# Contents

**KEY MESSAGES**

**EXECUTIVE SUMMARY**

**RECOMMENDATIONS & POLICY ACTIONS**

**Strong and Inclusive Democratic Governance**

**Transparency & Integrity**

**Inclusion**

**Fostering Equitable Growth and Prosperity**

**Intra-Regional Trade**

**Digital Economy**

**Finance**

**Infrastructure**

**Innovation**

**Achieving Our Green Future and Accelerating the Clean Energy Transition**

**Climate Change**

**Securing Health, Recovery and Resilience**

**Health Ecosystems & Economies**

**ANNEX**

**Final Remarks**

**Process**

**List of Members**

**End Notes**
The Americas Business Dialogue (ABD) is one of the most important private-sector initiatives in the Western Hemisphere. It represents companies and business organizations from all sectors of the economy and all countries in the Americas.

ABD’s mission is to contribute to a business environment that enables increased investment, innovation, and productivity, generates more and better jobs, and fosters sustained and inclusive economic growth towards the development of the countries across the continent. To that end, ABD develops and disseminates policy recommendations and supports governments across the region in their implementation.

ABD carries out a sustained high-level exchange with the governments of the region, seeking to develop a collaborative relationship in the formulation and implementation of public policies. As a central part of its mission, ABD acts as the private-sector consultation mechanism for the Summit of the Americas.

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The IDB, in its role as facilitator of the initiative, provides secretariat services and acts as an honest broker, helping ABD engage in a constructive dialogue with government officials across the region.

ABD members are solely and exclusively responsible for the development of the views, recommendations, and policy actions included in this document.

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About the Americas Business Dialogue (ABD)

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KEY MESSAGES
The dawn of this present decade has—without question—presented leaders throughout the Americas with a pivotal conjuncture, demanding decisive action to address a disquieting and diverse assortment of challenges—both preexisting and demonstrably imminent.

One such challenge is ensuring the proper functioning of democratic governance amidst the rapidly advancing and interconnected business environment of the modern era, as well as continuing the campaign to reflect principles of equity and inclusion in the design and application of regulations. Realization and preservation of prosperity for all inhabitants and forms of business in the Americas—vitaly—depends upon strong governance; those currently most afflicted by economic misfortune and other forms of injustice, most acutely rely upon leadership that upholds the people's shared values.

Countries laboring to produce sustainable and inclusive economic growth and those experiencing unrelenting challenges to spur it have recognized a pressing need for transformation—exacerbated by the social and supply chain disruption in the years plagued by a pandemic. The development of modern, future-proof systems of trade, regional coordination, and infrastructure are among a few of the areas in which policy must progress in ways more pertinent to contemporary conditions. These systemically linked issues beseech the query, how might the Americas cooperate in ways that eliminate poverty and establish a developed economy for all?

With no shortage of natural disasters, in recent years, the Americas have viscerally witnessed the dire need for a green transition to preserve the region’s abundant and consequential natural resources. Most notably, the Amazon rainforest underpins atmospheric phenomena impacting life around the globe. To intensify this challenge, countries must devise a means of restoring and safeguarding the ecological environment whilst concomitantly generating economic growth, despite looming stagnation. This combination of events will require both haste and forethought to ensure that urgent climate action does not produce unintended externalities on the well-being of the populace.

Finally, no account of the present day would be complete without mention of the detriments to the quality of life engendered by COVID-19. If there is any silver lining in the distress placed upon health ecosystems across the Americas and the world, it is that it has alerted countries to systemic fragility. With the brunt of the pandemic ostensibly waning, this is now the opportune moment for not only a recovery of health and wellness across the Americas, but investment in new forms of resiliency that may defend countries from future disasters.

Governments have taken a keen eye to these critical challenges, and members of the Americas Business Dialogue (ABD) share this commitment to foster development and bring about lasting change. In support of these efforts, herein the ABD has drafted a wide-ranging set of policy recommendations. Amongst these recommendations are integral cross-cutting themes, which should be woven deeply into how leaders approach these challenges and on whom they focus. The following introduction provides a brief overview of said themes.

### Sustainable and Inclusive Growth

A theme of immediate concern relates to the recovery from COVID-19, which has had an especially troubling impact on the Western Hemisphere that included a significant economic contraction, food security challenges, and the onset of recession in many countries. In response, governments are shoring up health systems and working to recover from the social and economic disruptions caused by the pandemic. At the same time, they are also planning ahead and looking for ways to increase responsiveness and build resilience into infrastructure to allow them to withstand future disasters.

Another critical theme that warrant consideration amongst even the most benign policy decisions—climate change and sustainability. The Americas are particularly vulnerable to climate-driven natural disasters, and therefore must prepare for and adapt to shifting and often-violent weather patterns. The region is tasked with making dramatic reductions in greenhouse gas emissions and working toward net-zero goals, and need to create policies and regulations that encourage investments in technology-neutral solutions, support the clean-energy transition, and accelerate an equitable expansion of regenerative agriculture and the circular economy. As governments pursue these sustainability efforts, countries need to recognize that the concept of...
sustainability itself is expanding to include social sustainability and the welfare of populations, and is relevant to an increasing variety of sectors due to associated downstream environmental impacts.

**Tools of the Trade**

Meanwhile, other themes look at approaches that are instrumental in accelerating change and economic development. For example, ABD urges greater public-private partnerships and multi-stakeholder cooperation among countries in the Americas. Such collaborations can bring together financial resources, diverse skills, specialized knowledge, and critical perspectives, making it possible to develop comprehensive and innovative solutions for complex problems in ways that neither government nor business could do alone.

Moreover, ABD emphasizes the need for greater regional integration in the Americas. Seamless markets and the ability of businesses and trade to work smoothly between geographic boundaries can be a vital driver of livelihood improvements, production growth, and expansion of opportunity for business and individuals in the region. This means building the infrastructure, logistics networks and services, and digital links needed to connect markets. But it also means standardizing and harmonizing regulations across countries to make trade more accessible, and streamlining customs processes to enable an efficient flow of goods and services between borders.

ABD recognizes—digitalization—as an enabling tool to increase regional competitiveness, strengthen the region’s financial markets, and foster transparency. The Americas has made commendable advances in the deployment of digital technology in recent years, but there remains a long list of use cases for digital technologies to create more efficient markets. For example, agriculture and food systems in the region have been slow to evolve, and could experience a dramatic overhaul through the implementation of modern telecommunications innovation. Countries should formulate policies that encourage the interoperability of systems, access to connectivity, digital entrepreneurship, digital literacy, and digitalization for micro, small and medium enterprises (MSMEs).

**Addressing the Fundamentals**

The Americas—and indeed, the world in general—need to pursue more rigorous efforts to ensure that women, people from diverse groups, and MSMEs are included in plans and strategies for transformation. Prosperity thrives on inclusion, because the combined talents, knowledge, experience, and resources of diverse participants can be a powerful force for driving innovation, economic expansion, and ultimately, sustainable and inclusive growth.

Finally, the rule of law underpins much of this report. Sound governance creates stability and predictability for people, businesses, and markets; provides the transparency and public input into lawmaking and regulatory processes that create trust and encourage compliance; and the enforcement of rules in a manner that creates fair markets without impeding opportunity. Enhancing inclusion and the rule of law are essential; they are prerequisites for creating a better future. Without them, efforts to drive growth will produce only limited results, falling far short of the vision of sustainable and inclusive growth that the ABD and countries across the Americas hold for tomorrow.

These unifying themes highlight critical issues in achieving the identified priorities—and ABD members reaffirm their commitment to act as a proactive partner to governments, helping to guide the efforts of policymakers as they work to create and sustain growth for countries across the Americas.
EXECUTIVE SUMMARY
The values and practices of democracy are fundamental to strong and inclusive democratic governance, which in turn is key to sustained and widespread economic growth, social development, environmental protection, and the eradication of poverty and hunger.

The ABD Recommendations look at two of the most important factors required for such governments: Transparency & Integrity and Inclusion.

Transparency & Integrity

ABD believes if countries establish the highest transparency, integrity, accountability and regulatory standards, they will ensure a level-playing field, support the rule of law, and foster solid and inclusive democracy in the Americas.

Transparency, and the integrity that it supports, are critical to increased government effectiveness, sound governance, and the restoration of societal trust in institutions and markets. They also support efforts to combat corruption, strengthen the efficient allocation of public spending, discourage tax evasion, reduce costs in financing and transactions, increase resiliency in supply chains, lower trade barriers, and encourage productive investment—all of which positively affects sustainability, competitiveness, and economic growth.

Effective transparency depends on several intrinsically connected factors, including accountability, institutional quality, respect for the rule of law, and productivity. In addition, Good Regulatory Practices (GRP) can provide a practical method for increasing transparency and integrity, because regulatory quality is a determining factor of productivity and competitiveness and a key to improved government decision-making relating to the business environment and the promotion of trade.

Recommendations

1. Implement Good Regulatory Practices (GRP).
2. Introduce digital tools into key regulatory systems through the “digital tools for rule of law and inclusive recovery” (DT4RR) mechanism.
3. Strengthen and modernize public procurement systems.
4. Encourage the private and public sectors to adopt comprehensive integrity mechanisms.
Inclusion

ABD believes if countries promote diversity and inclusion and accelerate full economic participation by women, and people of diverse groups through effective and consistent policies, they will enhance equitable opportunities in the Americas.

Although the Americas have seen significant socio-economic development in the last decade, inequalities persist in society, affecting people of diverse groups such as indigenous peoples, people with disabilities, Afro-descendants, and the LGTBQ+ population. Discriminatory social institutions particularly impact these groups and restrict their access to health care, education, and other services.

At the same time, the economic crisis triggered by the COVID-19 pandemic has had unequal consequences across the labor market in the region, with women and people of diverse groups affected in disproportionately higher numbers. In relative terms, women lost more jobs than men did and are taking longer to regain them.1

The pandemic has revealed existing social inequality challenges in the region, and presented leaders with a clear impetus to expand the role of marginalized groups in shaping the direction of the economy, politics, and society.

Recommendations

5. Strengthen policies to address inequality and promote inclusive development.

6. Take measures to foster more inclusive trade that benefits MSMEs and women and people of diverse groups.
Fostering Equitable Growth and Prosperity

The Americas need to drive sustained growth to help reduce poverty and support social cohesion. That need is not new, but it is more urgent than ever in light of the COVID-19 pandemic, which has hit the region especially hard in terms of health, economic, and social impact.

Countries will need to address many factors to help attract the investments that will create jobs, increase productivity, and accelerate the equitable expansion of healthy economies and prosperity. This includes building regulatory frameworks to enhance trade and finance and creating policies to improve infrastructure and foster innovation, which has become central to growth.

ABD looks at several areas where governments should take action: Intra-Regional Trade, Digital Economy, Finance, Infrastructure and Innovation.

Intra-Regional Trade

ABD believes if countries build robust regulatory cooperation and steadfast implementation of trade-facilitation measures, they will help increase export activity, industry productivity, supply chain efficiencies, and high-quality employment opportunities, fostering inclusive economic growth.

The COVID-19 pandemic placed unprecedented pressure on global supply chains, as countries around the world shut down markets and borders and shifted purchasing patterns. In response, customs authorities in many countries implemented streamlined procedures, often enabled by new technologies, and coordinated efforts with other government authorities and the private sector.

But many challenges remain. The pandemic also saw the rapid expansion of e-commerce, with dramatic increases in at-home shopping—a trend that placed overwhelming demand on distribution and logistics services.

The pandemic has had an especially large impact on micro, small and medium enterprise (MSMEs), which account for a large portion of global employment and productivity, and whose numbers include many women- and minority-owned businesses. MSMEs not only rely heavily on those stressed logistics services, they also have fewer resources for dealing with supply chain disruptions and maintaining smaller buffers against shifts in demand. Often, they experience cash flow problems as payment terms lengthen, while contending with unpredictable availability of supplies, products, and production inputs.

More broadly, it is also necessary to promote an inclusive regulatory response that encourages the broader participation of governments, the private sector, and civil society to collectively address the root causes of intra-regional trade challenges. Reforms that facilitate trade can not only increase efficiency for business, they can also promote inclusion by helping to level the playing field between large and small firms.

Enormous promise lies in the trading relationships in the Americas, as different countries have complementary strengths that could be leveraged to ignite lasting, mutual benefits. To better leverage those strengths, there should be an emphasis on broad collaboration and regional integration among countries with preferential trading relationships in the Americas, to facilitate the tariff-free flow of both inputs and finished goods.

Countries should also commit to evaluating regulatory practices that limit growth in trade among countries in the Americas, particularly in sectors that employ women and people of diverse groups, to promote inclusive growth.

Recommendations

7. Implement and digitalize safe and streamlined customs procedures.

8. Promote regional regulatory convergence and harmonization, and mutual recognition of regulations and import, export and transit standards.
Digital Economy

ABD believes if countries collectively harness the transformational potential of digitalization by developing a modern, inclusive, thriving, and integrated regional digital economy, they will help bring prosperity, and ensure that every company and person has access to the infrastructure, skills, and resources necessary to participate and benefit from the digital economy.

Digitalization is critical for the continuity and expansion of economic activity, and over the past decade, countries in the Americas have made significant strides in the deployment of Internet access and digital technologies—and the COVID-19 pandemic accelerated that transformation.

To maintain momentum with digital initiatives, countries in the Americas need to focus on achieving universal access to connectivity and digital technologies, and accelerating digitalization processes—and on doing so quickly. Such access is a basis for enabling all citizens to participate in and benefit from the opportunities offered by the digital economy—benefits that include helping people more easily connect with relevant services in government, health, education, and the financial sector.

Government policies will need to continue to encourage digital transformation across industries, focusing on areas where digitalization may have an especially critical impact. These include using technology to reduce the talent gap in education, and providing equitable access to government, financial and health services.

Along with the significant advances in the adoption of digital technologies, exists an enormous challenge ahead in deploying the digital-related regulations and policies that will enable the entire region’s productivity and growth. Today, digitalization is not an option for the Americas—it is an imperative that will define how prosperous the future will be for the region.

Recommendations

9. Harmonize existing regulations in areas associated with the development of the regional digital economy.

10. Design and implement national policies on digital entrepreneurship and innovation.

11. Take urgent action to increase connectivity in the region.

12. Promote and implement specific policies and programs at the national and regional level, and in collaboration with industry, that support MSMEs in the region.

13. Promote the digital transformation of agriculture and food systems and help retain young talent in rural areas.

Finance

ABD believes if countries establish the conditions for developing a robust, resilient, modern, inclusive, and globally integrated financial sector, they will expand opportunities for individuals and MSMEs, bridge investment and financing gaps, secure macroeconomic stability, and generally underpin economic growth.

Finance is a foundational factor in growth and prosperity, but to be truly effective today, it needs to be robust, modern, and resilient, and serve the needs of a range of stakeholders.

Countries should focus on improvements in four high-priority areas: digital financial infrastructure and payments; financial services governance; and data and financial systems. Policies in these areas should be based on the underlying principles of transparency, predictability, inclusion, and economic growth.

Governments can build trust in the market by conducting regulatory changes for financial services with transparency, and prioritizing long-term predictability in policies. Financial inclusion is a key enabler of economic growth and empowered communities, and in an increasingly digitalized economy, public- and private-sector actions can demonstrably increase the access of formal financial services and institutions. Innovative public-private finance partnerships have the potential to accelerate such increases.
Infrastructure

ABD believes if countries close gaps in infrastructure and its associated services, they can make progress in meeting the Sustainable Development Goals (SDGs) by 2030; promote efficient intra-regional trade; increase the long-term competitiveness of their economies; and encourage low-carbon, resilient logistics systems.

Infrastructure is crucial to economic growth, prosperity, and social inclusion, but in the Americas, infrastructure networks present a significant gap—and the aggregated level of investment in the region falls short of that considered necessary for adequate infrastructure.

There is room for improvement in the way infrastructure projects are pursued. In particular, initiatives would benefit from the implementation of good practices across the project lifecycle, including project selection and portfolio optimization, contracting and construction, and ongoing maintenance. Many of these lie within the purview of the public sector, which is responsible for much of the investment in transport/logistics infrastructure. Beyond specific good practices, countries need to develop regulations that stimulate competition in transport/logistics services. They can also engage in increased cooperation across borders to gain a regional perspective on infrastructure policies and implementation and take regional actions that support improvement efforts and the harmonization of transport infrastructure and service metrics.

Finally, countries now have an opportunity to amplify the impact of their efforts by organizing their infrastructure portfolios to reflect environmental, social and governance (ESG) goals while ensuring greater transparency and integrity in infrastructure initiatives—all of which will help ensure sustainable results.

Recommendations

14. Increase interoperability and data sharing between all players in the financial system.

15. Ensure that all companies and citizens in the region have access to and adopt digital means of payment and financial services, and ensure financial flows between the public and private sectors are maximally digitized.

16. Adopt measures to increase the effectiveness of fraud prevention, particularly in online transactions.

17. Exercise ongoing regulator flexibility and policy support to maintain the flow of credit and stimulate investment-led growth.

18. Invest in quality infrastructure based on international standards and best practices to ensure that it benefits citizens, communities, and users, provides good value for money to countries, and stimulates both economic activity and equity by connecting regional and global markets.

19. Develop regulatory frameworks for the logistics sector that foster competition at the national, regional, and global scale.
Innovation

ABD believes if countries act decisively to ensure investment in research and development (R&D), reaching at least 1% of gross domestic product (GDP) by 2030, they will increase competitiveness, generating employment and income.

Growth and innovation go hand-in-hand, with innovation driving increased competitiveness for businesses and countries alike. There are a number of steps that governments can take to foster innovation—and the global pandemic has underscored the importance of their support for public research and development as an integral part of a long-term economic development strategy.

Amidst ever-present pressure to reduce spending, it is imperative that the Americas continue to promote and financially invest in local and regional multi-stakeholder forums; long-term sustainable growth hinges upon vibrant cross-industry communities that afford industry leaders a space to convene and dialogue about innovations, as well as co-contribute to education, knowledge-sharing, and capacity building. Likewise, protecting the science, technology, and innovation budgets that support research and development are integral to addressing both current and future challenges for the Americas.

Governments can help drive innovation by improving the access for and the quality of education and training. Governments, in collaboration with the private sector, should work to address the skills gap by enhancing the market relevance of education and training, with a focus on STEM, digital skills, entrepreneurship, foreign language, and upskilling and reskilling.

Recommendations

20. Foster a secure and competitive environment for private-sector investment in innovation.


22. Improve the quality of education and training for all children and youth in the Americas.
Achieving Our Green Future and Accelerating the Clean Energy Transition

Sustainability has rapidly come to the forefront for governments around the world, including those in the Americas. To build a greener future, countries should develop a comprehensive vision for environmental protection that encompasses a broad range of factors, from reduced GHG emissions and reaching net-zero targets to reversing the loss of forests, encouraging biodiversity, and addressing land degradation.

Climate Change

ABD believes countries must take decisive action now to ensure that they can meet their Paris Agreement commitments and transition to net-zero.

As the world confronts the reality of climate change, countries need to take decisive action and create innovative solutions that will enable them to rapidly electrify and decarbonize their economies while meeting increasing demand for electricity and ensuring economic growth. In response, many are beginning to create policy and regulatory environments that support a shift to low- and zero-emission systems in sectors such as energy, transportation, and heavy industry.

As countries in the Americas step up their decarbonization goals, the deployment of capital and technology by the private sector will play a key role. For the Latin America and the Caribbean region, climate-related investment opportunities are expected to reach US$5 billion by 2030 in the urban sector alone, according to IDB Invest. Companies are already transforming their business models to enable and take advantage of the energy transition through investments in wind and solar-energy solutions, natural gas, hydrogen, carbon capture and storage (CCS), electric mobility, energy storage, biofuels, and low-sulfur diesel, among other things.

The Americas are highly vulnerable to the consequences of climate change. At the same time, however, it has unique potential for green initiatives and a great variety of renewable and low-carbon energy resources, many of which are still largely untapped. As they look for opportunities to combat climate change, countries should plan how to make the best use of those resources. They should begin by integrating energy, environmental, and economic policies into regional frameworks. They should also explore ways to integrate renewable energy and new-low carbon technologies into their current electricity and energy systems—not only nationally, but regionally. Greater power sector integration in the region will benefit all countries involved, because it will expand the size of energy markets, create economies of scale that attract private investment, and reduce capital costs.

Recommendations

23. Support the rapid and exponential scaling of low- and zero-carbon technologies through the integration of energy, environmental, and economic policies.

24. Take measures to achieve high renewable energy integration without significant increases in rate payers’ costs or the loss of reliability and resiliency.

25. Champion climate-smart solutions and regenerative agriculture for resilient and sustainable agribusiness.

26. Develop environmentally friendly and efficient logistics systems.

27. Promote the broadest possible cooperation between financial institutions and government in creating frameworks and investment opportunities to fight climate change.
Securing Health, Recovery and Resilience

In the relative short term, countries in the Americas must address, with solidarity and equity, the effects of the COVID-19 pandemic. This entails actions such as increasing support for health systems and health value chains at the national and regional levels; placing individuals at the core of health policies and physical and mental health services; and addressing the amplified impact of the pandemic on historically marginalized groups.

In the longer term, the Americas must increase the resilience of its health systems, along with the related education systems, economies, and communities—and do so in an inclusive and equitable manner. Here, countries can expand access to comprehensive, quality people- and community-centered health services and improve primary care to move toward universal access to health services.

The challenges involved in working simultaneously on short- and long-term solutions will be significant and complex—and they will require the close cooperation of the public and private sectors.

Health Ecosystems & Economies

ABD believes if countries develop resilient, inclusive, sustainable, and equitable health ecosystems and economies, they will mitigate the immediate effects of COVID-19 and prepare for future pandemics.

The COVID-19 pandemic provided a wake-up call that highlighted how health and the economy are inextricably linked, the importance of prioritizing and sufficiently financing health, and the reality that governments cannot get the job done alone.

Increasing both public and private health expenditures is critical to achieving health-sector goals in the region. Public expenditure on health in the region is far below the target recommended by the Pan-American Health Organization (PAHO). The impact of this chronic under-prioritization and underfinancing of healthcare has been made evident in the COVID-19 pandemic.

Recommendations

28. Establish a high-level, annual public-private health forum as part of the Summit of the Americas.

29. Ensure sufficient fiscal space for health and promote innovative health financing.

30. Accelerate the development and adoption of appropriate, accessible, affordable, inclusive, scalable, safe, and sustainable person-centric digital health solutions with an equity focus.

31. Promote regulatory convergence for the development of new medicines, vaccines, and medical devices.

32. Promote measures to capture more investment and generate jobs in the global health supply chain.

Now, the Americas have a powerful opportunity to build back better. That will require the public and private sector to prioritize—and finance—health initiatives. It will also require greater collaboration between public and private health systems, along with policies that unlock the transformative power, scale, and expertise of the private sector and civil society to help create more resilient, inclusive, sustainable, and equitable health economies and health ecosystems.
RECOMMENDATIONS & POLICY ACTIONS
Integrity is key to restoring societal trust in institutions and markets and enabling effective government. Transparency supports integrity, helping to ensure fairness and combat corruption, thereby strengthening the efficient allocation of public spending, discouraging tax evasion, reducing costs in financing and transactions, increasing resiliency in supply chains, lowering barriers to trade, and encouraging productive investment. Together, transparency and integrity are critical to the strong and inclusive democratic governance that fosters sustainability, competitiveness, and economic growth.

Effective transparency hinges on several intrinsically connected factors, including accountability, institutional quality, respect for the rule of law, and productivity. Thus, efforts to increase transparency and integrity should involve a “whole-of-government” approach to the regulatory environment that is centered on improving public administration, procurement, and the protection of public health, safety, trust, and the environment.

In these efforts, countries should implement Good Regulatory Practices (GRP), the widely recognized guidelines for improving regulations. These practices provide a practical method for increasing transparency and integrity, because regulatory quality is a determining factor of productivity and competitiveness and a key component of improved government decision-making processes relating to the business environment. GRP essentially provides a quality management system for the development of government rules, helping to ensure that regulations, standards, and requirements pertaining to public administration—such as permitting, procurement and customs administration—are well-designed, effective, not unnecessarily burdensome, internationally aligned, and do not create barriers to trade.

Countries should also take advantage of digital technologies to provide accurate, up-to-date information to various stakeholders, thereby increasing transparency, reducing opportunities for corruption, and promoting integrity in the use of public resources. This can include the introduction of key digital tools to government regulatory systems, including licensing and permitting, tax administration, customs, and public procurement. Here, companies can draw on the Digital Tools for Rule of Law and Recovery (DT4RR) model, which helps governments, the private sector, multilateral organizations, and civil society work together to bring critical digital tools to government regulatory systems. The DT4RR model focuses on using technology to address economic recovery from the pandemic, inclusive opportunity, digital resiliency, and the rule of law.

Digital technologies have been shown to be highly effective in enhancing transparency and trust. For example, virtually all the region’s countries have created online procurement portals to facilitate transactions with contractors and suppliers. Research has shown that these portals can help lower the duration of procurement processes and the prices paid by public bodies. But with a growing demand to provide citizens with more information about how and where public funds are spent, many governments have launched more comprehensive procurement platforms. The “Mapainversiones” digital platform, for example, not only supports procurement, but it also lets citizens monitor government investments, gives companies an open information environment around projects and procurement, and provides governments with quality information that can be sued to guide public investments.7

Both the public and private sectors have roles to play in fostering transparency and integrity. Today, they have an opportunity to coordinate their efforts further, integrate comprehensive integrity-building mechanisms, and adopt ethical standards that apply across value chains and industries. This type of cooperation can be seen in Peru, for example, where the IDB is supporting the National Confederation of Private Business Associations of Perú (CONFIEP) to adopt of a new ethics and integrity framework for the private sector. The project includes the draft and revision of a general code of ethics, along with sector-specific codes.8 As such collaboration shows, the various interests of different stakeholders—in economic recovery, sustainability, rule of law, digital transformation, and inclusion—can align around the need to advance transparency and integrity. Another example of this cooperation is the Ethics Code that the Honduran
Example Key Performance Indicators for Transparency & Integrity:

- Number (#) of regional and subregional policies and recommendations in the Americas for GRP implementation

- Number (#) of countries that implement at least one online transactional service as determined by the UN E-Government Development Index

- Number (#) of countries that have adopted international benchmarks for public procurement systems

- Number (#) of industry associations and/or companies that expressly commit to move towards a business integrity system with the highest standards (in areas such as anti-corruption; conflict of interests; transparency and disclosure of information; antitrust / free competition; respect for human rights; sustainability and protection of the environment; and money laundering)

Business Council (COHEP) elaborated and adopted in March 2021. This instrument was built to be adapted for business organizations as well as enterprises and is being promoted to be adopted in all levels of Honduran private sector.
Recommendation 1

Implement Good Regulatory Practices (GRPs) to ensure regulatory quality, transparency, and inclusivity, ultimately developing competitive economies and supporting participatory and transparent democracies.

Policy Actions

• Implement GRP policies at the national level across the Americas aligned with international benchmarks.

• Establish a Central Regulatory Coordinating Structure or Body at the national level across the Americas to operationalize and enforce GRP implementation in each country.

• Task International Organizations to support capacity building for cross-sectoral GRP implementation, aligned with international benchmarks and standards.

• Conduct capacity building for prioritized sector-specific policies that would benefit from regulatory convergence, with the involvement of stakeholders – and aligned with international benchmarks and standards.

• Create formal partnerships that increase capacities and promote knowledge sharing on GRPs.

• Implement written, government-wide requirements for national regulatory authorities on how to ensure compliance with the WTO Technical Barriers to Trade (TBT) Agreement and related implementing legal obligations.

Recommendation 2

Introduce digital tools to key regulatory systems through the digital tools for rule of law and inclusive recovery (DT4RR) mechanism in collaboration with the private sector and civil society.

Policy Actions

• Implement five digital best practices for licensing and permitting:

Recommendation 3

Strengthen and modernize public procurement systems.

Policy Actions

• Adopt international benchmarks (e.g., World Bank, OECD) for public procurement systems.

• Conduct capacity building for the implementation of international benchmarks for public procurement systems.

• Implement value-based procurement guidelines and promote the adoption of codes of conduct and their implementation by providing incentives for entities with high-standard ethics and compliance programs in public procurement systems.

• Set a proportion of tenders that should be executed as value-based procurement.

• Consider international cybersecurity standards and frameworks as an element of public procurement.
**Recommendation 4**

Encourage the private and public sector to adopt comprehensive integrity mechanisms, including the implementation and periodic review of an effective ethics and compliance program.

**Policy Actions**

- Foster region-wide adoption of codes of conduct by relevant industry associations and demonstrate effective implementation by their member companies.
- Conduct, directly and through international organizations, targeted capacity building for the implementation of codes of conduct by relevant industry associations and ethics and compliance programs by third-party intermediaries.
- Develop public-private partnerships and collective-action initiatives to prevent and fight corruption, including consensus frameworks for ethical collaboration across diverse stakeholders.

**Inclusion**

**Vision:**

*If countries promote diversity and inclusion and accelerate full economic participation by women, and people of diverse groups through effective and consistent policies, they will enhance equitable opportunities in the Americas.*

Over the last decade, the Western hemisphere has experienced tremendous socio-economic development. Nevertheless, inequalities remain pervasive in all aspects of life in the region. These inequalities often affect women, but they are also experienced by people of diverse groups such as indigenous peoples, people with disabilities, Afro-descendants, and the LGBTQ+ population. Too often, discriminatory institutions constrain historically marginalized groups from fully enjoying their rights and opportunities, because they restrict access to key societal services such as health care, education, and other assets. The COVID-19 pandemic and the economic crisis following have only exacerbated these inequalities. According to the IDB’s COVID-19 Labor Market Observatory, more than 31 million jobs were lost in LAC at the height of the pandemic. But the pandemic had unequal consequences across the labor market in the region, with vulnerable groups affected in disproportionately higher numbers. This was especially evident with women, who were 44% more likely than their male counterparts to lose their jobs at the start of the pandemic, according to the World Bank.

COVID-19 compounded the existing employment challenges faced by women prior to the pandemic—so much so that the World Economic Forum’s 2021 Global Gender Parity Index noted that because of the pandemic, closing the gender gap in the region will now require an additional decade.

Clearly, the pandemic threatens to deepen existing social inequality gaps in the region. But this complex crisis has also presented an impetus for change. There is now an opportunity for the region to reshape and expand the ways in which women and people of diverse groups can interact holistically in the economy, politics, and society.

The benefits of such action are clear. For example, policies that improve the employment of women are likely to have a significant impact, as they will affect half the population. Increasing women’s employment will strengthen the Americas labor markets, and the International Monetary Fund estimates that if the employment gender gap were eliminated, economic production in LAC could increase by 22.5%.

Women provide a case in point, but governments need to drive greater inclusion for all people of diverse groups. This can require a broad range of policies that focus on, for example, flexible work, better labor laws, the participation of marginalized groups in agriculture, and support for the MSMEs that provide a large portion of employment opportunities for these groups. And governments need to ensure that all workers have access to protective mechanisms and social security, regardless of their employment status.

Taking advantage of this opportunity requires a holistic and multistakeholder approach that involves collaboration across the private sector, government, and civil society. This should focus on investments and interventions that address not only education, but also the cross-cutting issues of health, economic independence, and the violence that affects vulnerable populations. It should entail the effective and consistent implementation of
policies designed to enhance the physical, economic, and decision-making autonomy of women to reduce gender inequality—and ultimately promote inclusion and accelerate full economic participation by all under-represented and vulnerable groups.

Example Key Performance Indicators for Inclusion:

• Representation (%) of women in labor force participation

• Representation (%) of women in high-level management positions in public administration and executive positions in private companies

• Regional and national wage gaps for women vs. men

• Unemployment rates (%) for women vs. men

• Representation (%) of women entering and graduating from STEM education
**Recommendation 5**

Strengthen policies to address inequality and promote inclusive development, including public-private partnerships to foster inclusion of women and people of diverse groups into the workforce across various economic sectors and decision-making roles, ensuring equal job opportunities, conditions, career paths, and fair and ethical talent recruitment processes and management.

**Policy Actions**

- Provide targeted programs and mechanisms for MSMEs, women, and diverse populations.
- Measure gender and people of diverse groups disaggregated data and the digital gap to inform policymakers and stakeholders to help bridge it.
- Facilitate access to credit and land ownership, enterprises, or cooperatives by women and people of diverse groups.
- Build a networking space to develop an agricultural value chain that ensures the participation of women and people of diverse groups.
- Implement effective and consistent policies to enhance inclusion and accelerate the full participation of women and people of diverse groups in the digital economy.
- Design programs and tools to increase the participation of MSMEs and disadvantaged and vulnerable groups (i.e., women-led and owned businesses) in public procurement opportunities to foster competition.

**Recommendation 6**

Take measures to foster more inclusive trade that benefits MSMEs and women and people of diverse groups.

**Policy Actions**

- Encourage MSMEs’ and women and minority-led businesses’ participation in e-commerce through targeted programs and incentives, quotas, and career-development opportunities. These measures should be accompanied by digital training programs and information and awareness campaigns, media strategies, and regular reviews.
- Promote training and lifelong learning skills designed to help women and minority entrepreneurs grow their businesses and make them more profitable. Measures should include women and minority-specific content, such as self-confidence, effective leadership skills, management tools, financial access, and post-training follow-up.
Fostering Equitable Growth and Prosperity

Intra-Regional Trade

Vision:
If countries build robust regulatory cooperation and steadfast implementation of trade-facilitation measures, they will help increase export activity, industry productivity, supply chain efficiencies, and high-quality employment opportunities, fostering inclusive economic growth.

In a global economy, trade lies at the heart of economic growth, and the benefit that trade can bring to countries is well established. Statistics show that a 10% increase in trade leads to a 5% increase in national income. Among countries that are largely closed in terms of trade, policies in favor of open trade can have an even greater impact, producing income gains of about 10% a decade. Thus, the expansion of trade in the Americas has great potential to drive further growth and prosperity.

In many ways, the COVID-19 pandemic was a major setback to efforts that aimed to facilitate and broaden trade. It placed unprecedented pressure on global supply chains, as countries around the world hurried to gain access to essential medical goods, shifted purchasing patterns, and shut down markets and borders. This put a tremendous strain on the global trading system.

The pandemic also saw significant disruption to distribution and logistics services. This has come partly from the rapid expansion of e-commerce, with dramatic increases in at-home shopping. At the same time, the restrictive trade policies that many countries established in response to COVID-19, combined with the cascade of supply-chain disruptions stemming from the pandemic, have increased the cost of world-wide logistics services to traders of all sizes, and affected the ability of logistics service providers to efficiently support businesses.

The pandemic has had an especially large impact on micro, small and medium enterprises (MSMEs). These companies have fewer resources for dealing with supply chain disruptions and maintain smaller buffers against shifts in demand. Often, they experience cash-flow problems as payment terms lengthen, while contending with unpredictable availability of supplies, products, and production inputs. MSMEs also rely heavily on logistics services, which are increasing in price.

E-commerce has been identified as an important way for MSMEs to move beyond the pandemic and cost-effectively expand their businesses across borders. However, trade regulations often make it difficult for MSMEs to take full advantage of cross-border e-commerce.

Reducing trade barriers for MSMEs will have a broad economic impact, because these companies account for a large portion of global employment and productivity. In addition, these include many women and minority-owned businesses. Overall, protecting the viability of these businesses will be essential to achieving broad and inclusive economic recovery, and trade will be key to meeting that goal.

To recover from pandemic-induced setbacks and expand trade over the long term, countries will need to pursue a regulatory response that encourages the broader participation of governments, the private sector, and civil society to collectively address intra-regional trade challenges. This work should include the evaluation of regulatory practices that limit growth in trade among countries in the Americas, and finding ways to bring down trade transaction costs, which are generally higher in developing countries. It should also include finding the right balance that meets both the need for effective compliance and protection and the need to facilitate trade—an effort where public-private cooperation will be key.

Trade reform efforts will also need to encompass sectors that employ women and people of diverse groups, to promote inclusive growth. Typically, reforms that facilitate trade not only increase efficiency for business, they can also promote inclusion by helping to level the playing field between large and small firms.

In these efforts, countries can focus on two key opportunities—starting with customs agencies, where processes and procedures can have a significant impact in terms of facilitating the flow of goods. During the pandemic, many customs authorities responded to disruption by implementing safe and streamlined procedures, making effective use of new technologies, and engaging in coordinated efforts with other government authorities and the private sector. As a result of these efforts, many customs authorities have streamlined their border trade processes and become more resilient and innovative.
Countries can now take steps to help customs agencies improve further. For example, many in the international community would like to see the increased use of information and communication technology (ICT) to improve customs administration processes. ICT is considered to be a critical strategic measure for modern customs organizations to manage the complexities of the global trading environment.

For example, ICT can help customs organizations make better use of the growing amount of information generated by supply chains. It can help improve governance and reduce corruption by lowering the number of direct contacts between customs officers and traders in customs-clearance processes. And a sound ICT infrastructure can provide a foundation for modern customs practices, such as risk management, post-entry audit, and the single window, which lets traders work with one agency, rather than several agencies.\textsuperscript{19}

By nature, initiatives designed to improve trade will need to involve collaboration between countries to be truly effective. Indeed, international regulatory cooperation is widely regarded as a good practice for regulators. Countries can work together to reduce differences in trade rules from one country to the next, which often creates friction in the movement of goods. This can be done through harmonization, in which countries agree on common definitions of a given policy objective and the technical requirements needed to achieve it; or through mutual recognition—the reciprocal acceptance of the standards applied in both countries.\textsuperscript{20} Harmonization and mutual recognition can help simplify trade processes at the border. Ideally, harmonization efforts should aspire to include many countries so that they help minimize trade restrictions and ultimately foster broader competition across the Americas.

Enormous promise lies in the trading relationships in the Americas, as different countries have complementary strengths that could be brought to bear to create lasting, mutual benefits. To better leverage those strengths, there should be an emphasis on broad collaboration and regional integration among countries with preferential trading relationships in the Americas, to facilitate the tariff-free flow of both inputs and finished goods.
Example Key Performance Indicators for Intra-Regional Trade:

- Number (#) of Paperless Processes (e.g., Acceptance of electronic documents)
- Proportion (%) of digitally enabled payments
- Degree of simplification in procedures for collecting duties or tax (e.g., number of steps, duration)
- Number (#) of harmonized processes (or countries) for each intra-regional trade process requirement
**Recommendation 7**

Implement and digitalize safe and streamlined customs procedures that allow MSMEs to integrate into international trade; make effective use of new technologies and improve coordination between government bodies and the private sector to consolidate and make permanent the progress in resiliency and innovation achieved by customs authorities during the pandemic while modernizing customs regimes to make them compatible with the new reality of digital trade.

**Policy Actions**

- Actively incorporate information and communication technology (ICT) in customs strategies to enhance trade facilitation and customs administration processes (i.e., paperless forms, pre-arrival clearance, a single window for trade, risk management for selecting shipments for physical inspection, etc.) as well as improving governance and reducing corruption by limiting interaction between customs officials and traders.

- Implement programs to promote trade in low-value shipments, including “Authorized Digital Merchant” initiatives that incorporate fast-track components into customs processes for shipments originating from MSMEs, digitization of customs processes (including off-the-border tax and duty collection), and creation of one-stop shops for digital commerce.

- Simplify duty and tax collection for low-value shipments by providing, to the extent possible, a de minimis shipment value or dutiable amount for which customs duties and taxes will not be collected. For shipments above that amount, adopt simplified procedures for collecting duties and taxes with an eye toward reducing trading costs and fostering the internationalization of MSMEs.

- Adopt legislation and regulatory frameworks to ensure that all relevant information about general application on customs law is readily available to any interested party, preferably through digital platforms, including forms, documents and procedures for import, export, and transit, in a format easy to understand, as well as procedures for appeal or review, and contact information of country authorities.

**Recommendation 8**

Promote regional regulatory convergence, harmonization, or mutual recognition of regulations as well as import, export, and transit standards, to minimize regulatory non-alignment and disruptions to hemispheric and global supply chains and reduce trading costs.

**Policy Actions**

- Promote sectoral, regional regulatory convergence through the use or adoption of international standards as a basis for national technical regulations and encourage mutual recognition, equivalency, or homologation agreements.

- Prioritize the implementation of good regulatory practices (GRP) policies, codifying them as trade commitments where appropriate, to remove foundational barriers to regional sector-specific regulatory convergence efforts.

- Provide opportunities and an appropriate period to the private sector, civil society, MSMEs, minority-owned businesses, traders, and other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods.

- Advance towards food and agribusiness trade regulatory cohesion at the regional level (e.g., science-based regulations in areas like front-of-pack-labeling, consumer care, trade, phytosanitary permits, among others).
The Americas have made significant progress in the deployment of Internet access and digital technologies over the past decade, which has resulted in the transformation of economic and social activities. Governments have used technology to improve processes and services and make more information available to citizens. Companies in the region—primarily the largest—have digitalized processes and used technology to increase productivity, innovate, and engage with customers. And citizens have been able to take advantage of increased access to more information and knowledge, new forms of entertainment, better communication, and new tools in their work and educational environments.

COVID-19 accelerated this shift to the digital economy, and in doing so, highlighted the power of digitalization. As the pandemic progressed, the technology enabled the continuity of economic activities, remote work, distance education, and citizens’ equitable access to government and health services. And in most countries, traditional economic sectors, such as finance, education, health, and government, redoubled their digital transformation efforts.

Overall, the advent of the digital economy has had a wide-ranging and positive impact in the Americas. But the digital revolution continues, and the work of digitalization is by no means finished. The question now is, to what extent will it lead to further gains and a new stage of inclusive economic and social development in the region?

To continue to drive digital transformation, the Americas need to focus on achieving universal access to connectivity and digital technologies, and accelerating digitalization processes—and on doing so with speed. Such access is a basis for enabling all citizens to participate in and benefit from the opportunities offered by the digital economy—benefits that include helping people more easily connect with relevant services in government, health, education, and the financial sector.

The region’s gaps in connectivity and digitalization remain significant. Connectivity levels, 4G adoption, digital payment usage, and broadband quality remain much lower than they are in OECD countries. Despite the fact that 93% of the population is covered by mobile services, only 68% are Internet users. And only 37% of companies in the region use the Internet in the supply chain, while less than 20% have deployed digital sales channels.21

The primary opportunity to quickly boost connectivity in the region lies in consolidating the deployment of 4G services and the accelerated use of 5G services. However, there are still few countries in the region that have taken significant steps toward 5G, and the effective promotion of connectivity will require a regional agenda that promotes connectivity in all LAC countries.

Government policies will need to focus on universal connectivity as a foundation for the digital economy. But they will also need to keep driving broader digital transformation across industries, including those that lag in adopting digital technology. Policies should focus on areas where digitalization may have an especially broad impact. These include education, where the technology makes it possible to reach more people and helps reduce the talent gap, and government, where it can help ensure equitable access to government and health services. And the digitalization of financial flows and digital payments can bring banking services and enhanced economic participation to more of the population.

As mentioned above, many larger companies have incorporated digital technology into their operations to greatly enhance the way they work. However, many micro-, small-, and medium-sized enterprises (MSMEs) have not. MSMEs in general report various difficulties with creating an effective online presence and participating in e-commerce. These companies constitute a significant segment of economies in the Americas, and they will be critical to economic recovery and growth in the coming years. Thus, government policies should aim to bring MSMEs into the digital economy. These policies can target a range of barriers facing MSMEs, including inefficient logistics and the poor functioning of online payments.

Working across borders in the digital economy presents a particular challenge for MSMEs, as regulations often limit
their ability to use digital technology to take advantage of digital channels to participate in international markets. Governments need to address restrictive trade policies and develop bilateral and regional initiatives to reduce the regulatory obstacles that limit internationalization opportunities for MSMEs.

Increased digitalization will also have a powerful impact on the agricultural sector. The digital divide is especially evident in less populated areas, and 77 million people living in rural areas of LAC do not have minimum standard connectivity. This causes them to fall behind in building new skills and adopting new practices and, ultimately, limits efforts to make the agricultural sector more productive. Governments should make concrete commitments to building the infrastructure needed to bring rural areas into the digital economy, focusing on metrics such as increased numbers of connected users, network availability rates, and digital cosystem indices in those areas.

While there have been great strides in the adoption of digital technologies and digital transformation, there is a significant challenge ahead in deploying the digitally related regulations and policies that will help close the gap between the region’s productivity and growth and that of the most developed regions. Today, digitalization is not an option for countries in the Americas—it is an imperative that will define how prosperous the future will be for the region.
Example Key Performance Indicators for Digital Economy:

- Population percentage (%) with access to ultra-high-speed internet services
- Population percentage (%) in rural areas with access to high-speed internet services
- Participation (%) of companies leveraging digital sales channels and internet in supply chains
- Participation (%) of MSMEs leveraging digital platforms and electronic commerce
Recommendation 9

Harmonize existing regulations in areas associated with the development of the regional digital economy, such as safe harbors for digital services, digital payments, data protection, consumer protection, tax frameworks, digital security, and intellectual property (IP) protection.

Policy Actions

• Ensure that policies and regulations adopted are relevant and balanced, that they are developed collaboratively through multi-sector models, and that they incorporate the relevant aspects of international coordination.

• Incorporate criteria and provisions enabling digital development in regional integration processes, trade blocs, and trade negotiations to consolidate a sustainable digital economy in the region. This includes strengthening regional collaboration mechanisms; working on greater policy harmonization in areas such as data protection, border connectivity, cybersecurity, and emerging technologies such as 5G, big data and artificial intelligence; and providing transnational treatment to digital-development issues.

• Use the legal framework laid out in the US-Mexico-Canada Agreement (USMCA) as a best practice to create a common framework in the region that enables regional digital trade.

• Promote regional regulatory, fiscal, and administrative agreements to facilitate cross-border digital trade. Implement mutual recognition agreements for digital service providers that enable the elimination of barriers—regulatory, fiscal, and administrative, among others—to the provision of such services by companies in other countries in the region.

• Review consumer protection legal frameworks to ensure that they adequately balance the interests of consumers and compliance requirements on digital service providers to avoid discouraging regional digital trade.

• Develop regulatory frameworks in data protection that promote privacy and security while enabling the data flows supporting the digital economy. These regulatory frameworks should be flexible and should make it possible to balance the different policy objectives relevant to development.

• Avoid incorporating data localization requirements, restrictions on the international flow of data in digital services, local physical presence requirements or other overly burdensome data sharing architectures and governance mechanisms. These requirements are usually contrary to the nature of the Internet and the reality of the digital economy, and restrictions on data flows are not the ideal mechanism to achieve high levels of privacy and security.

Recommendation 10

Design and implement national policies on digital entrepreneurship and innovation to reduce existing barriers—regulatory, fiscal, and administrative—to digital innovation in different sectors of the economy, as well as to incorporate incentives for the growth of this type of innovation.

Policy Actions

• Evaluate the incorporation of innovation hubs in regulatory entities, as well as controlled spaces for regulatory experimentation (i.e., regulatory sandboxes) to promote the advancement of digital innovation in regulated sectors such as the finance, health, legal, education, and transport, among others.

• Implement compliance frameworks that are reasonable and scalable; and mobilize to ensure that effective, transparent, accountable, and consultative regulatory processes are put in place.

• Design and implement policies and regulations with the consolidation of long-term planning strategies and the participation of multiple stakeholders (i.e., Multi-stakeholder Models). Implement regulatory impact analysis practices that allow the identification and mitigation of possible impacts on digital development.

• Implement comprehensive digital transformation policies that strengthen institutional capacity, update regulatory frameworks, and allocate stable financial resources to undertake them. Define and incorporate instances of leadership and inter-institutional
coordination that help ensure the consistency of the policies and initiatives implemented by different sectoral entities of government.

• Raise awareness of the benefits that MSMEs can gain from a robust IP framework, including how IP may generate income for an MSME through licensing, sale, or commercialization of IP products or services, and improvement in MSME market-share. IP rights also help raise the value of MSMEs for investors and financing institutions.

**Recommendation 11**

Take urgent action to increase connectivity in the region and adopt innovative approaches, from a political, regulatory, and technological point of view, to facilitate universal access under high-quality conditions.

**Policy Actions**

• Facilitate, develop, and improve the quality of 4G services, and take necessary actions for the incorporation and mass use of 5G services. Support the private sector’s deployment of 5G through a coordinated and comprehensive strategy that overcomes unfair competitive practices, ensures robust deployment, adopts secure networks, and manages the risks to economic and national security. Open Radio Access Networks (Open RAN) are an important part of this strategy and are in the early stages of maturation.

• Promptly allocate, through market mechanisms, the radio spectrum bands that are or may be available in countries for the provision of 4G and 5G mobile services, in line with the International Telecommunication Union (ITU) 2020 spectrum allocation recommendations; and evaluate the incorporation of coverage for rural and underserved areas. Additionally, enable spectrum-sharing mechanisms, including so-called “White Space” in the television transmission spectrum, among other models and mechanisms.

• Develop national plans for high-quality universal connectivity, or meaningful connectivity, that includes ambitious targets for coverage, penetration, and speeds, in urban, rural, and underserved areas, as well as public institutions (schools, health centers, police stations, etc.), to be achieved in a short- to medium-term horizon. It is important that these plans consider the different technologies available, and the different business and operational models, according to the different realities of the countries. Likewise, incorporate policy-management systems and permanent monitoring of progress to ensure achievement of the defined goals. Support investments in connectivity that maximize the benefits of wireless infrastructure sharing, balancing the right to communications with environmental sustainability and the achievement of Sustainable Development Goals.

• Consolidate balanced and flexible regulatory frameworks that remove artificial barriers to the deployment and use of infrastructure, and promote greater competition in the fixed and mobile telecommunications markets, both in the wholesale and retail segments. Measures to be assessed include promoting access to essential networks and facilities, sharing infrastructure, and continuously reviewing levels of competition in relevant markets. These measures should be defined in the context of regulatory impact analysis (RIA) exercises.

• Implement development initiatives, public-private partnerships, and regulatory strategies to accelerate investment in the deployment of telecommunications backbone networks in high-capacity technologies such as fiber optics, in urban and rural areas and specific legislation on infrastructure sharing and rights of way. For this purpose, infrastructure maps will be necessary to allow the authorities to have a track record of the areas which are not connected, and specific actions may be required to overcome these gaps.

• Promote regulatory harmonization and elimination of artificial barriers to local and regional deployment of connectivity infrastructure, anchored in the principle of infrastructure sharing, simplified permitting processes, positive administrative silence, regularization of existing infrastructure and reasonable fees. Promote the engagement of federal or national governments to support this agenda at the municipal level.

• Promote regional dialogue in the implementation of coordinated policies that allow progress in the access and affordability of international roaming in the Americas, as well as in the deployment of traffic exchange points (IXPs) in the region.
**Recommendation 12**

Promote and implement specific policies and programs, at the national and regional level, and in collaboration with industry, that support all MSMEs in the region to actively participate and benefit from the digital economy, taking advantage of the different technologies and tools available.

**Policy Actions**

- Evaluate and implement policies and regulations favorable to the development of the digital economy in tax matters, capacity building and promotion of digital means of payment, among others, that positively affect the digitalization and digital transformation processes of MSMEs.

- In the context of national digital agendas, define policies and initiatives of high impact and scalability, and with impact-measurement components, that support MSMEs in their digital transformation and in their participation in digital trade and that allow the elimination of existing barriers to their internationalization, including aspects related to the specific goals defined in the national connectivity plan.

Examples include: implementing digital skills training initiatives; developing public and private financing for technology adoption; promoting the use of good practices in digital security and data ethics; promoting the use of electronic invoicing, digital signatures, and digital/electronic documentation; implementing incentives to support MSMEs that sell online; incorporating new regulatory models to promote the financing of digital trade of MSMEs; facilitating regulatory compliance; and encouraging MSMEs to join the formal economy.

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**Recommendation 13**

Promote the digital transformation of agriculture and food systems and help retain young talent in rural areas through more efficient use of resources, simplification, and lowered costs of doing business and training in digital skills.

**Policy Actions**

- Improve connectivity in rural areas to reduce the digital gap.

- Digitize and standardize key existing regulatory processes to increase efficiency and lower the costs of doing business, such as sanitary and phytosanitary certifications, product registrations, customs and tax administration, licensing and permitting.

- Strengthen local communities involved in the food system, such as rural farmers, food producers, and retailers, by promoting technological skills and digitalization to support smart farming techniques, including regenerative agriculture practices.

- Enable access to new technologies digital banking options to help farming communities do business more efficiently and have access to modern regenerative farming tools.

- Promote agricultural productivity by launching digital training programs and providing technical assistance via digital tools and access to e-commerce as a way to increase technology adoption, modern sustainable agricultural practices, and inclusion of farmers in value chains.
Finance is a foundational factor in growth and prosperity. But if it is to help countries in the Americas meet the challenges of sustained growth, it needs to be robust, modern, and resilient—and serve the evolving needs of a range of stakeholders.

In addressing finance issues, countries should focus on improvements in several priority areas: enabling the digital financial infrastructure and payments; strengthening financial services governance; and data and financial systems.

Improvements to the digital financial services infrastructure and payments will be critical to economic growth across the Americas. Certainly, the region has a foundation for expanding opportunities for financial access, market growth, and modernization, due largely to the digital financial infrastructure that has been built by fintech startups, innovative financial institutions, and banks—at times, with support from government initiatives. Nevertheless, there is room for more progress, and the region’s economic potential will only be realized through the further and rapid expansion and adoption of these digital tools.

Payments offer a case in point. In recent years, a number of digital payment methods have emerged in the Americas and the use of digital payments has grown; however, the percentage of the population using digital payments still has room to grow to include all parts of the region. And the use of digital payments for international trade is even more limited, which hinders the development of cross-border e-commerce.

More recently, the COVID-19 pandemic has accelerated the adoption of digital payments, a trend driven in part by government subsidies for digitalization. In 2020, 40 million Latin Americans accessed financial services for the first time. That represents progress, but it also underscores the importance of expanding digital payments and infrastructure.

To strengthen financial services governance, the region needs coordinated action between governments, regulators, and the financial sector, including traditional financial institutions, newer fintech companies and development banks. The pandemic demonstrated the potential effectiveness of such coordination, as prompt government action to inject liquidity allowed financial institutions to play an essential role in helping struggling businesses and households across the region, whether through loan deferrals or by disseminating government support.

The COVID-19 pandemic also saw varying regulatory and policy responses being rolled out in different countries, which could lead to uneven and more fragmented financial supervision over time. Thus, there is a need for more robust and structured coordination between regulators and the financial sector across jurisdictions.

As countries develop policies in these areas, they should embrace several key underlying principles—ensuring transparency, increasing predictability, fostering inclusion, and focusing on economic growth.

For example, regulatory changes and improvements for financial services in the region should be done with full transparency. Governments should seek to increase market players’ and consumers’ trust in the rules of the game and enhance the ability of the private sector to understand changes to the regulatory landscape by communicating with and involving these stakeholders early on.

Prioritizing long-term predictability in policies is important because it helps build confidence in the market. Increasing predictability does not mean stifling innovation, however, but rather being clear about operations and processes so that incumbent companies and new market players can plan effectively.

Inclusion, and especially financial inclusion, is a key enabler of economic growth and empowered communities. However, parts of the region continue to lag in this area, particularly with demographic groups such as women and rural-based citizens. Innovative public-private finance partnerships have the potential to accelerate such increases. So too does increased
digitalization, which has the potential to help financial institutions reach the unbanked and underbanked more effectively.

As countries pursue improvement efforts, they should be sure to keep the focus on economic growth. Thus, potential projects should be assessed not only on how they will address immediate problems, but also on how they will contribute to growth in the longer term. This is especially important with initiatives involving segments and demographics that have been the hardest hit by the pandemic and those most disadvantaged by the lack of access to digital tools, including the health sector, women, and under-served communities—areas where growth can have a deep and sustained impact. ABD believes that the priority areas of digital financial infrastructure and payments; financial services governance; and data and financial systems are leverage points where improvements efforts will have an outsized, far-reaching impact. By focusing on those areas and incorporating these key principles in their initiatives, countries will be able to move forward to bridge finance gaps, increase economic stability, and provide businesses and individuals with more opportunity.

Example Key Performance Indicators for Indicators for Finance:

• National growth (%) of individuals and businesses using formal financial services

• Number (#) of public-private finance partnerships created

• Participation (%) of population leveraging digital payments

• Number (#) of connectivity and reporting requirements for financial institutions instituted
Recommendation 14

Increase interoperability and data sharing between all players in the financial system, including traditional financial services providers and new entrants, to increase the security of financial systems and improve the experience of individuals and businesses that are joining and growing in the formal economy.

Policy Actions

• Agree on cooperation mechanisms between regulatory authorities and allow the review of regulatory frameworks to promote interoperability and wide adoption of digital payments and enable various payment providers to scale in the region.

• Promote more-efficient cooperation between regulators across jurisdictions to increase predictability and support a stable recovery from the pandemic; share best practices; and ensure that the region’s financial sector remains robust, agile, and well-prepared to absorb future shocks from pandemics, climate risks, and cyber incidents.

Recommendation 15

Ensure that all companies and citizens in the region have access to and adopt digital payments and financial services, and digitize the financial flows of the public and the private sectors.

Policy Actions

• Develop, together with relevant regional and international bodies and all stakeholders, a harmonized regulatory framework for online digital payments and financial services to create the appropriate conditions for access to these services.

• Review and eliminate regulatory barriers that hinder access to and the use of digital means of payment.

• Implement cooperation mechanisms between countries and central banks in the region to reduce the costs of cross-border digital payments, such as taxes, exchange rates and fixed tariffs.

• Consolidate policies and initiatives to promote the development of fintech ecosystems in the region, as well as policies that promote interoperability and open banking in the financial sectors.

• Design and implement national financial-inclusion policies which develop capacity for the use of digital payments and facilitate access to financial technologies and capital for MSMEs, particularly women- and minority-owned businesses as well as those aiming to reduce the impact of climate change, and ensure that the most vulnerable have access to basic public services and financial institutions.

• Adopt regionally standardized regulatory frameworks for onboarding, anti-money laundering (AML) and know your customer (KYC); fraud, chargebacks, and transaction authorizations; definitions of transaction types; and data protection.

• Ensure that government financial rails are open to all market players, and that the non-government bodies that govern aspects of financial transactions are inclusive of emerging digital players, to increase competition and reduce barriers to entry for new players.

Recommendation 16

Adopt measures to increase the effectiveness of fraud prevention, particularly in online transactions. Government, the private sector, civil society, and individuals should be incentivized to reduce fraud rates.

Policy Actions

• Increase connectivity and reporting requirements between financial institutions (banks, issuers, acquirers, payments aggregators, etc.) when sharing transaction information.

• Authorize and require more technology-enabled tools for preventing fraud in both card present and non-card present transactions—for example, 3D Secure 2, (3DS2).

• Create a regional regulatory framework for sharing
information about security threats, cybercrime, fraud, etc., and supporting anti-money laundering and countering the financing of terrorism (AML/CFT) efforts—across jurisdictions, sectors, and institutions, and accounting for the evolving realities of securing the online economy.

• Adopt data-security policies and regulations that enable the effective sharing of cyber threats and criminal reports across jurisdictions to assist in the prevention and detection of money laundering, terrorism financing, and cybercrime.

**Recommendation 17**

Exercise ongoing regulator flexibility and policy support to maintain the flow of credit and stimulate investment-led growth, while maintaining adequate liquidity and capital requirements for market risk.

**Policy Actions**

• Proactively strengthen insolvency regimes across the region, bearing in mind that some loans will likely need to be restructured even as countries embark on a path to recovery.

**Infrastructure**

**Vision:**

If countries close gaps in infrastructure and its associated services, they will be able to make progress in meeting the by 2030; promote efficient trade; and increase the long-term competitiveness of their economies; and encourage low-carbon, resilient logistics systems.

Infrastructure is crucial to economic growth, prosperity, and social inclusion. Over the last few years, it has gained attention at the global level from multilateral entities, the private sector, and civil-society organizations. There are significant gaps in infrastructure networks in the Americas. The aggregated level of investment in the region, about 3% of GDP, falls short of the 5% of GDP considered necessary for adequate infrastructure.\(^\text{24}\) In LAC, there have been efforts to increase investment levels in recent years, but the shortfall compared to OECD countries and other developed economies persists.

The LAC region’s infrastructure backlog clearly stands out in international comparisons. The World Economic Forum (WEF) infrastructure ranking places LAC in a position close to South Asia, lower than any other region in the world except for Sub-Saharan Africa.\(^\text{25}\)

Infrastructure has the potential to play a key role in the post-COVID recovery due to the combination of economic stimulus programs and sustainable development in projects contributing to environmental protection, adaptation, and resilience.\(^\text{26}\) The G20 has announced US$3.2 trillion—3.2% of G20 GDP—in economic stimulus that focuses primarily on transport and social infrastructure.\(^\text{27}\) That represents a 45% increase in the average yearly infrastructure investment.

Such funding can create significant opportunities for transformative improvements in transport/logistics infrastructure in the Americas (29% of the G20 stimulus is directed to the transportation sector, primarily for inclusive mobility, job creation-economic growth, and the low-carbon transition).\(^\text{28}\)

Countries in the Americas need to adopt new perspectives for infrastructure policy, and policymakers should consider:

• The need to look at services in addition to structures. Access, quality, and affordability depend on service markets and their regulation, not just in the infrastructural support.\(^\text{29}\) The focus of investment programs should be on gaps in those services and the “soft” components of the infrastructure agenda.

• The relevance of efficiency across the infrastructure life cycle. As discussed above, there is ample room to enhance the utilization of financial resources in infrastructure initiatives.\(^\text{30}\) According to the McKinsey Global Institute, savings of nearly 40% can be achieved through better project selection, the streamlining of delivery, and efforts to make the most of existing infrastructure.\(^\text{31}\)

• Project-selection criteria. Projects should be prioritized by their expected outcome (improving...
competitiveness or quality of life), not by their output (extent of the facilities deployed) or input (resources spent).

The obstacle of limited government capacities, institutions’ strength and the articulation between public and private sectors play a central role in the former issues. A lack of adequate capacities is a major constraint for the enhancement of infrastructure networks and logistics services.

Needed improvements in infrastructure go beyond specific good practices. In transport/logistics, for example, regulatory frameworks often do not ensure competition in freight activities. In the domestic arena, for example the trend toward establishing compulsory freight rates is a particular concern; in international activities, consolidation in the ocean shipping, express and freight-forwarding industries, as well as the vertical integration of those activities, are a matter of growing concern because of their potential impact on competition, which may result in lower service quality and higher rates.

Governments can also engage in increased cooperation across borders to gain a regional perspective on infrastructure policies and implementation—an approach that has proven useful in Asia, Europe, and Africa. In the Americas, there have been some efforts in that direction, such as the IIRSA-COSIPLAN in South America, the Mesoamerican program in Central America, and USMCA in North America. These efforts have been fruitful but limited. Countries can also look to global infrastructure hubs, such as those implemented by the G20 or by the Global Infrastructure Basel Foundation.

In the end, infrastructure has a powerful ripple effect on economies, the environment, people, and society. As a result, countries have an opportunity to amplify the impact of their efforts by organizing their infrastructure portfolios to reflect goals, and the imperatives generated by the UN’s, the climate-change agenda, and the Sendai Framework for Disaster Risk Reduction. Ensuring transparency and integrity in infrastructure initiatives—and especially, the financing of initiatives—will also be critical to achieving better results. To that end, the IDB is drafting a set of Transparency and Integrity Principles in Infrastructure (TIPs), which will address integrity risks throughout the infrastructure project lifecycle through institutional, legal, and financial standards for governments, public, private, and multilateral banks, and other relevant stakeholders.
Example Key Performance Indicators for Infrastructure:

- Investment in transport infrastructure (% of GDP)
- Number of projects (#) developed under certified quality standards (i.e., SURE)
- Number of regulations (#) lifting environmental and safety standards
- Number (#) and monetary value ($) of infrastructure integration projects implemented
Recommendation 18

Invest in quality infrastructure based on international standards and best practices to ensure that it benefits citizens, communities, and users, provides good value for money to countries, and stimulates both economic activity and equity by connecting regional and global markets.

Policy Actions

• Continue and expand work on a regional infrastructure hub and financing facility to execute critical infrastructure projects across the region that will fuel economic opportunities, as previously recommended by ABD; ensure projects are properly vetted and viable; create legal certainty and define clear rules; help investors easily analyze the attributes of infrastructure projects in ways comparable to other asset classes competing for capital.

• Promote strategic, results-oriented infrastructure planning processes, aimed at improving countries’ internal connectivity, regional integration, and access to global value chains.

• Foster social efficiency in the choice and implementation of infrastructure projects and in the assets’ management, enhancing institutions, country capabilities, and public-private collaboration.

• Adopt quality infrastructure criteria based on standards, external reviews, and certification, and consider the deployment of climate-resilient networks and services.

• Mobilize private investment in infrastructure by ensuring that projects are well planned and managed; acquired in an open and transparent manner; and are consistent with best practices in terms of environmental and social safeguards and climate sustainability.

Recommendation 19

Develop regulatory frameworks for the logistics sector that foster competition at the national, regional, and global scale.

Policy Actions

• Enhance competition through quality requirements to enter the logistics market (i.e., logistics operators, trucking industry business).

• Avoid national regulations that restrain competition, such as setting freight table rates in domestic inland transportation.

• Promote regional agreements to facilitate international circulation in the trucking, maritime and river navigation, and air transportation industries.

• Contribute to the global regulation of international shipping and logistics services, limiting the risks of concentration and vertical integration.

• Reinforce independent domestic regulatory institutions and promote the updating of the normative framework governing logistics activities.

Innovation

Vision:

If countries act decisively to ensure investment in research and development (R&D), reaching at least 1% of gross domestic product (GDP) by 2030, they will become competitive economies, generating employment and income.

Innovation is a powerful driver of growth and increased competitiveness for businesses and countries alike. While discussions of innovation often focus on the actions of the private sector, there are a number of steps that governments can take to foster innovation—and tap into it as an integral part of their long-term economic development strategies.

The COVID-19 pandemic has underscored the importance of public-sector support for public research and development investment. In the Americas the research community is facing reductions in financial support for research and graduate programs. In this environment, governments need to protect their science, technology, and innovation (STI) budgets and expenditures—with an
understanding that these investments can help tackle current, COVID-recovery challenges while uncovering new ways to address the challenges and opportunities of the future.

Governments can nurture innovation by creating local and regional multi-stakeholder forums to establish a formal and ongoing dialogue around innovation. They can also work with similar organizations at the regional level. For example, the Latin American Network of Innovation Agencies brings together representatives of innovation agencies from countries in the region, providing a platform for collective action, dialogue, and the exchange of information, ideas, good practices and experience in order to promote innovation and entrepreneurship in Latin America.

Governments can also enable greater innovation by establishing policies that improve the quality of education and training. While the region has seen examples of new and effective education policies and programs, most schools are not able to deliver the right skills that businesses need for innovation. Efforts to improve this situation can begin with younger people, and governments should ensure that all children and youth have access to quality and relevant education. In the short term, this will mean recovering from the disruption to education and students caused by the pandemic. Longer-term, governments should implement policies that include the development of content that will encourage them to stay in school and learn the foundational skills required for business and innovation.

Countries should also continue to expand learning opportunities for young adults and adults, but these changes should include strong mechanisms that ensure the quality and relevance of content—something that current programs often lack. For their part, employers should identify viable pathways for students to move into the workforce, particularly amid uncertainty about what the future of work will look like. And in a world where technology and business are constantly evolving, countries should encourage lifelong learning.

Governments should work to close the skills gap by enhancing the market relevance of education and training—and in many cases, cooperate with the private sector to do so. Policies should encourage the development and delivery of learning content that is aligned with the existing and future needs of employers, with a focus on STEM, digital skills, entrepreneurship, foreign language, and upskilling and reskilling.

Technology can bring significant improvements to education. Policies should encourage technology-enabled new approaches to teaching and learning. These can be especially important in helping younger “digital natives” learn. Technology can also make valuable labor-market information readily available to students and workers, helping to companies connect with skilled people. But the technology should be introduced as part of a comprehensive, system-wide plan that is carefully calibrated to meet policy objectives. And it should be complemented by stronger teacher training, new tools for delivering individualized learning, and the development of new, multimode models of learning.

In general, governments need to create an overall landscape that fosters and enables innovation. A cornerstone of that environment is intellectual property (IP) protections for patents, trademarks, copyrights, and so on. Governments should pursue IP protection legislation, consistent with international standards, to create a secure and competitive environment for private-sector investment in innovation. Many countries in the Americas have made progress in establishing IP protections, but the region continues to rank low on innovation inputs and outputs indicators.

IP legislation, enforcement, and protection are vital, but they must be coupled with efforts to strengthen and maximize the effectiveness of the IP-development system in order to enable and promote a robust innovation ecosystem. Governments can do so by incentivizing IP creation and investment in R&D, working in public-private partnerships with companies and academia to support applied research, and supporting innovation grants for businesses.
Example Key Performance Indicators for Innovation:

• Firms’ expenditures ($) on innovation activities, protection of innovations and cooperation for innovation

• Research & graduate programs’ budgets ($) for Science, Technology, Innovation

• Participation of schools (%) leveraging virtual learning models & digital programs

• Student retention and graduation rates (%)

• Number (#) of IP legislations instituted and enforced
**Recommendation 20**

Foster a secure and competitive environment for private-sector investment in innovation.

**Policy Actions**

- Institute and enforce IP protection legislation, consistent with international standards, to create a secure and competitive environment for public-private sector investment in innovation. Strengthen private sector collaboration to support legislative IP framework that drives innovation.

- Create innovation agencies, or enhance capabilities of existing ones, to modernize their resources, systems and improve the services they offer.

**Recommendation 21**

Elevate public research and development spending as an integral part of long-term economic development strategy.

**Policy Actions**

- Increase public investment to strengthen local research and development systems in areas with the potential to enhance competitiveness.

- Create local and regional multi-stakeholder forums to establish formal dialogues around innovation, reinforcing how consistent public research and development spending is critical for a successful and sustainable long-term economic development strategy.

- Foster public-private partnerships, including with universities and academia, for applied research and innovative projects as a means for economic and social development.

- Establish competitive funds to finance innovation grants to establish quality assurance mechanisms and strengthen institutional capacity in public universities and technology institutes by supporting their digital transformation of management and educational systems.

**Recommendation 22**

Improve the quality of education and training for all children and youth in the Americas, enhance inclusion and gender equality, and work to close the skills gap by enhancing their market relevance and aligning them with existing and future skills needs of employers, with a focus on STEM, digital skills, entrepreneurship, MSMEs, resilience and sustainability, and upskilling and reskilling.

**Policy Actions**

- Ensure all children and youth have access to quality & relevant education and training by promoting the digital transformation of education systems with programs to strengthen information and management mechanisms, protect educational pathways, offer greater flexibility and foster continuous lifelong learning.

- Leverage existing and new technologies to foster innovation in teaching and learning, by strengthening teacher training programs, uptake of new pedagogies for individualized learning, and the development of multimodal and hybrid models of schooling.

- Increase funding and efficiency to close the educational gap brought by the COVID-19 pandemic, with programs to accelerate learning of foundational skills, the development of 21st Century skills, gender equality and skills for resilience and sustainability.

- Strengthen physical and digital infrastructure to ensure all children and youth have access to learning spaces resilient to natural disasters and connectivity, allowing them to benefit equally from hybrid and flexible models of education.

- Establish silver economy educational funds and programs to support reskilling and upskilling education processes for work and entrepreneurship inclusion in people over 55 years.

- Ensure public-private collaboration by including companies, academia, and their respective ecosystems in the generation of job opportunities in their sectors, through upskilling and reskilling citizens with training and certification to enter the new digital workforce.
Achieving Our Green Future and Accelerating the Clean Energy Transition

Climate Change

Vision:
**Countries must take decisive action now to ensure that they can meet their Paris Agreement commitments and transition to net-zero.**

It has been clear that was an impending catastrophe for decades, and it is now intensifying in demonstrable ways, as evidenced by increasingly volatile weather patterns, rising sea levels, numerous wildfires, and extensive flooding. And it has become increasingly clear that countries need to take decisive action on climate change and create innovative solutions that will enable them to rapidly electrify and decarbonize their economies while meeting the increasing demand for electricity and economic growth.

Broadly speaking, the Americas have made fervent commitments to the Paris Agreement’s 2050 net-zero goals, and many are beginning to create policy and regulatory environments that support a shift to low- and zero-emission systems in sectors such as energy and heavy industry. To meet those goals, countries will need to encourage the development of innovative technologies and systems that will create low-carbon energy sources, and make them widely affordable and available.

Because of the extensive change and effort involved, the development of comprehensive policy and legal frameworks will be critical in reaching lower-carbon goals. But so too will be private-sector innovation, expertise, and deployment of capital and technology. For the Americas, climate-related investment opportunities are expected to reach US$5 billion by 2030 in the urban sector alone, according to IDB Invest. And the private sector is clearly engaged in this issue. Companies are already transforming their business models to enable and take advantage of the energy transition through investments in wind and solar-energy solutions, natural gas, hydrogen, carbon capture and storage (CCS), electric mobility, energy storage, biofuels, and low-sulfur diesel, among other things.

Sustainability and climate policies play an important role in the decisions of investors and thus, in the investment decisions of financial institutions. To attract increasingly emerging sustainability- and net-zero-focused investment activity, countries will need to reconcile energy, environmental, and economic policies.

**Making renewables mainstream**

Countries can build on this growing momentum with policies that encourage continued investment in renewable energy, and laws that pave the way for the broader use of renewables. At a high level, a key area of focus should be well-designed, economy-wide carbon-pricing, which offers an efficient and effective way to reduce emissions while incurring a relatively low cost to society and maximizing incentives for innovation. CCS technologies, which can also bring cost-effective reductions in emissions, will be an important part of the equation in the near-term, while the clean energy transition remains underway.

In addition to renewable energy-generation, countries should also consider a range of related factors: Energy storage technology, for example, will be key to making the widespread use of renewables practical and affordable, because it can help electricity systems accommodate and “smooth over” the variability of solar and wind electricity production, helping to keep grids stable and reliable as they bring on more of these more-intermittent sources.

Many “traditional” renewable energy sources are proven and practical today, but the field is still evolving. For example, there are important potential opportunities for producing and using hydrogen energy—both blue (using natural gas as a feedstock) and green (made using renewable energy)—in the region. Here, governments should formulate and highlight a hydrogen vision, spelling out the benefits and risks of potential large-scale hydrogen projects, along with the objectives and measures to be taken to achieve that vision. They can also promote support for research and development of hydrogen energy innovations, help ensure that private-sector hydrogen initiatives have access to financing,
facilitate permitting processes for hydrogen facilities, and develop standards and preferred tariffs that create export opportunities for hydrogen.

Preparing the grid

The energy transition will also require improvements to electricity grids to allow them to operate more effectively, with increased reliability and flexibility. Digital technology, for example, can enable modernization that provides better management of generation, transmission, and distribution in the grid. Often, power grids operate below maximum capacity; technology investments that move them closer to operating at maximum capacity will “free up” underutilized capacity without the need for new infrastructure. These technologies can also increase the system’s reliability, resilience, and flexibility—which will be key to integrating tomorrow’s growing amounts and variable sources of renewable energy into the power grid.

Increased interconnection of grids, within countries and across borders, will make it possible to reduce network congestion, operate more economically, and ultimately make better use of renewable energy. In general, however, electric power systems in the Americas are not well integrated; where there is interconnection, it is typically not optimized. Given the importance of energy to growth, countries are missing out on a fair amount of economic development potential due to this lack of interconnection. There are many opportunities for broader energy integration in the Americas—what’s needed are the policies that will support interconnection.

Regulatory frameworks that support increased powersystem integrations and bring greater stability and predictability to regional and sub-regional energy trade will bring benefits to all countries involved. In addition to supporting the energy transition through greater reliability and flexibility, those frameworks will expand the size of energy markets, reduce capital costs, and help make energy more affordable and reliable for people and companies in the region. That, in turn, has the potential to create employment opportunities, and promote the social and economic development of local communities.

Bridging the transition

Meanwhile, natural gas can play an important role in both carbon-reduction efforts and the energy transition. While natural gas is a fossil fuel, it provides relatively clean combustion compared to other traditional fuels, generating 30% less carbon dioxide than fuel oil, and 45% less than coal. In addition, natural gas combustion produces lower levels of atmospheric pollutants, such as nitric oxides, sulfur oxides, particulate matter, and ozone, that can damage health of communities that are near fuel-consumption points. Overall, natural gas is the lowest-carbon fossil fuel available on a large scale. There are also robust natural-gas logistics capabilities and infrastructure in place that will allow it to help meet the world’s energy demand. And new natural gas developments are expected to keep supplies up and prices stable.

As a result, natural gas offers an important “bridge” energy source for the energy transition—a stable source of power that can help meet energy demand in the coming decades and support ongoing power generation, transportation, and industrial development as the world moves toward fully decarbonized energy systems over time.

Perhaps more important, natural gas can enable the deployment of renewable energy sources. In recent years, it has emerged as a reliable complement to renewable energy, because gas turbines are cheap and modular compared, without the high upfront costs of other energy sources, and gas-powered generation offers operational flexibility and low fixed costs/high variable costs. This means that it can provide a practical “back up” to intermittent renewable sources, and remain financially viable even if wind and solar energy can meet energy demand much of the time.

Policies that encourage the use of natural gas can provide climate-relevant benefits beyond the power sector. For example, compressed natural gas has the potential to be used more widely to power light vehicles, public transport, and road freight transport, and to replace traditional fuels in maritime transport with a cleaner, more cost-effective alternative.
Shifting to regeneration

Reducing emissions and enabling the energy transition will require change across all industries and segments of society. That said, there are two sectors that will experience significant impacts from energy-related policies in the near term: agriculture and logistics.

The subject of climate change is of extreme importance for the food systems and agriculture in the Americas, and the issue has been top-of-mind in the sector. However, efforts thus far have been focused primarily on reacting to current problems, such as protecting at-risk jungles and biomes. There have been few initiatives geared towards soil restoration for agricultural use and not much has been done to incorporate regenerative agriculture practices at a large scale, apart from a few important efforts by public- and private-sector organizations.

Now, it is imperative to transform agricultural practices so that soil and food security are protected in the Americas. Such a transformation could help eliminate millions of tons of GHG emissions by the end of the decade. To achieve this, governments should focus on providing education, developing standards and methods for measuring progress, financing projects for regenerative agriculture and climate-smart practices, and helping agriculture groups in the region adopt new practices that can build resilience and restore ecosystems.

Moving with greener modes

In the logistics arena, countries have an opportunity to reduce carbon emissions in several ways. Freight transportation is responsible for approximately 7% of total GHG emissions in the world. Trucking represents a significant portion of that, but in the Americas, the focus has been largely on urban and passenger transportation, rather than freight. Recent COP26 discussions have highlighted the link between the freight logistics carbon footprint and its potential impact on trade competitiveness and financial attractiveness.

There is a clear opportunity to reduce carbon in logistics services through private and public efforts. Governments can help develop more modern, dedicated infrastructure and encourage the private sector to adopt a mix that includes more multimodal models of transportation—there is much room to increase the use of more efficient and cleaner transport modes, such as railways and inland navigation. Innovation in vehicle design and operation, such as higher capacity trucks, heavier trains or integrated intermodal combinations, could help reduce carbon footprints, as well as logistics costs. Because of the multifaceted nature of these challenges, policies will need to be coordinated across various government agencies.

In the end, combatting climate change will require work on many different things on many fronts, but these efforts will need to be approached coherently and in a coordinated fashion. In addition, energy-transition initiatives should keep the big picture in mind, and approach change with a circular-economy perspective that emphasize the creation of an attractive environment for investment, in which the ecosystem supports sustainable business that includes renewable energy, circular material flows, and closed-loop value chains, and positive relationships with local communities. Thus, countries should pursue climate-change initiatives through integrated energy, environmental, and economic policies.

The current national and regional policies and frameworks in the Americas do not foster the rapid pace of improvements and change that will be required to meet climate-change goals. Industry, the financial community, and civil society all have important roles to play. But it will be up to governments to devise the necessary policies and laws that will create an enabling environment for reduced emissions and the energy transition—and ultimately guide the collaborative efforts needed to build a greener future.
Example Key Performance Indicators for Climate Change:

- Paris Accord commitments from each country in the region
- Logistics performance as measured by the LPI or WEF indicators
- Number of economic policies (#) incorporating green certificates and carbon pricing mechanisms
- Representation (%) of renewable energy and new energy technologies planned and in-use
- Representation (%) of natural gas and its respective infrastructure for power generation
**Recommendation 23**

Support the rapid and exponential scaling of low- and zero-carbon technologies through the integration of energy, environmental, and economic policies that provide an enabling environment to collectively drive investments, economic growth, and progress towards a net-zero future. To that end, encourage technological development of innovative systems that make zero- and low-carbon energy widely affordable and available through integrated policy approaches, such as a well-designed and economy-wide price on carbon, carbon capture and storage (CCS), energy storage, and hydrogen.

**Policy Actions**

**Transition:**

- Develop a roadmap for strategic, reliable, transparent, and integrated energy and climate governance for the region, to ease the design of updated, comprehensive, and long-term policy frameworks to secure capital flows for investments and sustainable financing for the deployment of renewable energies and new technologies to reduce emissions at the unprecedented level now needed to meet climate targets.

- Build comprehensive legal and policy frameworks to drive investment in mature renewable and new energy technologies for power generation and GHG emissions reduction in the Americas.

- Ensure that regulatory frameworks encourage the investment necessary to produce the metals and minerals that are critical for the decarbonization of the global economy, such as copper, lithium, nickel, among many others.

- Provide open access to energy markets for renewable electricity suppliers, consumers, and corporate buyers and link those markets across borders.

- Increase consumer options for sourcing renewable energy.

- Promote common accounting tools to track renewable energy, such as renewable energy certificates (REC) or other similar instruments.

- Support reforestation and other nature-based solutions across the Americas with a strong focus in the Amazon basin.

- Adopt a well-designed, economy-wide carbon-pricing mechanism and incentives to promote more-efficient energy usage and foster promising pre-commercial technologies such as hydrogen, biofuels and CCS.

- Develop a roadmap for managing the fiscal risks associated with the net-zero transition.

- Implement sustainable, low-carbon transportation models and technologies in the region, including the use of zero-emission vehicles, and leverage investments for infrastructure deployment.

**Technology and Innovation:**

- Develop national hydrogen strategies, with input from industry. These strategies should realistically assess the potential for blue and green hydrogen production, distribution, and storage; define targets; and address concrete yet flexible policies that can adapt to fast-evolving market realities.

- Adjust electricity regulatory frameworks to consider the new configurations of renewable energy production for green hydrogen production, avoiding grid overcharges.

- Support the introduction of new technologies in the region, including new forms of solar panels and energy efficiency programs.

- Invest in network and implement state-of-the-art digitalized transmission and distribution management to address the challenges of a net-zero transition, as well as grid flexibility and the digitalization of energy systems management.

- Develop rural electrification programs, with integrated solar storage projects, for example, to help meet demand and provide access to electricity in rural and remote areas.

**Energy Storage:**

- Lift regulatory restrictions that currently prevent or delay the participation of energy storage, and develop national storage strategies with input from industry.

- Include energy storage in long-term planning analysis with specific targets and guidelines set across a range
of applications to enable the participation of storage in all the industry’s segments (including standalone capacity and ancillary services to add flexibility).

- Allow for storage-supported solutions to alleviate congestion of the transmission networks, particularly during peak renewable hours.
- Promote policies for customer demand management through storage to help replace diesel generation.
- Facilitate investment frameworks for the lithium sector. Create the requisite social, environmental, and financial conditions required to ensure that the Americas can benefit from its plentiful lithium resource base, which remains under-explored and under-produced.

**Circular Economy:**
- Accelerate circular-economy criteria adoption within renewable energy development, through the engagement of financing institutions, with particular focus on critical raw materials, impacts on the territory, local value chains, and material recovery.
- Modernize regulations to facilitate the reuse and recycling of mineral waste that can contain valuable resources.

**Recommendation 24**

Take measures to achieve high renewable energy integration without significant increases in rate payers’ costs or loss of reliability and resiliency.

**Policy Actions**

- Update regulatory frameworks governing existing interconnection to make provision for operating them based on market conditions; develop flexible regulatory frameworks that can take advantage of intra-day power system changes and standardize regulations to maximize the use of infrastructure.
  - Undertake a comprehensive analysis and modification of current Firm Transmission Rights regulation.
- Adopt new guiding principles for existing and future interconnections to increase regional integration through the creation of flat, free, and fair market regulations governing interconnections.
- Support the improvement of existing regional electricity interconnection systems (SIEPAC) and support the creation and strengthening of less-mature regional electricity interconnection initiatives in the region (SINEA, SIESUR, Arco Norte, Colombia-Panamá Interconnection, etc.).

- Advance the integration of energy infrastructure.
  - Promote sub-regional conversations at the ministerial level to discuss energy integration opportunities, with active involvement from the private sector, to determine specific actionable measures. Set up priorities and timelines. Meet twice a year to review goals and progress.
  - Support energy literacy programs across the region to seek a better understanding from consumers of the value of energy in their daily lives and the challenges to mitigating the environmental impacts. The objective is behavioral change and more efficient energy usage.
  - Optimize energy systems within the sub-regions, seeking more interconnectivity within them and across the Americas—boosting regional productivity and economic growth.
  - Maximize energy efficiencies across the region and across energy value chains.

  - Implement adequate planning measures to ensure flexibility and reliability of the power grid as more variable renewable sources of energy come online.
    - Utilize detailed planning tools to maximize carbon-reduction opportunities by ensuring flexible capacity is available to firm variable renewable output instead of curtailing renewable output due to an inflexible generation fleet.
    - Realize strategic investments in grid and resource flexibility to ensure climate goals are achieved while minimizing costs and maximizing the reliability of the system. Grid flexibility and resilience do not necessarily depend on new, expensive infrastructure investments. Planners can effectively make use of cost-effective technologies (energy storage, smart grid, demand management, etc.) and focused grid enhancements (including transmission) to prevent contingencies, which otherwise may lead to blackouts.
  - Develop natural gas infrastructure to support the
deployment of renewable energy sources and support a responsible energy transition by providing a stable source of back-up power to support economic and industrial gas.

- Incorporate technology-neutral, performance-based, cost-effective, and gradual but consistent emission control standards that define allowable levels of pollutants and GHG emissions on a life-cycle basis for any kind of industry independent of fuel.

- Support energy efficiency and innovation by the adoption of technologies such as Combined Heat and Power, hydrogen, and CCS focused on industry and transformation.

- Promote a regional regulatory framework to allow investments in liquefied natural gas (LNG) and natural gas infrastructure that will support pathways toward storing and transporting increasingly low-carbon liquid and gaseous fuels and promote regional integration.

- Support the development and adoption of standardized technical supply and usage standards for natural gas.

- Support the implementation of market-based rules and systems (i.e., technical cooperation, financing, exchange of best practices) to incentivize private-sector investments and competition to foster lower costs for end consumers.

**Recommendation 25**

Champion climate-smart solutions and regenerative agriculture for resilient and sustainable agribusiness, while protecting soils and tackling climate change.

**Policy Actions**

- Promote the purchase of local agricultural goods for food production (carbon footprint reduction) and increased yields, such as certification schemes to raise awareness for sustainable products and promote their consumption.

- Adhere to science-based policymaking for sanitary and phytosanitary processes.

- Stimulate the development and adoption of modern and regenerative practices to protect soils, and other innovative technologies that can anticipate, mitigate, and/or build resiliency to climate change.

- Unlock financing opportunities for value chains to foster climate-smart solutions (regenerative and modern agriculture, bioeconomy) to tackle climate change and future pandemics.

- Transform farming practices across the hemisphere, so soils and food security in the Americas are protected. Countries should strive to provide education and measure and finance regenerative and climate-smart farming projects and groups across the region to adopt practices that build resilience and improve and restore ecosystems.

- Countries should establish standards and measurements of their planet-positive solutions to quantify success. In the meantime, Ministries of Agriculture should work in partnership with the Inter-American Institute for Cooperation on Agriculture (IICA), the IDB, and the private sector to measure the impact toward five key outcomes, including: building soil health and fertility; sequestering carbon and reducing emissions; enhancing watershed health; increasing biodiversity; and improving farmer livelihoods.
Recommendation 26

Develop environmentally friendly and efficient logistics systems that are aligned with decarbonization and sustainable urban policies.

Policy Actions

• Promote the development of dedicated logistics infrastructure, establishing trade and development multimodal corridors linking key production-consumption centers and export-import gateways, including coordinated infrastructure and process-improvement strategies on either side of land border crossings.

• Encourage the adoption of new technologies to reduce emissions in all transport modes to reduce the carbon footprint of domestic and international trade.

• Ensure market competitiveness in supply-chain logistics, keeping a level playing field in domestic activities (i.e., in the trucking industry) and in international flows (i.e., in multimodal transportation).

• Advance the digitalization of cargo logistics, taking advantage of the opportunities that new technologies can bring to enhance service quality and competitiveness.

• Stimulate new business models in urban logistics that can promote the development of sustainable, livable cities while increasing firm efficiency and customer experience and convenience.

Recommendation 27

Promote the broadest possible cooperation between financial institutions and government in creating frameworks and investment opportunities to fight climate change.

Policy Actions

• Develop a clear investment framework so investors have material information about certain assets and so the broader business community, including the financial sector, can play a leading role in the transition to a net-zero global economy and make good on the promise of the Paris Agreement.

• Collaborate with issuers of securities and financial institutions in the development of disclosure frameworks and taxonomies that recognize international initiatives and best practices for ESG investment.
Securing Health, Recovery and Resilience

Health Ecosystems & Economies

Vision:
If countries develop resilient, inclusive, sustainable, and equitable health ecosystems and economies they will mitigate the immediate effects of COVID-19 and prepare for future pandemics.

The quality of healthcare and human health is a factor that cuts across society. Investments in health are investments in human capital and social and economic development. They are important to realizing the full human potential, eradicating poverty, ensuring quality education, reducing inequalities, providing decent work, and building a productive workforce. Because health touches on so many aspects of life, it is critical to the building of healthy economies and driving inclusive and sustainable growth.

The COVID-19 pandemic dramatically underscored the inextricable link between health and the economy. According to the IMF, the LAC region’s new projected growth for 2022 is 2.4 percent, which is lower than its 3 percent projected in 2021. The pandemic has provided other health-related lessons, as well. For example, it highlighted the importance of prioritizing and sufficiently financing health. Public expenditures on health in the region averages 3.7% of GDP, far below the 6.0% target recommended by the Pan-American Health Organization (PAHO). This chronic under-prioritization and underfinancing of healthcare has contributed to the fact that COVID-19 has hit LAC harder than many other parts of the world. The need for governments to find ways to increase public-health funding is critical to achieving health-sector goals in the region.

COVID also underscored the reality that when it comes to enhancing health and health ecosystems, governments cannot get the job done alone. They will need to work with the private sector to provide effective and innovative ways to increase the funding of health initiatives—and to create mechanisms to help ensure that those investments are made efficiently and fairly.

The private sector can bring a range of assets to the table, which is especially important in addressing the complex and interconnected issues of health. IDB believes that private-sector actions (i.e., private business activity, investment, innovation) can be major drivers of health improvements. As one of the UN’s 17 Sustainability Goals states, it is important to “revitalize the global partnership for sustainable development” in order to unlock the transformative power, scale, and expertise of the private sector to contribute to sustainability goals, which include ensuring health and well-being for all.

These public and private sectors could be especially effective in helping the sector meet its human-capital challenges, which are often quite acute because health systems and workers were often stretched to the limit by the pandemic. Increasing investment in the expansion and strengthening of the health workforce can not only help improve the delivery of care, it can also have the immediate economic effect of providing employment opportunities, particularly for women and young people.

The public and private sectors can draw on their resources to foster the greater use of digital technology in health and health ecosystems, as well. Such technologies can help improve healthcare delivery, ensure equitable access to healthcare, and empower people to manage aspects of their own health. Digital technology also facilitates the exchange of health data and relevant information across the health ecosystem. This helps the sector improve diagnoses, manage clinical trials of new treatments, develop evidence-based knowledge and skills that are based on a larger pool of experience, and provide patient-centric care as patients move through health ecosystems. With these benefits in mind, countries can develop or enhance national digital-health strategies to foster increased digitalization in health.

In a related vein, governments and the private sector can support the increased sharing of health data across borders, which can enhance collaboration and help improve healthcare. Such cross-border data transfer was seen during the pandemic, when the WHO public-private research consortia and national governments established new platforms and methods of sharing research and resources across borders. In general, this type of broader collaboration can accelerate early-stage biopharmaceutical R&D, reduce development cycles in preclinical studies and clinical trials, lead to more conclusive safety and efficacy findings, and support the ongoing monitoring of medical drugs after they have been licensed for use.
Too often, however, regulatory regimes are not set up for this kind of technology-enabled information flow, particularly when it involves patient data. As a recent IDB report noted, “Many of the laws that regulate the rights of patients were developed without considering the virtual environment, for which there is a common legislative need in most countries of the region to build regulatory frameworks that integrate this new reality.”

Public-sector agencies overseeing the health sector can also benefit from cross-border information sharing by taking advantage of testing, inspections, and reviews already done by high-performing regulators. This can help make effective and safe lifesaving and life-enhancing products available more quickly. It also minimizes unnecessary duplication of effort, which in turn reduces wasteful spending of public health resources. Finally, when duplicate inspections and lengthy approval procedures are avoided, it reduces opportunities for corrupt or dishonest behavior.

Information-sharing between different countries’ agencies can also help regulators maintain quality—especially those that are working under tight budgets. For example, the average size of a medical-device regulatory agency team in Latin America is relatively small, and the majority of these dedicate their very limited resources to creating country-unique technical regulations instead of drawing on the experience of other regulators and organizations. An improved ability to share information could help them take better advantage of the broader ecosystem’s experience, as well as international standards.

As they look for solutions to the health sector’s challenges, countries can establish platforms, or forums, to provide a focal point for public-private collaboration that explore health-sector related issues.

With the experience of the pandemic being top of mind, the Americas now have a powerful opportunity to accelerate the recovery of the health sector, and transform it to meet the challenges of the future. That will require the public and private sector to prioritize—and finance—health initiatives. It will also require greater collaboration between public and private health systems, along with policies that unlock the resources and expertise of the private sector and civil society to create more stronger, more effective health ecosystems—and by doing so, build stronger economies, as well.
Example Key Performance Indicators for Health Ecosystems & Economies:

• Number of governments (#) that have established health, quality and risk management units

• Number of countries (#) that have laws permitting and regulating telehealth, remote monitoring, and e-prescriptions

• R&D spending (% of GDP)
**Recommendation 28**

Establish a high-level, annual public-private health forum as part of the Summit of the Americas.

**Policy Actions**

- Encourage public-private collaboration to unlock the transformative power, scale, and expertise of the private sector and civil society to build healthy ecosystems and economies by establishing a high-level, annual public-private health forum as part of the Summit of the Americas.

**Recommendation 29**

Ensure sufficient fiscal space for health and promote innovative health financing.

**Policy Actions**

- Improve the use, efficiency, and effectiveness of existing health budgets, including by reducing waste and corruption.
- Increase health expenditure based on health-sector goals (e.g., PAHO public health spending benchmark of 6% of GDP).
- Develop innovative public-private finance partnerships.
- Adequately fund data-enabled solutions to strengthen health care systems.
- Encourage partnership between Ministers of Finance and Health.

**Recommendation 30**

Accelerate the development and adoption of appropriate, accessible, affordable, inclusive, scalable, safe, and sustainable person-centric digital health solutions with an equity focus.

**Recommendation 31**

Promote regulatory convergence for the development of new medicines, vaccines, and medical devices (including equipment, In Vitro Diagnostics, and supplies).

**Policy Actions**

- Strengthen National Regulatory Authorities (NRAs) to provide the appropriate level of assurance regarding safety and efficacy of health-system inputs.
- Implement electronic or cloud-based submission systems to increase efficiencies in premarket submission processes.
- Adopt and effectively use expedited review pathways for biopharmaceuticals, such as reliance mechanisms.
- Adopt and effectively use reliance mechanisms for medical technologies.
- Implement framework on anti-counterfeiting of medical products.
- Converge national technical regulations and standards with international standards as an essential element of consistent with WHO and WTO provisions.
Recommendation 32

Promote measures to capture more investment and generate jobs in the global health supply chain.

Policy Actions

• Promote a highly skilled, technically trained workforce, as defined by the World Bank development indicators.

• Develop adequate infrastructure and capacity, as measured by R&D spending as a percentage of GDP.

• Promote policies that facilitate innovation, including addressing unreasonable patent examination and approval delays, eliminating restrictive patentability criteria, providing for adequate and effective resolution of patent disputes, and ensuring regulatory data protection.

• Adopt a solid regulatory framework and clinical environment in line with international standards and guidelines consistent with WHO Good Regulatory Practices in the Regulation of Medical Products (Annex II), Maturity Level 3 or above in the WHO Global Benchmarking Process, ICH standards (biopharmaceuticals), ISO, and IMDRF documents (medical device).

• Strengthen ethics and business integrity through incentives and sustainability standards for effective ethics and compliance programs.

• Encourage voluntary technology transfer for commercializing and transferring research—for example, through technology transfer frameworks with clear and defined IP provisions and university/industry collaborations.

• Adopt market and commercial incentives through, for example, pricing and reimbursement policies.

• Support resilient health systems that can withstand both public health threats and the ongoing burden of non-communicable disease.
ANNEX
Final Remarks

The Americas Business Dialogue (ABD) welcomes the opportunity to continue engagement with government leaders in a constructive and concrete exchange on public policies and private sector initiatives. This ongoing exchange has been extremely valuable in crafting the recommendations and will continue to be of the utmost importance for successful implementation.

In the spirit of this opportunity, ABD will continue advocating for the implementation of its proposed recommendations and the strengthening of public-private cooperation with the shared goal of increasing opportunities for the Americas and its inhabitants.

ABD believes that the most effective way forward for the region is to forge strong public-private partnerships in pursuit of the goals laid out in this report. In addition, ABD finds the public-private dialogue in the Summits of the Americas process to be extremely important and looks forward to strengthening this dialogue in the years to come.

ABD hopes that governments will find its recommendations useful in developing policy agreements that enable sustainable and inclusive economic growth based on increased productivity and competitiveness—ultimately generating greater investment, improved infrastructure, greater access to digital technologies, and sustainable development—all under a framework of transparency and integrity.

Process

This document was developed and adopted by consensus by the Americas Business Dialogue. To arrive at this consensus, ABD drew from the ideas, discussions and technical expertise shared by members in its nine working groups: i) Trade Facilitation; ii) Digital Trade and Economy; iii) Finance, iv) Energy and Natural Resources; v) Food and Agribusiness; vi) Transparency and Regulatory Cooperation; vii) Human Capital and Innovation; viii) Health; ix) Infrastructure and Logistics.

These recommendations were enriched through engagement with governments from the region in different settings during the past three years, including private sector consultation dialogues held at the national level in preparation for the Summit of the Americas, as well as by technical feedback provided by specialists from the Inter-American Development Bank.

The document and the recommendations and policy actions included here were approved after all members enjoyed opportunities to comment and provide inputs and reflect the consensus view of the full membership.

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