

REGIONAL

JAPAN-LAC BUSINESS AND FINANCIAL PARTNERSHIP INITIATIVE

(RG-T4897)

PROJECT DOCUMENT

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PROJECT SUMMARY

Operation Type:	Technical Cooperation
Sector:	TRADE
Subsector:	EXPORT AND INVESTMENT PROMOTION
TC Taxonomy:	Research and Dissemination
Project Number under the Operational Support Taxonomy:	N/A
Technical Responsible Unit:	PTI/PST-Private Sector, Synergies and Trade Unit
Unit with Disbursement Responsibility (UDR):	PTI/PST-Private Sector, Synergies and Trade Unit
Executing Agency:	Inter-American Development Bank

PROJECT OBJECTIVE

This Technical Cooperation (TC) aims to deepen and expand the strategic, economic, and financial partnership between Japan and the Latin America and Caribbean (LAC) region, commemorating the 50th anniversary of Japan's accession to the Inter-American Development Bank (IDB). Its objectives are to: (i) facilitate economic linkages between Japan and LAC; (ii) promote trade, investment, and financial opportunities, including co-financing opportunities with Japanese institutions; (iii) support knowledge exchange through Japan's development experience, technologies, and innovation systems; and (iv) strengthen public- and private-sector capacities through targeted dialogue, sectoral engagement, and structured business networking.

FINANCIAL INFORMATION

Financing Type	Fund	Amount in US\$
TCN - Nonreimbursable	JSF - Japan Special Fund	1,480,000
Total IDB Financing		1,480,000
Counterpart Financing		0
Total Project Budget		1,480,000
Donors:	N/A	
Disbursement Period:	24 months	
Execution Period:	24 months	

ADDITIONAL FINANCIAL INFORMATION

N/A

I. JUSTIFICATION AND OBJECTIVE

- 1.1 **Diagnostic.** Japan’s approach to development assistance emphasizes quality growth, innovation, and resilience. The Japan-LAC Business Forum will embody this spirit by promoting human-centered innovation, quality infrastructure, and knowledge co-creation. Rather than focusing solely on trade volumes, the Forum will highlight Japan’s long-term partnership model, anchored in sustainability, technology transfer, and institutional collaboration, implemented through sustained engagement and knowledge exchange, which seeks to deliver enduring socioeconomic value across both regions.
- 1.2 Japan and LAC maintain a stable trade and investment relationship with significant potential for expansion. Bilateral trade reached US\$61 billion in 2024, representing approximately 4% of Japan’s total global trade¹. Of this bilateral trade, US\$30 billion corresponded to Japanese exports to LAC and US\$31 billion to imports from LAC². Japan’s exports to LAC consist primarily of vehicles, ships, and industrial machinery, while imports focus on ores, fuels, and agri-food products—highlighting strong structural complementarity³. Japan’s Foreign Direct Investment (FDI) in LAC exceeds US\$100 billion cumulatively, with annual flows averaging US\$6.9 billion, concentrated in manufacturing, energy, minerals, technology, and agribusiness. Japanese firms such as vehicle manufacturers, and various electronics and industrial leaders have established long-term operations in Mexico, Brazil, and other LAC economies. At the same time, Japan views LAC as an increasingly important partner for green hydrogen, ammonia, critical minerals, and other strategic inputs needed for its energy transition and industrial diversification.
- 1.3 Japan’s most significant economic relationships in LAC are anchored in a small group of countries—Mexico, Brazil, Chile, and Peru—which together account for more than three-quarters of Japan’s total trade with the region and host the bulk of Japanese FDI⁴. Japan has established Economic Partnership Agreements (EPAs) with Mexico (2005), Chile (2007), and Peru (2012), Strategic Partnership Framework with MERCOSUR (2025) and maintains structured economic dialogues with Brazil and Colombia. These frameworks have deepened trade, strengthened investment flows, and expanded cooperation in innovation, services, and industrial development. Participation in broader platforms such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), APEC, and the Pacific Alliance (as an observer) further positions Japan as a key partner for promoting open trade, digital economy standards, and high-quality infrastructure⁵. These partner economies—characterized by macroeconomic stability, integration into global value chains, and major renewable energy and critical-mineral portfolios—serve as strategic hubs for deepening Japan–LAC collaboration.
- 1.4 **Request.** In light of the diagnosis presented above, and reflecting the Inter-American Development Bank’s and the Japanese Government’s interest in jointly

¹ UN Comtrade database.

² UN Comtrade database.

³ IDB/PTI calculations based on UN Comtrade database.

⁴ IDB/PTI calculations based on UN Comtrade database.

⁵ Source: Japan Ministry of Foreign Affairs (JMOFA) – “Japan’s Economic Partnership Agreements”

- advancing this agenda, the TC seeks to move the Japan-LAC relationship beyond its current concentration in a specific set of sectors by supporting the identification of new areas for collaboration, facilitating knowledge exchange on advanced technologies and business models, and structuring a sequenced engagement process that enables Japanese firms and LAC counterparts to explore diversified, higher-value-added opportunities aligned with Japan's and Latin American and the Caribbean's long-term development and sustainability priorities.
- 1.5 Across the region, opportunities for expanded Japan-LAC collaboration are particularly attractive in energy security and other related value chains; critical minerals (lithium, copper, rare earths); digital transformation, fintech, and digital public infrastructure; quality transport, logistics, and resilient infrastructure; agribusiness, food security, and climate-smart agriculture; advanced manufacturing and industrial upgrading. Mineral trade already represents nearly 40 percent of Japan's total imports from LAC, underscoring the region's growing relevance in Japan's pursuit of secure and sustainable critical-mineral supply chains⁶. These sectors align with Japan's Green Transformation (GX) Strategy, global supply-chain diversification priorities, and the IDB Group's institutional focus areas, including climate action, digital transformation, productive development, and regional integration.
 - 1.6 **Objective.** This Technical Cooperation (TC) aims to deepen and expand the strategic, economic, and financial partnership between Japan and the Latin America and Caribbean (LAC) region, commemorating the 50th anniversary of Japan's accession to the Inter-American Development Bank (IDB). Its objectives are to: (i) facilitate greater economic linkages between Japan and LAC; (ii) promote trade, investment, and financial opportunities, including co-financing opportunities with Japanese institutions; (iii) support knowledge exchange through Japan's development experience, technologies, and innovation systems; and (iv) strengthen public- and private-sector capacities through targeted dialogue, sectoral engagement, and structured business networking.
 - 1.7 The TC will support the Japan-LAC Business and Financial Partnership Initiative⁷ through complementary activities comprising: (i) the third edition of the Japan-LAC Business Forum; (ii) the Japan-LAC Regional Seminar; and (iii) the Japan-LAC digital solution. The Japan-LAC Business Forum, to take place in Tokyo, is a flagship platform co-organized by the Ministry of Finance of Japan (JMOF) and the IDB Group to foster high-level economic cooperation. The Forum will convene senior government officials, business leaders, investors, and innovators from Japan and IDB borrowing countries to advance collaboration in priority sectors. The Forum will serve as a high-impact platform to translate strategic dialogue into concrete results, and to anchor a broader sequence of engagement and follow-up activities under this initiative, fostering business matchmaking, public-private knowledge exchange, and collaboration with a focus on sectors such as critical minerals; digital transformation (including digital health and silver economy); quality infrastructure and transport; agribusiness and food systems; advanced

⁶ IDB/PTI calculations based on Japan-LAC Trade and Investment Datasheet (2025) and UN Comtrade database.

⁷ The Initiative refers to the designation used by the Government of Japan for a set of activities jointly supported with the IDB Group in the context of the 50th anniversary of Japan's accession to the IDB. These anniversary-related activities are intended to lay the groundwork for future collaboration in areas of mutual interest.

manufacturing and industrial upgrading; and climate resilience, with a cross-cutting emphasis on supply-chain diversification and sustainable growth⁸. The Japan-LAC Regional Seminar and the Japan-LAC digital solution will reinforce continuity and follow-up, supporting advancement of business and partnership opportunities emerging from the Tokyo Forum.

- 1.8 **Strategic Alignment.** This TC is closely aligned with the IDB Group Institutional Strategy: Transforming for Scale and Impact, approved in 2024 (GN-3159-12), particularly in the following strategic areas:
- 1.9 Sustainable, resilient, and inclusive infrastructure: The Japan-LAC Business Forum promotes the exchange of experiences and best practices in quality infrastructure development, financing models, and enabling policies that foster resilient and sustainable growth. This dialogue will support governments and the private sector in identifying innovative solutions and in creating conditions that attract high-quality, long-term private investment in infrastructure, fully aligned with Japan’s global emphasis on quality infrastructure and connectivity as key drivers of inclusive development.
- 1.10 Productive development and innovation through the private sector: The Japan–LAC Business Forum promotes cross-regional collaboration in digital transformation and advanced manufacturing, fostering public-private partnerships that drive productivity, entrepreneurship, and innovation. By facilitating business linkages, investment opportunities, and policy dialogue, the TC aims to catalyze co-innovation and knowledge sharing between Japan and LAC companies, thereby supporting the development of competitive, technology-driven industries across the region.
- 1.11 Regional integration: By leveraging regional approaches to market analysis, connectivity, and private-sector engagement, the Initiative supports regional integration in LAC. Its inputs provide policy and market insights that strengthen regional markets and value chains, enabling scalable engagement with Japanese partners while reinforcing alignment with international standards and access to global trade and investment opportunities.
- 1.12 The TC is also aligned with the objectives of the Japan Special Fund (JSF) and broader Japan–IDB partnership programs, as it contributes to strengthening institutional capacities and promoting effective, transparent, and innovation-driven governance in LAC. By fostering inclusive partnerships and knowledge exchange with Japan, the TC supports the goals of Japan’s cooperation framework with the IDB—focused on improving public sector management, sustainable economic growth, and the transfer of technology and expertise to enhance productivity and reduce poverty across the region⁹.

⁸ IDB/PTI elaboration based on IDB–Japan cooperation frameworks and sectoral priorities.

⁹ IDB–Japan Program for Cooperation; Japan Special Fund framework; and IDB/PTI elaboration based on institutional alignment criteria.

II. COMPONENTS

- 2.1 **Component 1: Japan–LAC Business Collaboration Opportunities (US\$580,000).** This component will finance the design and deployment of a Japan–LAC Business and Financial Partnership framework, which will identify sector-specific opportunities for Japan–LAC business collaboration, with a focus on strategic areas. Activities will include: (i) targeted analytical work to map sectoral opportunities and enabling conditions across selected countries, incorporating analysis of regulatory and tax frameworks, sectoral policy frameworks, preferential trade agreements and investment promotion policies, market characteristics, and supply chain and logistical dynamics relevant to Japanese investment¹⁰; (ii) documentation of relevant success cases of Japanese companies operating in the region, highlighting lessons learned and expansion factors; and (iii) where demonstrated interest and alignment emerge from the activities under the Initiative, engage the private sector at the firm level, working through business associations and other relevant intermediaries, to provide targeted capacity-building support to enable them to assess, and pursue selected opportunities mapped under this component.¹¹ The component will deliver a Japan–LAC Business Engagement Strategy that defines priority sector opportunities, coordination pathways, policy recommendations, and clear routes for firm-level participation in Japan-linked investment and value chains.
- 2.2 **Component 2: Japan-LAC Business Forum and Japan-LAC Regional Seminar (US\$750,000).** This component consists of: (i) the Business Forum in Tokyo, which will serve as the flagship platform for high-level dialogue, trade promotion, procurement visibility, investment matchmaking, and strategic engagement; (ii) a Regional Seminar in LAC, conceived as a post-Forum regional follow-up milestone to operationalize outcomes, disseminate market insights, and advance concrete business, investment, and procurement opportunities; and (iii) a technical document, developed to prepare and anchor discussions across both events, offering a long-term perspective on Japan–LAC economic engagement.
- 2.3 **Japan–LAC Business Forum.** The Forum will serve as the flagship event for mobilizing capital and forging strategic investment partnerships between Japan and Latin America and the Caribbean (LAC). Scheduled for August 2026, in Tokyo, this event will convene senior government officials, institutional investors, corporate leaders, and development financiers to facilitate high-level policy dialogue, sectoral engagement, and business matchmaking, driving actionable collaboration across investment, procurement, and trade.
- 2.4 **Technical Sessions:** The Forum will include technical sessions on IDB-financed procurement opportunities under BID for the Americas and an interactive market-intelligence discussion to validate and refine opportunity insights, informing

¹⁰ The analytical design will be developed with input from Japan's MOF, the IDB Asia Office and in close collaboration with JALAC, as well as diplomatic missions from LAC countries in Tokyo, ensuring institutional alignment and relevance.

¹¹ Activities will include targeted firm-level engagement to build capacity on LAC market entry, regulatory and partnership frameworks, and operational considerations, supporting investment readiness and the conceptual development of potential collaboration or investment initiatives, without constituting commercial advisory services or guaranteeing outcomes.

subsequent analytical work and engagement approaches without promoting specific projects.

- 2.5 **Targeted Business Matchmaking Meetings.** The Forum will host structured matchmaking meetings across two parallel tracks: a) trade firm-to-firm matchmaking, where export-ready LAC companies will meet with Japanese companies to explore business opportunities; and b) investment matchmaking, where LAC government representatives will deliver concise presentations on investment opportunities in priority sectors and policy incentives, followed by interactive a Q&A with Japanese investors¹².
- 2.6 By prioritizing high-quality investment dialogue, accessible procurement visibility, and structured matchmaking across investment and trade tracks, the Japan–LAC Business Forum in Tokyo aims to convert strategic engagement into concrete partnerships and capital flows that deepen Japan’s economic footprint in LAC.
- 2.7 **Japan–LAC Regional Seminar¹³.** This one-day hybrid seminar, held in-person in Sao Paulo, Brazil, will take place in the period following the Japan-LAC Business Forum in Tokyo (August 2026) and the end of the second quarter of 2027. The seminar will serve as an implementation-oriented regional follow-up to the Japan-LAC Business Forum in Tokyo, while broadening outreach to firms and institutions unable to participate in the Forum¹⁴.
- 2.8 By leveraging IDB Group’s BID for the Americas program, and serving as a post-Forum regional engagement platform for IDB, IDB Invest and IDB Lab, the Regional Seminar will support post-Forum engagement and support implementation of the Japan-LAC Business and Financial Partnership Initiative.
- 2.9 **Japan-LAC Technical Document.** In complement to the analysis under Component 1, and as an input to the Japan-LAC Business Forum and Japan-LAC Regional Seminar, the IDB will produce a technical document offering a long-term perspective on Japan–LAC economic engagement. Drawing on the Bank’s regional presence and institutional knowledge, the report will provide a retrospective analysis of the evolution of Japan–LAC trade and investment relations over the past five decades, highlighting key milestones, structural strengths, and patterns of collaboration. It will incorporate micro-level country perspectives, including value-chain insights, and showcase notable companies and success stories. The publication will present an accessible narrative, illustrative examples, and an analytical model that together offer a clearer

¹² IDB Invest, IDB Lab and JMOF-designated financial institutions will also engage with project sponsors and investors to explore opportunities for co-financing, blended finance, risk-mitigation instruments, and other investment partnerships.

¹³ Prior to the commencement of activities in the respective countries, the corresponding request letter from the national liaison authority will be duly obtained, in accordance with Bank policies.

¹⁴ It will feature: a) a presentation of the priority sectors, key messages, and partnership opportunities that emerged from the Japan-LAC Business Forum; b) a presentation of available IDB Group instruments and programs to support Japanese stakeholders make the most of the business opportunities featured during the Tokyo Forum, including through its BID for the Americas program; c) a dedicated session presenting market insights and preliminary findings from the analytical work conducted under Component 1; and d) structured dialogue with private sector firms, executing agencies, and financial institutions to advance follow-up actions, refine potential areas of collaboration, and support next steps across Japan-LAC business opportunities.

understanding of Japan’s economic footprint in LAC and future opportunities for deepened collaboration.

- 2.10 Together with the deliverables produced under Component 1, these activities aim to deepen Japan–LAC collaboration, maximize complementarities across priority sectors, and position the IDB Group as a key convening and financing partner for Japanese interest in LAC.
- 2.11 **Component 3: Japan-LAC Digital Solution Development (US\$100,000).** This component will strengthen the visibility, accessibility, and long-term impact of the Japan–LAC Business and Financial Partnership Initiative through a dedicated digital solution hosted on the [ConnectAmericas](#) platform and managed by its team under the IDB’s Productivity, Trade, and Innovation Sector (PTI). The solution will serve as a centralized hub for trade, procurement, and investment opportunities identified under this TC, leveraging PTI’s digital ecosystem and its AI-enabled tools to facilitate access and follow-up of these opportunities throughout the TC’s implementation. Content management and updates will be handled by the IDB to ensure consistency, timeliness, and sustained relevance over the course of the Initiative, with inputs from JMOF as appropriate.
- 2.12 **Component 4: Outreach and Dissemination (US\$50,000).** This component will support a targeted campaign in Japan, conducted in coordination with trade associations, that will increase awareness of the Japan-LAC Business Forum, the Japan-LAC Regional Seminar, the Japan-LAC Digital Solution, and the IDB Group’s role as a facilitator of business and investment opportunities for Japanese stakeholders in LAC.

III. BUDGET

- 3.1 **Budget.** The total cost of this TC is US\$1,480,000 financed by the Japan Special Fund (JSF).

Indicative Budget (US\$)

Budget in US\$				
Components	Fund Code IDB/JSF	Fund Code Source 2	Local	Total
Component 1: Japan–LAC Business Collaboration Opportunities	580,000	0	0	580,000
Component 2: Japan-LAC Business Forum and Japan-LAC Regional Seminar	750,000	0	0	750,000
Component 3: Japan-LAC Digital Solution Development	100,000	0	0	100,000
Component 4: Outreach and Dissemination	50,000	0	0	50,000

Total	1,480,000	0	0	1,480,000
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IV. EXECUTION STRUCTURE

- 4.1 The TC will be executed by the Inter-American Development Bank (IDB), in accordance with the Bank’s Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), through the Unit of Private Sector, Synergies, and Trade (PTI/PST) of the Productivity, Trade, and Innovation Sector (PTI/PTI) over a 24-month execution period (2026-2028). PTI/PST will be responsible for overall coordination and disbursement management. The project will be carried out in close collaboration with IDB Invest, IDB Lab and the Global Partnerships Office (GPS).
- 4.2 The Bank’s execution of this TC is justified by its nature as a Research and Dissemination initiative originated by the IDB, as well as the regional scope and absence of a regional entity with the legal, technical, and operational capacity to execute the TC in a consistent and sustainable manner across multiple countries. In line with OP-619-4, Annex II, Section C, paragraph 2.2(iv), the Bank’s execution ensures coherence, continuity, and effective coordination of activities at the regional level. The TC requires close coordination with a diverse range of public and private stakeholders across IDB borrowing member countries, including government authorities, entrepreneurs, and business leaders, whose active participation is critical to its success. Given the IDB’s neutral role, institutional credibility, and strong presence throughout the region, the Bank is uniquely positioned to manage stakeholder engagement, promote inclusive participation, and ensure alignment with both national and regional development priorities.
- 4.3 **Institutional Capacity.** PTI/PST has gained invaluable experience in the execution of Asia-LAC initiatives, including one edition of a Japan-LAC Business Forum (RG-T2756) and eight editions of the Korea-LAC series: 2007 (RS-T1360 / RG-T2025), 2011 (RG-T2025), 2015 (RG-T2533), 2017 (RG-T3048), 2019 (RG T3485), 2022 (RG-T3913), 2023 (RG-T4309), and 2024 (RG-T4464). These forums have played a critical role in fostering bilateral trade and investment between Asian countries and countries in Latin America and the Caribbean. As in previous editions, the team under PTI/PST brings the technical expertise to successfully deliver this initiative. A focused research and dissemination strategy will ensure value for the Bank and its member countries. Following the event, a summary report will be prepared, and any unspent funds will be canceled to allow for timely TC closure.
- 4.4 The project team will work in close coordination with local partners recommended by Japan’s Ministry of Finance (JMOF). The final selection of panelists and participants will be made by the project team, in consultation with GPS, IDB Invest and IDB Lab, ensuring geographic balance, alignment with event themes, and consistency with current or potential IDB Group collaborations. Invitations to LAC authorities will be coordinated with the respective IDB Country Offices.

- 4.5 Given the Bank’s technical expertise in the areas to be addressed during the workshop, and to support effective knowledge transfer to TC beneficiaries, a portion of the resources — subject to donor agreement— will be allocated to cover staff travel costs. The team will consult with the donor separately regarding the eligibility and approval of such expenses. This use of funds aligns with the Bank’s Technical Cooperation Policy.
- 4.6 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and 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.
- 4.7 **Non-Competitive Method: Single Source Selection.** In accordance with the Bank’s Corporate Procurement Policy (GN-2303-33) and its associated Guidelines, a non-competitive procurement method, specifically Single Source Selection, has been chosen for the contracting of specialized consulting services required for the execution of Components 1 and 4 of this TC¹⁵.
- 4.8 For Component 1, the use of direct contracting is proposed for the hiring of Dream Incubator Inc. (DI). This selection method is justified by the highly specialized and context-specific expertise required to deliver the analytical and engagement-oriented outputs contemplated under this component. Dream Incubator Inc. has demonstrated track record in Japan-focused strategic analysis, and private-sector engagement, supported by strong familiarity with Japanese institutional processes, public–private collaboration frameworks, and corporate decision-making dynamics. The firm also maintains established access to Japanese corporate, financial, and innovation networks with proven interest in overseas engagement, including experience facilitating collaboration between Japanese companies and public institutions such as JICA in development-oriented initiatives. Critically, the assignment also calls for proven experience translating Japan’s technological, business, and financing strengths into concrete opportunities relevant to the Latin America and the Caribbean context. DI has supported Japanese companies in addressing development challenges across LAC and other regions by combining industry capabilities with solutions to social and productive needs and has experience designing institutional frameworks and business models that engage partner-country governments in large-scale projects. The firm has established relationships with policymakers, including LAC, and demonstrated capacity to build new institutional partnerships as required. These combined capabilities are essential to identifying, validating, and advancing sector-specific Japan–LAC business opportunities and are not readily available among a broad pool of

¹⁵ The selection method proposed for Components 1 and 4 has been defined in accordance with the Bank’s Corporate Procurement Policy (GN-2303-33) and its associated Guidelines. The justification for the use of the Single Source Selection method will be provided at the appropriate stage of the contracting process. Additionally, it may be noted that both engagements are justified under the applicable exception that allows for direct contracting where it can be objectively demonstrated that a firm possesses qualifications or experience of exceptional value for the required services, and that direct contracting presents a clear advantage over a competitive selection process. Furthermore, in the case of Component 4, the engagement corresponds to a small-value contract, with an estimated amount not exceeding USD 50,000.

consulting firms. Given the highly specialized nature of the services and the need to deliver concrete, high-quality outputs within the timeframe associated with the 50th-anniversary milestone, this unique combination of institutional familiarity, regional experience, network access, and demonstrated execution capacity constitutes an exceptional qualification that objectively justifies the use of a single-source selection method, in line with applicable procurement policies.

- 4.9 For Component 4, Single Source Selection is proposed for the hiring of Japan Association of Latin America and the Caribbean (JALAC). This selection method is justified by the need for continuity post-Forum and specialized knowledge to support targeted outreach, dissemination, and engagement activities in Japan, leveraging established networks and institutional relationships relevant to the effective positioning of the Initiative. These qualifications are not readily available among a broad pool of potential firms and are critical to the timely and effective implementation of activities under both components. This contracting approach will be reflected in the Procurement Plan (Annex IV).
- 4.10 **Monitoring, Reporting, and Supervision.** To assess progress toward the expected outcomes, the project team will conduct monitoring and reporting activities, including semiannual surveys targeting forum participants to evaluate effectiveness, measure impact, and gather feedback to inform future activities and improvements. A communication and dissemination strategy will be implemented to amplify visibility and share key outputs and results through the ConnectAmericas.com platform, including knowledge products, success stories, and multimedia content, as well as a summary report to be shared with registered participants and IDB Group staff. These activities and targets may be further refined during project implementation.
- 4.11 **Origination and Reporting to Donors.** The project team will be responsible for the preparation and submission, to the donor of the project reporting, in compliance with the stipulations of the Administration Agreement.

V. POTENTIAL RISKS

- 5.1 The success of the project will largely depend on securing strong engagement and participation from private sector officials and executives across the LAC region and beyond. To mitigate the risk of limited involvement, the Bank will leverage private sector networks and platforms coordinated by PTI/PST—including ConnectAmericas.com, the Americas Business Dialogue, and the BID for the Americas program—and IDB Invest and IDB Lab networks. These will be mobilized to engage key stakeholders and business leaders from the outset of the TC's implementation. To further incentivize participation, the Bank will conduct targeted dissemination campaigns promoting the value of involvement for companies and industry leaders across all components of the project. Particular attention will be given to promoting geographic diversity, which may include exploring ways to collaborate with national private sector associations, and Trade and Investment Promotion Organizations in selected countries. This inclusive approach aims to foster a variety of perspectives and encourage meaningful regional engagement.

- 5.2 A potential risk to the successful implementation of the Japan–LAC Business and Financial Partnership Initiative and its core activities, the Japan–LAC Business Forum and Japan-LAC Regional Seminar, lies in the evolving geopolitical and economic dynamics within the region and in Japan. Diverging national priorities, institutional transitions, or changing diplomatic agendas could affect the level of engagement by some governments or private sector participants, particularly as the Forum and Seminar seek to foster cross-regional dialogue and cooperation on strategic issues.
- 5.3 To address this risk, the TC will emphasize a pragmatic, policy-neutral approach focused on mutually beneficial economic collaboration. The Forum’s and Seminar’s agenda will be built around shared priorities such as innovation, digital transformation, trade and investment, climate action, infrastructure, and sustainable growth —areas that transcend political cycles and offer tangible opportunities for cooperation. By engaging both public and private stakeholders early and centering discussions on technical and business-oriented outcomes, the TC will foster durable partnerships and position the Initiative as a platform for concrete action, even in a complex or shifting political environment.
- 5.4 **Project sustainability.** Sustainability-related considerations will be prioritized throughout the design and execution phases of this project. It is important to highlight the fact that the partnership developed through these types of initiatives can falter due to physical distances, cultural misunderstandings, and language barriers. To address these issues, the project team will make a significant effort to deliver a tailored matchmaking experience complemented by effective follow-up mechanisms like the proposed digital solution. To this end, the team will strive to forge a robust bond with partners in the region and Japan through: (a) active communication with participants, to address their business needs as clearly and effectively as possible; (b) the establishment of follow-up mechanisms to identify areas for future engagement and support; and (c) the documentation of success stories to disseminate among relevant stakeholders.
- 5.5 Regarding execution arrangements, the TC does not anticipate the need for new laws or regulatory changes to enable its implementation. However, close coordination among the private sector, national authorities, and regional institutions will be essential to ensure effective delivery. The Bank will work in partnership with private sector participants and relevant government counterparts to align timelines, structure activities strategically, and, when appropriate, sequence the execution of components to reflect evolving priorities or address emerging challenges. This initiative-taking and collaborative approach will help maintain the TC’s relevance and adaptability throughout its implementation.
- 5.6 **Intellectual Property.** All knowledge products, analytical outputs, reports, publications, digital content, presentations, data, and other materials produced under this Technical Cooperation, in any format and across all components, shall be the sole intellectual property of the Inter-American Development Bank (IDB), in accordance with applicable Bank policies.

VI. EXCEPTIONS TO BANK POLICIES

6.1 There are no exceptions to the Bank policy in this project

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

REQUIRED ANNEXES:

- Annex I: Request from Client
- Annex II: Results Matrix
- Annex III: Terms of Reference
- Annex IV: Procurement Plan