



# América en el Centro

*América en el Centro* is an umbrella regional program to address common and cross-border challenges faced by Central America, Panama, and the Dominican Republic (CAPDR).

It aims to **promote sustainable development and resilience in CAPDR**, fostering the conditions for a more integrated and productive region, increasing its resilience and adaptation to climate challenges, and enhancing the opportunities for the youth.

## UNDERLYING CHALLENGES

Despite intrinsic diversity within the region, CAPDR confront common issues ranging from low productivity to social disparities and climate vulnerability.

Productivity trails behind that of Latin America and the Caribbean (LAC), partly because of inadequate infrastructure and high logistic costs.

CAPDR countries rank among the poorest and most unequal in LAC, and social vulnerability is pervasive among the youth and women. These challenges are exacerbated by the more frequent and severe impacts of climate change in one of the most climate-vulnerable regions of the world.

These underlying challenges contribute to increased migration and insecurity.

### Infrastructure GAP

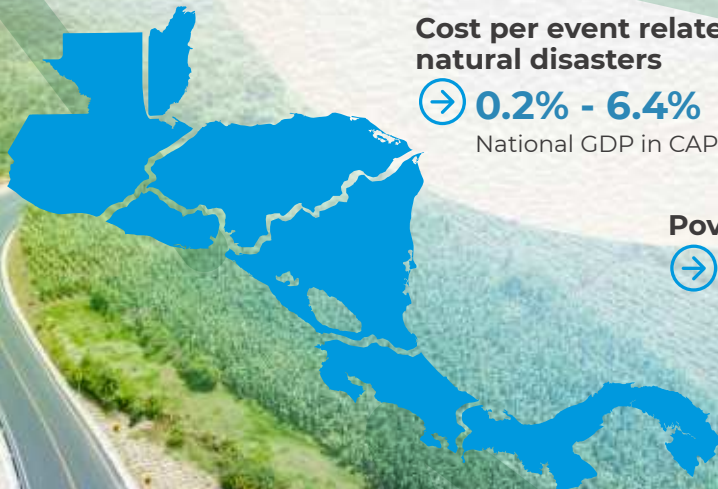
→ **52%** CAPDR  
vs **43%** LAC

### Cost per event related to natural disasters

→ **0.2% - 6.4%**  
National GDP in CAPDR

### Poverty rate

→ **40%**  
In northern  
Central America





In pursuit of regional development, *América en el Centro* will focus on 3 pillars: Productivity and Economic Integration, Climate Adaptation and Resilience, and Social Development of the Youth; 6 thematic areas and 12 activities.

The selection of interventions is based on: **relevance and impact, benefits of collective action, technical and political feasibility, institutional support, and the potential for resource mobilization.**

## PILLARS AND THEMATIC AREAS



**1 PRODUCTIVITY AND ECONOMIC INTEGRATION**

- Sustainable regional infrastructure
- Supporting participation in value chains



**2 CLIMATE ADAPTATION AND RESILIENCE**

- Sustainable management of natural assets and biodiversity
- Disaster risk management and preparedness for climate-induced social challenges



**3 SOCIAL DEVELOPMENT OF THE YOUTH**

- Skills for success
- Reduction of gender gaps

← **Cross-cutting pillar: Institutional strengthening and capacity building** →

## MAIN EXPECTED OUTCOMES

### Productivity and Economic Integration:

- ♦ Reduction in logistic costs
- ♦ Increase in electricity transactions in regional market
- ♦ Expansion in international trade flows

### Climate Adaptation and Resilience:

- ♦ Improved management of agricultural landscapes and water management capacity
- ♦ Increased mobilization of resources for climate and conservation
- ♦ Enhanced adaptation and resilience to natural disasters and climate events
- ♦ Shock-responsive social protection systems

### Social Development of the Youth:

- ♦ Youth equipped with skills for work and life
- ♦ Enhanced employability by reducing strategic sectoral skills mismatch
- ♦ Greater institutional attention to gender-based social vulnerabilities

## WHY A REGIONAL APPROACH?



**Legacy of regional cooperation:** successful track record in regional collaboration and regional institutions that facilitate strategic dialogue and sharing of best practices.



**Economies of scale and efficiency gains:** potential gains from economies of scale, knowledge sharing, and the replicability of successful interventions from neighboring countries.



**Mutual and international benefits:** untapped potential in key sectors, generation of regional public goods, and international spillovers such as reduced migration, improved regional security, and greater foreign direct investment.



**Scale-up regional interventions:** leveraging IDB's strategic positioning to promote partners' commitments to the region with a long-term programmatic vision.

## FINANCING STRATEGY AND PARTNERSHIPS



*América en el Centro's* financing strategy is focused on **additionality** and **resource mobilization**.

Financial resources will be complemented with **technical support** and the creation and **dissemination of knowledge**.

**1 IDB Group resources,** including lending portfolio and technical assistance.

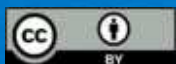
**2 Partners resources,** including co-financing and non-reimbursable resources.

**3 Private sector resources,** through Public-Private Partnerships (PPPs) and innovative financial instruments.

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