

INTER-AMERICAN DEVELOPMENT BANK

## EYE BOND PROGRAM

(EDUCATION / YOUTH / EMPLOYMENT)

JULY 2019

EYE BOND PROGRAM

REPORTING

OUR STORIES



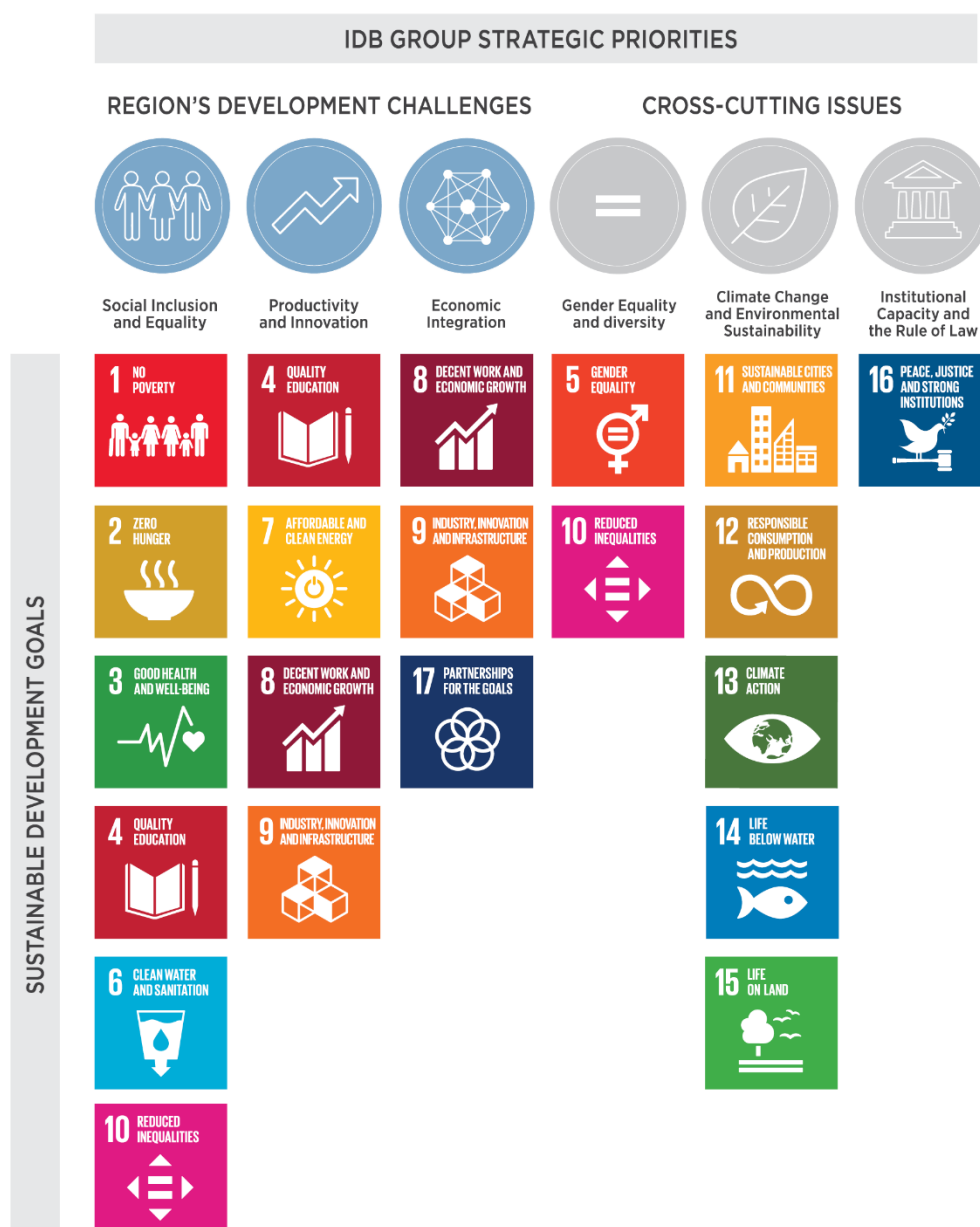


Since its founding in 1959 the Inter-American Development Bank (IDB) has worked to find innovative and effective approaches to address the economic, social, institutional, and environmental aspects of Latin America and the Caribbean's development challenges.

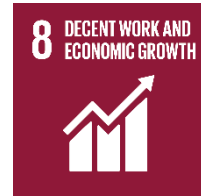
We work to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, we help improve health and education, and advance infrastructure. Our aim is to achieve development in a sustainable, climate-friendly way.

*"Our institutional strategy reinforces the critical role sustainability plays in the region's development, stating as its vision "to work in partnership with the region to increase productivity and reduce inequality in a sustainable way, and to ultimately transform Latin America and the Caribbean into a more inclusive and prosperous society."*

IDB Sustainability Report 2018 (page 6)







## A. EYE BOND PROGRAM

Solving the challenges of poverty and inequality in Latin America and the Caribbean requires a multi-faceted, carefully planned approach that coordinates investments in human capital – people – over the course of a lifetime. The IDB, a pioneer in the realm of social bonds, has been working for decades to improve lives in Latin America and the Caribbean to fund programs in three prioritized areas: Education, Youth, and Employment (EYE). The IDB has focused on a “life cycle” approach to build human capital from early childhood care and education, through formal primary and secondary education, as well as programs that facilitate labor market placement by improving the transition from school to work through vocational training.





The EYE Bond program is defined by a framework that follows ICMA's Social Bond Principles 2018, structured on the four components of the SBP: use of proceeds, process for project evaluation and selection, management of proceeds, and reporting.

## I. Use of proceeds

The EYE Bond program provides funding for eligible project loans related to **Education, Youth, and Employment** (see Annex page 10):

- **Education:** effective teaching and learning among children and youth
- **Youth:** building of human capital from early childhood care to youth programs, through the acquisition of practical life skills
- **Employment:** improve job opportunities and develop workforce skills





## II. Process for Project Evaluation and Selection

### PROGRAMMING

- We align our sustainability actions with those of our borrowing member countries through the country strategies prepared every time a new administration takes office
- We prepare sector framework documents to provide guidance to project teams on what IDB seeks to accomplish in a given sector
- We scan the pipeline of operations each year for climate change opportunities
- We screen all operations for potential environmental and social risks and disaster and climate

### PREPARATION

- We prepare an environmental and social strategy for the project profile
- Project teams present a results matrix and a monitoring and evaluation plan for tracking the project's achievements, including for sustainability
- Climate change and gender and diversity specialists get involved early to provide technical advice
- We prepare an environmental and social management report for the Proposal for Operation Development. We help clients prepare any additional environmental and social impact assessments

### APPROVAL

- Teams consider how projects align to IDB's strategic priorities
- The multilateral development bank (MDB) climate finance tracking methodology is applied to each IDB Group project to determine the portion of climate-related financing
- Loan agreements include key environmental and social clauses.

### EXECUTION

- We determine the level of safeguards supervision required using an environmental and social risk rating.
- Project teams work closely with executing agencies, building capacity along the way, and submit two progress monitoring reports per year.
- We analyse safeguards performance across the portfolio.

### COMPLETION AND REPORTING

- Results at completion, including environmental and social lessons, are reported in the Project Completion Report (externally validated by the Office of Evaluation and Oversight).

For more information, see IDB Sustainability Report 2018 – [www.iadb.org](http://www.iadb.org).

### III. Management of Proceeds

An amount equal to the net proceeds of the issue of the Notes (which proceeds may be converted into other currencies) shall be recorded by the Bank in a separate sub-account supporting Eligible Projects. These proceeds will be invested in accordance with the Bank's conservative liquidity investment guidelines until used to support the Bank's financing of Eligible Projects. So long as the Notes are outstanding and the account has a positive balance, the Bank shall direct an amount equal to such net proceeds to its lending projects within the fields of Education, Youth, and Employment, subject to and in accordance with the Bank's policies. The Bank shall allocate amounts from the sub-account to support the financing of Eligible Projects on a semi-annual basis.

### IV. Reporting

On an annual basis, IDB will publish a newsletter to highlight progress and status of eligible projects.



## B. REPORTING<sup>1</sup>

Over the next 4 years, projects supported in the 2018 reporting period by IDB's EYE bonds are expected to:

### EDUCATION



Benefit **3,000,000** students

Train **179,000** teachers

IDB promotes effective teaching and learning among children and youth in Latin America and the Caribbean by supporting high standards. Education, investing in early childhood development and school readiness, enhancing teacher training, ensuring adequate resources for learning, improving school infrastructure, and providing graduates with the skills needed for work and life.

### YOUTH



Benefit **288,000** people

IDB interventions are designed to promote the accumulation of human capital from early childhood care to Youth programs, through the acquisition of practical life skills to reduce the likelihood of young people to engage in high risk behavior that may translate into economic and social costs for the individual, as well as society as a whole.

### EMPLOYMENT



Benefit **529,000** people

These projects assist the design, implementation and evaluation of policies to improve Employment opportunities and develop workforce skills. IDB-supported projects also increase the coverage and sustainability of social security, while improving efficiency and productivity.

<sup>1</sup> Based on project allocations for the 2018 reporting period.

2018

# HIGHLIGHTS

**\$607<sup>1</sup>** million raised through

5 EYE bonds

4 currencies

IDB **CUMULATIVE** ISSUANCE

As of Mar 31, 2019

**\$1.82** billion raised through

36 EYE bonds

8 currencies

<sup>1</sup> From Apr 1, 2018 to Mar 31, 2019



## C. OUR STORIES



### **URUGUAY:** Program to Support the National Integrated Care System (UR- L1110)

The program's objective to help to improve access to, and the quality of, the care of dependent people through the National Integrated Care System (SNIC). Specifically, it will support institutional strengthening of the SNIC and the expansion of quality care services for children under the age of 3.

### **PERU:** Improvement and expansion of Employment Center Services for Formal Job Placement (PE-L1152)

The project's objective to improve and expand Employment Center services for formal job placement of the economically active youth population of the regions of Arequipa, Ica Lambayeque, La Libertad, Piura, San Martín, and Metropolitan Lima. The specific aim is to improve the effectiveness, efficiency, and relevance of Employment Center services to better match urban youth with formal-sector business looking for workers. The project seeks to develop a strengthened Employment Center model and fully implement it in these seven regions.



### **URUGUAY:** Generation C: Strengthening Education Innovations for 21st Century Skills and Competencies (UR-L1141)

This objective will be achieved through a program comprising the following three components: (i) Programs to improve learning and teaching practices introducing new pedagogies for deep learning; (ii) Digital resources to improve learning and competencies; and (iii) Management, improvement of monitoring capacity, and evaluation of results.

### **BOLIVIA:** Program to Support Employment II (BO-L1121)

The general objective of this operation is to improve the workforce integration, in formal economic units, of job seekers who use the Plurinational Employment Service of Bolivia (SPEBO). Its specific objectives are: (i) to strengthen SPEBO's position; and (ii) to improve the effectiveness of services delivered to job seekers who use SPEBO.



# ANNEX

## Eligibility Criteria for EYE Bond Program Projects

Eligible category	Eligible projects	Definition
Education	Preschool & Early Childhood Education	Support programs directed to ensure that all children enter first grade ready to learn and have the basic competencies required to benefit from a full cycle of schooling
	Primary Education	Support Primary Education Programs
	Secondary Education	Support Secondary Education Programs
	Compensatory Education	Support compensatory programs to reduce education inequalities by improving the access and achievement of all students.
	Teacher Education & Effectiveness	Support programs directed to ensure teacher quality
	e-Education	Support programs that increase access to information and communication technologies (ICTs) in educational processes to improve the quality of student learning.
	Vocational & Technical Education	Support programs directed to Vocational and Technical Education - access to knowledge and professional skills development for insertion in different sectors
Youth	Early Childhood Development	Support parents and caregivers to improve the quality of childcare.
	Youth-At-Risk	Direct support to interventions, policy design, and/or impact evaluations to benefit at risk youth or those already engaging in high-risk behavior.
Employment	School-to-Work Transition	Support programs to improve the match between learning, skills, and competencies provided in school and those required by the labor market to improve the transition to productive work.
	Human resources & workforce development	Support development of skills and competencies for the job throughout the life cycle of the worker, including improving resources for the school-to-work-transition.
	Labor Intermediation Systems	Support the development of information systems, labor market counseling and training services for job-placement in better jobs.
	Vocational and Workforce Training	Support training programs to accelerate the social and labor insertion of job seekers, including youth, unemployed adults and active workers.

## Education

Project name	Project ID	Project Country	IDB Committed Project Amount (US\$mn) <sup>1</sup>	EYE Bond Allocated (US\$mn) <sup>2</sup>
Program to Improve the Quality and Expand Coverage of Basic Education	<b>BR-L1327</b>	Brazil	200.8	122.4
Expansion and Improvement Project of the Public Education Network of Manaus	<b>BR-L1392</b>	Brazil	52.0	6.1
Education Quality and Coverage Improvement Program	<b>GU-L1087</b>	Guatemala	150.0	6.7
Program to Improve Early Education in Ayacucho, Huancaavelica and Huánuco	<b>PE-L1062</b>	Peru	25.0	21.1
Second Basic Education Improvement Program (2nd BEIP) Phase II	<b>SU-L1038</b>	Suriname	20.0	8.3
Support for Primary and Secondary Math and English Education Program	<b>UR-L1093</b>	Uruguay	6.0	6.0
Quality and Equity of Education - PROMEDU IV	<b>AR-L1180</b>	Argentina	200.0	90.0
Skills for the Future	<b>BA-L1016</b>	Barbados	20.0	14.0
Program for Accelerating Progress of Education in Amazonas	<b>BR-L1328</b>	Brazil	151.2	58.1
Building and Equipping of Education Infrastructure	<b>CR-L1053</b>	Costa Rica	167.5	121.6
Improvement of school quality to develop capacities for the Employment: Youth Program	<b>HO-L1188</b>	Honduras	60.0	0.3
Secondary and Technical Education and Teachers Training Support Program	<b>UR-L1050</b>	Uruguay	48.0	14.0
Educational Facilities and Learning Quality	<b>PN-L1064</b>	Panama	30.0	5.6
Generation C: Strengthening education innovations for 21st Century skills and competencies	<b>UR-L1141</b>	Uruguay	30.0	5.8
Expansion and Improvement Program of Early Childhood Education and Elementary Education in Florianópolis	<b>BR-L1329</b>	Brazil	58.9	31.9
Early Childhood Education Expansion and Improvement Program	<b>CH-L1082</b>	Chile	75.0	68.8

<sup>1</sup> Committed amount for eligible projects for which the loans are outstanding.

<sup>2</sup> EYE bond proceeds allocated to support financing of disbursement to eligible projects net of loan repayments. Not adjusted for matured bonds that were not replaced with new EYE bonds.



## Education

Project name	Project ID	Project Country	IDB Committed Project Amount (US\$mn) <sup>1</sup>	EYE Bond Allocated (US\$mn) <sup>2</sup>
Education Quality Improvement	BL-L1018	Belize	10.0	9.5
Productive Communitarian Secondary Education	BO-L1071	Bolivia	40.0	33.1
Support Program to Quality Education Plan for Prosperity	CO-L1093	Colombia	46.0	34.5
Innovation in School Infrastructure	PN-L1072	Panama	70.0	57.9
<b>Total Education Projects</b>			<b>1,460.4</b>	<b>716.0</b>

## Youth

Project name	Project ID	Project Country	IDB Committed Project Amount (US\$mn) <sup>1</sup>	EYE Bond Allocated (US\$mn) <sup>2</sup>
Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education	AR-L1254	Argentina	200.0	2.0
Grow Well to Live Well Early Childhood Development Program	BO-L1064	Bolivia	20.0	15.4
Program of Integrated Public Policies for Fortaleza Youth	BR-L1122	Brazil	33.1	4.8
Program to Accompany the Implementation of the National Policy	NI-L1059	Nicaragua	20.0	5.1
Support to Early Childhood Development	PR-L1051	Paraguay	27.0	9.7
Support the National Integrated Care System	UR-L1110	Uruguay	50.0	22.9
<b>Total Youth Projects</b>			<b>350.1</b>	<b>60.0</b>

<sup>1</sup> Committed amount for eligible projects for which the loans are outstanding.

<sup>2</sup> EYE bond proceeds allocated to support financing of disbursement to eligible projects net of loan repayments. Not adjusted for matured bonds that were not replaced with new EYE bonds.

## Employment

Project name	Project ID	Project Country	IDB Committed Project Amount (US\$mn) <sup>1</sup>	EYE Bond Allocated (US\$mn) <sup>2</sup>
Program to Support Job Placement	PR-L1066	Paraguay	5.0	1.6
Program to Support Employment II	BO-L1121	Bolivia	40.0	5.8
Strengthening of the management of employment promotion policies	ME-L1258	Mexico	160.0	35.6
Improvement and Expansion of employment Center Services for Formal Job placement	PE-L1152	Peru	38.9	2.3
Human Resources Training Program	ME-L1142	Mexico	170.0	50.5
<b>Total Employment Projects</b>			<b>413.9</b>	<b>95.8</b>

<sup>1</sup> Committed amount for eligible projects for which the loans are outstanding.

<sup>2</sup> EYE bond proceeds allocated to support financing of disbursement to eligible projects net of loan repayments. Not adjusted for matured bonds that were not replaced with new EYE bonds.