), but the following indicative criteria will be included to select the start-ups / ventures with innovative solutions:
- 2.11.1 Environmental / climate impact: how the solution helps producers adapt to climate change effects, mitigate climate change, and promote environmental sustainability. Examples: precision agriculture, early warning systems for extreme events, biotechnology for resistant varieties, etc.
- 2.11.2 Social impact: how the solution addresses the challenge of poverty in agricultural communities. Examples: empowering smallholder farmers with training programs on sustainable farming techniques, systematized access to retail markets, and digital identity to facilitate certifications such as Fair Trade¹¹ and organic for community development.
- 2.11.3 Gender inclusion: promote women's participation in production, processing, marketing activities, and in the agrifood tech ecosystem in general. Women-founded or led start-ups will also be considered.
- 2.11.4 Technological innovation: assess the level of innovation and the application of new technologies, as well as the [technology readiness level](#) (TRL). Example: real-time data analysis, use of AI in production processes, use of blockchain for digital traceability, etc.

¹¹ The premiums or additional payments granted by [Fair Trade Certification](#) are invested in community development projects, such as access to water, [education](#), housing, and health care.

- 2.11.5 Economic viability: consider the financial sustainability and business model of the start-up or venture. Example: source of income from payment for individual or group subscription services, state subsidies for small-scale production, or private subsidies for small producers or suppliers, etc.
- 2.11.6 Scalability: ability to grow and increase revenues—even exponentially—without a proportional increase in costs. Example: AI software that provides real-time information on planting, harvesting, and other agricultural processes.
- 2.12 Zamorano will also provide support to start-ups with solutions that focus on large producers or anchor companies¹² that incorporate small producers into their value chain. These start-ups will be selected among preexisting initiatives at the university, and through an active search for entrepreneurs who are already working in this area in Central America, where producers face similar problems. [The Yield Lab Institute](#), a partner with which Zamorano has begun to collaborate, will support this component, which includes co-acceleration and support for agtech and foodtech entrepreneurs, start-ups, and initiatives. Zamorano will use the structure and technical capacity of its Innovation and Entrepreneurship Center, the Sustainable Consumption Laboratory, and its teaching forums, the main ones being the Learn-by-Doing modules on Neuromarketing, Digital Marketing, Technological Innovation in Production Systems (D-Lab), Food Innovation Plant, Precision Agriculture, and Data Collection and Analysis.
- 2.13 The project will be closely coordinated with IDB Invest and its investment officers for El Salvador, Guatemala, and Honduras in order to identify agroindustrial enterprises interested in implementing agrifood tech solutions for small-scale producers that are part of their supply chain. Synergies will also be identified with IDB Invest operation RG-T4117 (Innovation for climate-smart agribusinesses).
- 2.14 The training program in this component will, over time, reach 100 start-ups. As a result of the acceleration program, 10 start-ups will receive seed capital in the NTCA region to address problems or challenges in the agrifood chain. Zamorano will define an action plan jointly with these selected start-ups, and a disbursement strategy will be developed based on the progress of the plan to ensure that resources are used optimally and that they are geared toward accelerating the start-ups. One of the pillars of the innovation process will be the development, testing, and adjustment of innovative ideas, in order to encourage creativity and enrich each start-up's experience with innovative processes.
- 2.15 The socioeconomic impact will be measured by the fact that at least 30% of the selected start-ups benefit small producers with less than five hectares of crops or in their productive unit, who will receive at least a 10% increase in income and greater market access. For environmental impact, criteria such as the incorporation of practices and/or technological solutions that reduce agroclimatic risk at the farm level will be considered, based on the farm's baseline diagnostic assessment. This will encourage sustainable agrifood systems with inclusive and resilient business models. After the training process is completed for each project,

¹² Some of the technologies implemented include solar dehydrators, zero-energy cooling chambers, CoolBot storage, and solar pumps for small-scale irrigation.

a mentoring program will continue for three additional months to provide technical support for their sustainability and scalability. At least 30% of the start-ups taking part in the training program will incorporate tools or methodologies focused on boosting their impact in terms of climate (a crosscutting theme throughout the training). The start-ups that satisfactorily complete the training program will be added to the AgroHub platform, in order to raise their profiles for future opportunities for calls for proposals and strategic partnerships in the ecosystem, as well as access to third-party financing.

- 2.16 The expected **outcomes** of this component are: (a) four calls for agrifood tech innovation proposals issued; (b) 140 applicants in response to calls for agrifood tech innovation proposals; (c) 50 incubated and/or accelerated start-ups are founded by women or have a woman in a management position; (d) 100 start-ups selected in the training program (incubation and acceleration); (e) 10 accelerated agrifood tech start-ups receive seed capital; (f) 30 selected start-ups have an innovative objective of climate mitigation or adaptation and develop a methodology for measuring climate impact; (g) three accelerated agrifood tech start-ups that receive seed capital directly address socioeconomic problems of small producers, positively impacting their production or commercialization.
- 2.17 **Component II: Capacity building (IDB Lab contribution: US\$434,000; counterpart resources: US\$352,940).** A capacity building and strengthening program will be implemented that starts by identifying the technical and digital skills level of the target groups so they can acquire the necessary competencies in innovation development and adoption. This component is aimed at other actors in the ecosystem (besides start-ups or innovative ventures), mainly small and medium-sized producers, as well as the agroindustrial sector with high innovation potential. Field trainings will be structured on a theoretical-practical basis and as case studies, in order to better illustrate the specificity of the following categories: (a) climate-smart practices in the field; (b) development and implementation of technological/innovative solutions to boost productivity and resilience in the field; (c) agricultural digitalization; and (d) business strengthening and market access. Programs will be tailored to different agricultural sectors; for example, specific initiatives will be developed for women producers and young people involved in the agribusiness sector, ensuring that each group receives the support they need to thrive. Lectures will be offered on precision agriculture, innovation techniques and processes related to design thinking, and the application of design thinking to solve identified problems. Other topics will include the use of blockchain, IoT, AI, and other technologies relevant to their productive activity. Activities will be carried out to connect them with R&D&I centers—with which they rarely interact due to their size and/or geographic distance—creating new positive trust-building connections for the university and for agrifood sector stakeholders in the three countries. This component includes building on existing opportunities at Zamorano to promote innovation (such as the ideation forum, the prototype design workshop, and the Food Innovation Plant). These processes will be developed through hybrid methods, with a field approach and virtual components, depending on access and availability for their implementation. The [Consultative Group on International Agricultural Research \(CGIAR\)](#), with which lines of collaboration have been established, will support the development of training programs that include:

- technology adoption, validation of scaling tools, productive techniques and technologies, innovation, and entrepreneurship.
- 2.18 The project is expected to benefit 3,000 ecosystem stakeholders (such as producer groups, MSMEs, associations, and entrepreneurs) through training programs that address the needs identified in the ecosystem mapping and demand study for innovation solutions. The training and technology transfer programs in the field will be based on a diagnostic study of producers (demand study) to determine their needs in terms of technological/innovative solutions and measure the impact of the intervention, which is expected to benefit 1,500 producers, at least 70% of whom will be small producers in the three countries with an average income of less than \$400 per month. The virtual training programs will consist of courses, workshops, webinars, and master classes. Training workshops will be designed by means of a targeted call for proposals according to the topics to be addressed, enabling the beneficiary groups to acquire knowledge to promote innovation and sustainability in the sector. The process will include reinforcing connections in the innovation ecosystem, linking participants with R&D&I centers, platforms, entities, or organizations that enable them to take the next step in innovation. A percentage of the courses will be designed specifically for women in the agrifood sector, in order to encourage greater participation in the project and ensure that they address the needs and challenges women face to promote their development. Women's participation in the training processes is expected to increase, starting with 40% in Year 1, 45% in Year 2 and 50% in Year 3.
- 2.19 The expected **outcomes** of this component are: (a) 1,500 economically vulnerable producers trained and supported in efficient agrifood tech production methods; (b) 450 producers trained and strengthened in efficient agrifood tech production methods with a focus on climate mitigation and/or adaptation at the end of the period; (c) 1,500 additional stakeholders in the agrifood tech innovation ecosystem trained to build their innovation capacities at the end of the period; (d) 30% of the stakeholders in the agrifood tech innovation ecosystem are trained to strengthen their capacities in climate innovation for mitigation and/or adaptation; (e) 20 training courses or workshops developed by the project for different links of the value chain; (f) 30% of the training workshops or courses are aimed at encouraging women's participation in the agrifood tech ecosystem; (g) 15% of the training workshops are aimed at encouraging the participation of young people in the agrifood tech ecosystem; (i) 20 technological/innovative solutions from the acceleration program evaluated in the laboratory; (j) 10 technological/innovative solutions implemented in the field.
- 2.20 **Component III: Agrifood tech ecosystem (IDB Lab contribution: US\$37,500; counterpart resources: US\$139,880).** Zamorano will create a mechanism for stakeholder dialogue, coordinated by AgroHub, where the most relevant stakeholders in the agrifood tech ecosystem will meet by country. Entrepreneurs, investors, government agencies, small producers' cooperatives, corporate producers, agricultural guilds and associations, regulators, international cooperation agencies, chambers of commerce, and existing Hubs will be invited, bringing resources to a common action plan to create an ecosystem conducive to innovation development and adoption. This stage includes: business characterization; awareness-raising in the development of business networks; coordination of sector activities; technology oversight at the institutional and

- ecosystem levels; technology transfer activities as a way to connect stakeholders and enhance relationships in all directions between academic institutions, government, and society; promotion and visibility events; and sector training. TYL, which has extensive experience in connecting start-ups, investors, companies, farmers, the public sector, and research communities to promote the sustainable transformation of agriculture, will provide support and advice.
- 2.21 The expected **outcomes** of this component are: (a) three mappings of the agrifood tech ecosystem (HO, GU, ES); (b) 15 working sessions held with agrifood tech ecosystem stakeholders to promote innovation; (c) three demand studies on innovation needs in the agrifood sector by country, resulting from working meetings with ecosystem stakeholders; and (d) 10 key stakeholders in the agrifood tech ecosystem registered with the project and participating as mentors.
- 2.22 **Component IV: Strategic partnerships (IDB Lab contribution: US\$129,900; counterpart resources: US\$172,480).** Zamorano will create synergies with key stakeholders in the agrifood innovation ecosystem in Honduras, El Salvador, and Guatemala. Actions will include creating and strengthening networks to share knowledge, experiences, and good practices through digital platforms, exchange programs, research, collaborative projects, events, and international conferences that build their individual and cooperative capacities. Zamorano will have CGIAR as a partner, collaborating on research and development projects to improve access to affordable, nutritious food, foster the growth of inclusive and sustainable companies and jobs, and boost the climate resilience of agrifood systems. TYL will be integrated as a collaborator in the co-development of agtech and foodtech innovation and entrepreneurship events to promote agrifood tech in the region. Zamorano will also work with [Ingemann](#), which created the [Agroclimatic](#) platform, to empower farmers with proactive recommendations for sustainable and climate-smart agriculture. This platform already has a presence in the NTCA, covering over 4,000 producers who benefit from having access to agroclimatic data for decision-making on their farms, thus enhancing resilience and sustainability. The project will work jointly with local stakeholders including the Escuela Nacional Central de Agricultura in Guatemala and the Centro Nacional de Tecnología Agropecuaria y Forestal “Enrique Álvarez Córdova” (CENTA) in El Salvador, in the area of research, development, and technology transfer. Including these local actors will also be helpful for approaching producers, as well as in the work to be carried out with the nine NTCA NGOs that have worked with Zamorano to implement [Gender-focused Field Schools \(ECA-EG\)](#). The Honduran NGOs include the Asociación de Mujeres Intibucanas Renovadas (AMIR), which has collaborated with Pennsylvania State University. AMIR comprises 650 women and focuses on sustainable agricultural production, fruit and vegetable processing, and strengthening food security and human rights for Lenca women and their families. In Guatemala, Zamorano has collaborated with the Asociación de Organizaciones de los Cuchumatanes (ASOCUCH), Asociación Vivamos Mejor, Asociación de Desarrollo Verde de Guatemala (ASOVERDE), and Fundación Nacional de la Arverja. Other partner organizations active in El Salvador include [ACCESO](#) and CLUSA.
- 2.23 The expected **outcomes** of this component are: (a) six seminars held on innovations implemented in the agrifood sector; (b) 20 virtual exchange events/experiences with ecosystem stakeholders; (c) 10 face-to-face activities to share experiences with stakeholders with firsthand knowledge of project-related

topics; (d) 15 research projects or collaborations on agrifood innovation with the private sector, NGOs, academia, or research centers; (e) 12 visibility or dissemination products on the progress and achievements of the project.

B. Project results, measurement, monitoring, and evaluation

- 2.24 The implementation of AgroHub is expected to produce the following results by the end of the project: (i) eight agrifood tech start-ups that remain operational at the end of the period, after six months in the acceleration program; (ii) eight accelerated agrifood tech start-ups see a 20% increase in sales after 10 months in the acceleration program; (iii) 1,050 small-scale producers¹³ with new or improved access to and adoption of productive technologies by the end of the period; and (iv) a 10% increase in efficiency in the beneficiaries' production and/or processing as a result of the implementation of local technologies developed.
- 2.25 The executing agency will be responsible for collecting data and reporting on results and achievements according to the project results matrix (Annex I). Zamorano will report to the Bank every six months in a project status report (PSR) and will submit a final PSR on project results upon project completion. The team will develop a monitoring system at the beginning of the project to ensure that indicators are monitored and measured. This system will draw on field data collected by the Zamorano team with partner organizations, mainly those related to the selected groups of small producer beneficiaries, which, as mentioned above, will be in poor or vulnerable populations (with average incomes below the national poverty line).

III. ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS

A. Alignment with the IDB Group

- 3.1 The project is aligned with the IDB Group's institutional strategy as it is a regional initiative that will comprehensively strengthen the agricultural sector to reduce vulnerability, increase resilience, boost productivity and, therefore, improve the food security of producers who are greatly affected by climate change and limited access to technologies. Thus, it seeks to reduce poverty and inequality, adapting the approach according to the area to be addressed. It will support sustainable growth by promoting innovation and enhancing regional integration, fostering connection and collaborative work among the different stakeholders in the innovation ecosystem. It is aligned with the IDB Group Country Strategy with **El Salvador** (2021-2024), especially the third priority area, which focuses on "revitalizing and restructuring production." In particular, it aligns with the need for progress on digital transformation and for leveraging the contribution of information and communication technologies (ICTs) to boost service productivity, inclusion, and quality of services with emphasis on the agricultural sector, by promoting the use of innovation and technology to overcome the challenges faced in the sector. The project is consistent with **Guatemala's** national plan priority of "Generating the right conditions and a good business climate for an increase in investment and improved levels of competitiveness, and foster environmentally-friendly economic

¹³ Small-scale producers are those whose productive unit has a total area equal to or less than [5 hectares](#), and who may be considered poor or vulnerable.

development” (IDB Country Strategy with Guatemala 2021-2024), specifically contributing to the IDB Country Strategy priority area of “Inclusive and sustainable revitalization of the productive sector” and serving the strategic objective of “Increasing the competitiveness of the agricultural sector” (3.4). The project supports the IDB’s strategic priority in **Honduras** (Country Strategy 2019-2022, in the process of being updated and extended to 2026) in relation to the “expansion of sustainable production opportunities,” which is aligned with the government’s priority of “fostering innovation for growth.” Specifically, the project falls under the crosscutting strategic areas of climate change adaptation and mitigation in relation to improving the management of natural and agricultural resources, promoting the diversity of human capital, and innovating in the use of technologies to achieve greater relevance and efficiency.

- 3.2 The project will coordinate and seek to generate synergies with: (i) local IDB Lab operations in the agrifood sector and those aiming to strengthen the entrepreneurship and innovation ecosystem, including: RG-T4145 (Innovation in Ag Tech and Digital Agriculture for Small Farmers) executed by Incofin Foundation, whose specific objective is to improve small agricultural producers’ profitability, access to markets and financing, and climate resilience by catalyzing capacity, investment readiness, and the adoption of agro-technological solutions; RG-G1066 (SIRIO: Platform for Business Competitiveness and Climate Resilience of Agroforestry Crop Growers); GU-T1316 (Funding Climate-Smart Agricultural Technologies for Micro and Small Entrepreneurs and Farmers in Guatemala); GU-T1323 (Partial Guarantee Mechanism to Promote the Use of Agricultural Technologies and Practices Among Small Farmers in Guatemala); ES-T1346 (Greenhouses 2.0: Technology Adoption and Innovation for Small Farmers in El Salvador); HO-T1416 (Strengthening Capacities for Climate Resilience and Economic Empowerment of Rural Small Holder Producers in the Dry Corridor of Honduras); HO-T1443 (FUNDER: Green Finance and Climate Resilience in Value Chains in Honduras); (ii) current IDB loan operations of the Environment, Rural Development, and Disaster Risk Management Division (RND) that promote agrifood production in each country are a key element for scaling up the identified solutions. These include: El Salvador: ES-L1135 (Strengthening the Climate Resilience in El Salvador’s Coffee Forests) and in Honduras: Low-carbon, Climate-resilient, and Inclusive Development in El Cajón and Yojoa Lake Watersheds in Honduras (HO-L1243/HO-G1263), which seeks to promote climate-smart and agroecological technologies and practices by micro, small, and medium-sized enterprises (MSMEs). The project will also coordinate with the loan operation Comprehensive Rural Development and Productivity Project (HO-L1201 and HO-L1211) and its executing agency, the Ministry of Agriculture and Livestock (SAG), to identify opportunities for knowledge exchange, connections, and innovation for its beneficiaries in rural households. Synergies will be identified with the Sustainable Agrolandscapes operation (RG-T4501), which seeks to conserve agroforest landscapes and make progress toward carbon-neutrality, so the collaboration with the AgroHub may boost the adoption of agroecological practices, improve agricultural productivity, and strengthen value chains through a focus on innovation and entrepreneurship in agrifood systems.
- 3.3 The project is consistent with IDB Lab’s 2022-2023 Business Plan, especially in terms of promoting innovations that accelerate social inclusion and help activate

new and more sustainable drivers of growth, prioritizing poor and vulnerable populations, improving their living conditions, facilitating their access to essential products and services, and expanding their skills and economic opportunities. Specifically, the project supports the **Agriculture and Natural Capital** vertical, which aims to improve the livelihoods of farmers and rural communities, as well as climate change resilience, by promoting innovation and new technologies along the entire agricultural and food value chain.

- 3.4 Paris Agreement alignment: This operation was evaluation for Paris Agreement alignment and is considered aligned with building block 1 (mitigation) and building block 2 (adaptation and resilience).
- 3.5 The project will be aligned with the regional América en el Centro initiative, through the identification of strategic partners and activities that aim to achieve common objectives, such as promoting sustainable development and resilience in the Central American region by addressing challenges of low productivity and vulnerability to climate change.
- 3.6 The project is consistent with the following Sustainable Development Goals (SDGs) set by the United Nations General Assembly: (i) SDG 5: Gender equality; (ii) SDG 8: Decent work and economic growth; (iii) SDG 9: Industry, innovation, and infrastructure.

B. Scalability

- 3.7 Zamorano will be supported by leading innovation ecosystem actors in the regional agrifood sector, such as TYL, CGIAR, and the Agroclimática platform. The vast experience of these actors will support the design and implementation of a comprehensive plan that seeks to connect the promotion of innovative start-ups, capacity building, intersectoral work, and the formation of strategic partnerships that will extend beyond the scope of the project. The activities carried out under the plan will be geared toward strengthening networking and promoting a nascent ecosystem in the three countries, from each link of the agrifood value chain.
- 3.8 Scaling up AgroHub beyond Honduras, Guatemala, and El Salvador will be a key strategy for boosting the growth and development of entrepreneurship and start-ups in the region. The sharing of experiences and consultations with TYL has shown that the number of start-ups in these three countries is currently limited, with about eight start-ups between Honduras, Guatemala, and El Salvador. However, there is a large untapped potential, as many start-ups in Central America and Latin America have innovative technologies that can add value and address agribusiness challenges in these countries. The expansion of the acceleration program within AgroHub to include more countries in successive post-project cohorts and the transfer of know-how to strategic stakeholders will allow these programs to be replicated in various places, fostering a more robust and dynamic ecosystem.
- 3.9 Solid support for emerging ventures and start-ups in Honduras, Guatemala, and El Salvador will benefit not only the Central American region but also other Latin American markets with similar agroindustrial models. As an indication, before project implementation and the definition of a scaling plan, and based on references from other actors in the agrifood tech ecosystem, an acceleration cost of US\$6,000 to US\$8,000 per year per venture or start-up is estimated. This can provide the necessary monitoring and support for them to reach their full potential,

thus contributing to economic growth and innovation in the region. The scope of AgroHub may also be scaled up and expanded through partnerships with large private sector companies. These large companies or corporations, whether they be in the food/agroindustrial sector, suppliers of inputs, exporters of fresh products, etc., may participate as sponsoring partners of innovative solutions to meet the challenges of producing, processing, transporting, and/or marketing products, within the company or with its value chain. References, including from Guatemala, can be found in IDB Invest's 2022 publication *Digital Transformation of Agribusiness in Latin America and the Caribbean*.¹⁴

- 3.10 Through the experience of the Women in Agriculture project, implemented under USAID financing as part of the MujerProspera Challenge,¹⁵ the project envisions strengthening partnerships with at least 10 NGOs per country in the NTCA. This experience, in which the ECA-EGs were developed, will enrich the approach to serving vulnerable populations, such as rural women. Some of the NGOs with which the ECA-EGs were implemented, and which are considered intermediary partners with the productive sector, include COCEPRADII and UTC La Paz in Honduras; Tikonel, Vivamos Mejor, and Hanns R. Neumann Stiftung in Guatemala; and PADECOMSM, ADEL Morazán, and Fundación Campo in El Salvador. By working on innovation processes aimed at small producers and with a gender focus, the project foresees a potential future market demand, due to these organizations' reach, their experience in the field, and knowledge of production challenges. This initiative also serves as a knowledge platform for the development of courses and regional collaboration networks, which will have a greater impact in terms of disseminating information on the problems faced by producers in each country.
- 3.11 Zamorano has a continuing education platform called Zamorano Everlasting Education (ZEED), through which the courses designed under the project will continue to be offered, based on the demand of the agricultural sector and the beneficiary population. The university already has several cooperation agreements for capacity building, and the experience gained through this project will make it possible to create a comprehensive training program for incubators, accelerators, and other actors in the agrifood tech innovation ecosystem that need to take the next step to enhance sustainability. The asynchronous training modality¹⁶ may also be included as an alternative for the self-management and self-training of entrepreneurs. This was done in earlier IDB Lab-financed projects, such as Tech4Dev, which offers knowledge products related to this and other topics.

C. Project and institutional risks

(i) One risk identified for the project is that agricultural producers may have limited interest in taking part in the development and transfer of technological/innovative solutions. **Mitigation measure:** Zamorano will help bring together associations, NGOs, and entities with which prior work has been done in the NTCA, since they have typically played a proactive role in supporting rural production and the drive toward sustainability. The pilot experience of producers' participation in local

¹⁴ [Digital Transformation of Agribusiness in Latin America and the Caribbean | IDB Invest \(idbinvest.org\)](#).

¹⁵ <https://www.usaid.gov/mujer-prospera-challenge>.

¹⁶ [Asynchronous Program - Tech4Dev](#).

technology design processes and in the assessment of their impact on production is pertinent to this risk.

(ii) The absence of effective multisector coordination among the three participating countries is an identified risk, since this project is a groundbreaking initiative in the region that aims to bolster the innovation ecosystem in the agricultural sector and involves strategic partnerships. **Mitigation measure:** Zamorano will promote dialogue and working groups during the project planning stage, to work collaboratively with IDB Lab representatives from each country and stakeholders that make up the ecosystem (productive sector, entrepreneur support organizations (ESOs), donors, etc.) and outline a work plan that meets stakeholder expectations. Once this has been achieved, the NTCA region will be positioned as a promoter of local technologies that have been designed with an understanding of the local context, with close coordination between stakeholders to boost a nascent ecosystem, supported by rigorous research in the search for sustainable solutions.

(iii) Gender inequality in the agrifood sector: Women are underrepresented in high-productivity economic activities and face a significant wage gap, which perpetuates poverty and limits their participation in the labor market. **Mitigation measure:** Zamorano will encourage women's participation in high-productivity economic activities and decision-making positions. Through AgroHub, it will encourage more support programs for women entrepreneurs.

(iv) Limited internet connectivity and low digital literacy of agricultural producers: Many producers in the region lack adequate access to the technology and skills needed to take advantage of the digital solutions to be developed under the project. **Mitigation measure:** Zamorano will ensure that technological solutions are designed with a user-centered approach, considering their specific conditions and characteristics. The project will also seek to collaborate with potential partners in the telecommunications sector that can help bridge this gap by providing connectivity and supporting the digital training of producers.

IV. INSTRUMENT AND PROPOSED BUDGET

- 4.1 The project has a total cost of US\$1,800,000, of which US\$900,000 (50%) will be provided by IDB Lab and US\$900,000 (50%) by the counterpart.
- 4.2 The instrument to be used is nonreimbursable technical-cooperation funding, which will support the development of the agrifood tech innovation ecosystem in the three countries with a need for technical assistance and resources for hiring experts, disseminating knowledge, etc.

Summary budget

Project components	IDB Lab	Counterpart		Total
		In cash	In kind	
Component 1. Innovation promotion	235,000	55,000	94,380	384,380
Component 2. Capacity building	434,000	235,280	117,660	786,940
Component 3. Ecosystem	37,500	40,000	99,880	177,380
Component 4. Strategic partnerships	129,900	79,720	92,760	302,380
Project management and evaluation	63,600	40,000	45,320	148,920
Total	900,000	450,000	450,000	1,800,000
% of financing	50%	50%		100%

V. EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

A. Description of the executing agency

- 5.1 Escuela Agrícola Panamericana, Inc. known as Zamorano, will be the executing agency for this project and will sign the agreement with the Bank. Zamorano is a private, nonprofit organization whose mission is to transform lives and have a positive impact on society through access to a comprehensive and innovative educational system that provides solutions to agrifood systems. In addition to its academic programs, the university has several initiatives and centers that promote sustainable development in the region, where it seeks to mainstream innovation as a crosscutting theme. The Innovation Committee exemplifies this, by *“promoting and implementing ideas that challenge the ‘status quo,’ generating new services, processes, products, and management models in order to create value to achieve sustainability, competitiveness, and leadership through multidisciplinary teams committed and linked to the innovative environment.”* There are also the units of the Zamorano Regional Innovation Center for Vegetables and Fruits (in conjunction with UC Davis), the Zamorano Food Technology Innovation Center (CITAZ), the Technology and Innovation Support Center (CATI), the Zamorano Innovation and Entrepreneurship Center, and the Learning by Doing Technological Innovation in Productive Systems module.
- 5.2 The university created the Office of Strategy and Innovation whose objectives include bolstering the innovation and entrepreneurship ecosystem to create opportunities and a collaborative network for sustainability in agrifood systems. Under its umbrella, Zamorano seeks to build a platform for research collaboration and the joint creation of innovative solutions in an environment that will bring together groups of producers, the start-up community, investors, and nongovernmental organizations, as well as the academic, private, and public sectors. Although the university has played a role in sustainable development through its academic centers and units, it will reinforce the innovation strategy that provides timely solutions to each sector, with a systemic approach, to meet these main challenges.
- 5.3 Zamorano’s current project portfolio includes more than 30 initiatives with different organizations that are seen as potential partners of the Hub forming part of its

- governance structure, including academic institutions, universities, the private sector, government, nongovernmental organizations, representatives of small producers and SMEs, and research centers. One example is Asociación Compartir, which, with funding from Price Philanthropies, is promoting entrepreneurship with young people from vulnerable areas in Honduras. With universities and research centers, the aim is to strengthen research in order to drive development. Current partners include Penn State University, Michigan State University, UC Davis, Colorado State University, the Smithsonian Institution, Centro Agronómico Tropical de Investigación y Enseñanza, and the Inter-American Institute for Cooperation on Agriculture. Potential private sector partners include Dole, Walmart, Obra Kolping, and Pricemart.
- 5.4 Zamorano has a faculty of more than 50 professors with theoretical and practical experience in promoting sustainability in agrifood systems from the standpoint of production, processing, and marketing and their social, environmental, and economic impacts. The areas of expertise aligned with the initiative include: innovation in agrifood chains; artificial intelligence in marketing; entrepreneurship; agricultural and industrial market research; data collection and analysis; optimization of production processes; post-harvest processing of fruits and vegetables; digital agriculture; sustainable consumption; new product development; environmental diagnostics; environmental and carbon footprints; climate-adapted agriculture; geographic information systems; natural resource management; precision agriculture; design thinking; remote sensors; field school extension programs; comprehensive natural resource management; and community development.
- B. Implementation structure and mechanism**
- 5.5 Zamorano will establish a project execution unit (PEU) and the necessary structure to carry out project activities and manage project resources effectively and efficiently. Zamorano will also be responsible for submitting project status reports through IDB Lab's project management platforms every six months. The details of the structure of the regional execution unit will be determined in accordance with the project's operating regulations, which will be submitted to IDB Lab at the start of project execution.
- 5.6 As the executing agency and project leader, Zamorano will be responsible for promoting and proposing the strategy and execution of each stage of the project. Zamorano's execution team, its strategic partners, and the IDB Lab supervision unit led from Honduras will be in charge of the execution strategy, with the objective of aligning the strategy with the results matrix and execution of the funds. Zamorano will assign a project manager who will oversee activities and results, as well as context-specific details and project progress.
- 5.7 Zamorano may enter into a contract with TYL to pay for advisory, support, and capacity transfer products and services, as mentioned in previous sections of this document and based on the multiyear work plan defined at the outset of project implementation.
- 5.8 Regional implementation. Zamorano will set up a mechanism to communicate with IDB Lab specialists in each country on a quarterly basis or at a frequency to be agreed upon with IDB Lab during the project implementation stage, in order to: (i) ensure the connection with active projects in the country to avoid duplication of

- efforts; (ii) achieve a better understanding of the local context; (iii) generate synergies with stakeholders in the agrifood tech ecosystems in each country; (iv) provide timely reports on the project's local communication activities and where the IDB Lab logo is used. The activities derived from this communication mechanism will include introducing Zamorano to local stakeholders (ESOs, corporations, representative local stakeholders of the agro sector, governments, investors, and others), recommending local experts, and helping to coordinate local initiatives. Zamorano will organize an annual meeting (hybrid format) where it will share progress and results with the IDB Lab team from the three countries.
- 5.9 A Program Advisory Committee will be established, to include representatives from Zamorano, IDB Lab, and other tech industry and agrifood tech ecosystem leaders in the region. This committee will play a vital role in strategic decision-making and will ensure that the project fulfills its objective.

VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 **Results-based disbursements and fiduciary arrangements.** Zamorano, as the executing agency, will commit to IDB Lab's standard arrangements regarding results-based disbursements and to the Bank's procurement and financial management policies, as specified in the technical file. Project disbursements will be contingent upon corroboration of the fulfillment of milestones using the means of verification agreed upon by the executing agency and IDB Lab. Fulfillment of milestones does not exempt the executing agency from its responsibility with respect to the indicators stipulated in the results matrix and project objectives.
- 6.2 Under the risk and performance-based project management modality, the amount of project disbursements will be determined based on the project's estimated liquidity needs for a maximum of six months. These needs will be agreed upon between IDB Lab and the executing agency, and will reflect the activities and costs programmed in the annual planning exercise. The first disbursement will be subject to fulfillment of conditions precedent, and subsequent disbursements will be made upon fulfillment of the following two conditions: (i) verification by IDB Lab that the milestones have been fulfilled, as agreed in the annual planning; and (ii) the executing agency has justified at least 80% of all cumulative advances of funds.
- 6.3 The executing agency will directly contract the services of The Yield Lab Institute for the implementation of Component I of this cooperation operation. This decision is based on the fact that the company has the necessary knowledge and team to perform this work to a high standard. It has already conducted the first phase of interviews in preparation for this pilot and has successfully developed similar experiences in several countries in the region. This gave the company the opportunity to meet different stakeholders and participants in this pilot, which will give it a significant advantage in terms of cost-effectiveness over other firms.

VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY

- 7.1 **Access to information.** The information in this document is classified as “public” under the Bank’s Access to Information Policy.¹⁷
- 7.2 **Intellectual property.** The executing agency will own the intellectual property rights to all works produced or outcomes obtained under the project and will grant the Bank an irrevocable, worldwide, perpetual, royalty-free, nonexclusive license to use, copy, distribute, reproduce, publicly perform, and execute any and all such rights, as well as to develop derivative works, under the terms of the Privacy Policy and the executing agency’s Terms and Conditions. The Bank may grant sublicenses to third parties without requesting further authorization or licenses from the executing agency.

¹⁷ Link to the [Access to Information Policy of the IDB](#).