The Board of Directors and Advisory Council of the Inter-American Foundation (IAF) met via teleconference on November 9, 2020. Board members present included: Eddy Arriola, chair; Juan Carlos Iturregui, vice-chair; and members Kelly Ryan, Jack Vaughn, and Luis A. Viada. Members of the Advisory Council that were present included: Amb. Alexander Watson, chair; and members Simone Gourguechon, Winsome Leslie, Nicolas Mariscal Torroella, Anita Perez Ferguson, Juan Edgar Picado, James Polsfut, British Robinson, Christopher Sabatini, Celina de Sola, and Matthew Swift. IAF President and CEO Paloma Adams-Allen was joined by members of the management team including: Lesley Duncan, chief operating officer; Daniel Friedman, managing director for external and government affairs; Raquel Gomes, managing director for learning and impact; Marcy Kelley, managing director for programs; Aswathi Zachariah, general counsel; Marcia Cota, senior advisor for partnerships; Marko Dolan, deputy managing director for programs; Amber Forbes, senior advisor; and Karen Vargas, board liaison and executive assistant.

I. CALL TO ORDER

Board Chair Eddy Arriola expressed his appreciation for how the IAF’s management team has navigated the COVID-19 pandemic and noted how proud the Board is of the IAF’s work and the organization itself. General Counsel Aswathi Zachariah, outlined the meeting rules and Arriola called the meeting to order at 11:06 a.m.

II. APPROVAL OF THE MINUTES

The minutes of the May 4, 2019 IAF Board of Directors Meeting were approved and adopted by a unanimous voice vote.

III. AGENDA OVERVIEW & PRESIDENT’S REPORT

The IAF President and CEO, Paloma Adams-Allen, provided a brief overview of the agenda and shared three focus areas for the meeting: (1) updates and highlights from fiscal year (FY) 2020; (2) priorities and plans for FY 2021; and (3) closed session. She welcomed Simone Gourguechon, who joined the advisory council in early 2020, and expressed her gratitude to the management team for being remarkable colleagues and leaders throughout this challenging year and to the Board for their unwavering support. Next, Adams-Allen shared key highlights and priorities in four areas.
**Preservation and growth.** The IAF has maintained and grown its bipartisan support and recognition in the interagency. In FY20 the IAF operated a budget of $50.5 million\(^1\) representing a $20 million increase over the previous fiscal year\(^2\). Even though we are early in the appropriations process, we are encouraged by the funding mark put forth by the House of Representatives ($50.1 million), which includes an increase in our base appropriations. Furthermore, the IAF is currently advancing six key U.S. government priorities: (1) COVID response; (2) Caribbean resilience; (3) Central America strategy; (4) support for displaced Venezuelans; (5) women’s economic empowerment; and (6) global food security. And moving into 2021, we will be increasingly involved in the planning and execution for the Summit of the Americas. FY21 priorities include continued crisis and change management, and kicking off the IAF’s next five year strategic planning process.

**People.** Beyond transitioning to 100 percent remote work, IAF staff continued to demonstrate commitment to the mission, dedication, and extraordinary work ethic in FY20. Elevated stress levels were evident during CEO and staff check-ins, nevertheless, staff also noted their gratitude for the management team’s support and the ability to successfully work from home. Despite a global pandemic and a major shift in how we operate, the IAF retained 85 percent of staff and hired eight new people, four of which started under present conditions. This is a net gain of five full-time-equivalent (FTE) employees - 45 FTEs up from 40 in FY 2019. We will continue to build on this year’s positive developments in FY21, specifically we will leverage technology to stay connected with each other and in-country teams, recruit and onboard a managing director of programs, and support staff morale - including by increasing end of year performance awards by 30 percent.

**Programming.** Undoubtedly, the ongoing COVID pandemic has tested the IAF, but we have excelled, demonstrating our agility, flexibility, and responsiveness. In FY20 we launched a timely COVID-19 Response Strategy, streamlined our internal grant review processes, and awarded close to $30 million to about 200 organizations in 26 countries — our grantees matched our investment with $34 million in counterpart resources, a marked increase over FY19\(^3\). The IAF’s total active portfolio currently includes 333 grants in 26 countries valued at $218.8 million (which includes $120.4 million in committed counterpart resources). Our priority for FY21 is continuing to transition to virtual grassroots development. To this end, the program team has been diligent in considering how to adapt elements of our high-touch and direct grantmaking approach to a virtual setting. More details will be shared later in the meeting.

**Impact.** The IAF was better able to take advantage of growth opportunities and was particularly impactful in FY20 in three main areas. First, the IAF is leveraging its ability to engage and

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\(^1\) The IAF’s FY20 budget of $51.5 million, included a $37.5 million appropriation, $11 million in transfers for work in Central American and the Caribbean.

\(^2\) The IAF’s FY19 total budget was $31.6 million

\(^3\) In FY19, the IAF’s 301 grantees matched our investment with an additional $18.5 million in counterpart resources.
partner with the private sector to achieve greater scale, reach, and impact. We saw real traction in this front in FY20, we brought on new partners and have several lined up for FY21.

Second, we have an excellent communications team in place that really hit their stride in FY20. Their concerted efforts are helping tell our story in more compelling and modern ways and are inspiring stakeholders and seeing greater engagement in our media channels.

Third, the IAF is continuing to upgrade our approach to monitoring and refining what we measure and how we collect data from grantees.

Fiscal year 2021 priorities include standing up a small strategic partnerships office to enable the IAF to take advantage of opportunities to amplify our investment and expand our reach. We also want to roll out a new monitoring system that will include a transition to an online data platform that will allow us to better use the rich data we collect. On the communications and external engagement front, we will continue to deliver high quality and timely products, and explore opportunities for virtual trips/delegations to the field for external stakeholders, including congressional staffers and potential partners.

IV. MANAGEMENT REPORT

Next, the management team provided FY20 highlights for their respective offices and teams.

A. Congressional

The IAF’s managing director for external and government affairs, Daniel Friedman, began by noting that 41 representatives signed a letter calling for an increase in the IAF’s appropriation this year. Following this the IAF received an all-time high appropriation mark from the House of Representatives for FY21— $51.5 million that includes a $41.5 million base and $10 million for COVID response. Though the Senate has not yet put forth a bill, the IAF remains responsive to Senate appropriators’ inquiries. Friedman stated that given the election year there is additional uncertainty as to when a new spending bill will be signed into law — the IAF will continue to monitor the appropriation cycle as it evolves. He further highlighted that in FY20, Congress commemorated the IAF’s 50th anniversary with resolutions recognizing their support for IAF’s work and status as an independent agency. He also underscored overall Hill interest, noting the record attendance at the annual Coffee and Chocolate on the Hill event and increase in meeting requests from congressional offices — including the request for testimony from the IAF’s president to the Tom Lantos Human Rights Commission on Human Rights on the success of the IAF’s model in Haiti.

Although the IAF has had to halt plans for congressional staff delegations to visit projects and grantees in the field for fiscal year 2021, the team is actively exploring ways to use remote
technology to facilitate virtual visits. The team will also continue to prioritize country and or issue specific deep-dives as we respond to congressional inquiries.

There was a brief discussion on the appropriation process and the types of inquiries received from the Senate and a suggestion to host open briefings for new congressional members in fiscal year 2021.

B. Financials and Audits

The IAF’s chief operating officer, Lesley Duncan, provided a financial snapshot on the agency. She reiterated that the IAF is currently operating under a continuing resolution through December 11 pending a final appropriation bill from Congress. The IAF’s total operating budget for the year was $51.5 million. Funding sources included a $37.5 million appropriation, $11 million transfer for support of USG strategies in Central America and the Eastern Caribbean, and $2.6 million in carryforward funds. The agency was supported by 45 full-time staff and our administrative/program support costs were 9.1 percent. Expenditures in FY20 totaled $44.6 million, of which $30.6 million went to grants and audits. As expected, some contracts and other anticipated expenditures did not come through as a result of slow downs related to the COVID pandemic, therefore we will carry forward some of our two-year funds ($6.9 million). She briefly mentioned possible FY21 funding scenarios and fielded questions from board and advisory council members. Members complimented the IAF for the excellent casemaking on our absorptive capacity to external stakeholders, the interagency and Congress and for maintaining low administrative costs even as the agency grows. A suggestion was made to revisit the idea of establishing a subsidiary 501-c3.

In FY20 the IAF conducted 143 grant audits. More than 80 percent of grants resulted in no findings and required no additional follow-up. The IAF’s Grant Oversight Committee reviewed three grants with material audit findings and subsequently referred these to the USAID Office of Inspector General.

C. Program Report

Marcy Kelley and Marko Dolan, respectively the managing director and deputy director for programs, reported on the IAF’s FY20 grant portfolio. Kelley noted that the IAF started the year operating under a continuing resolution, barred by the Trump Administration from funding in the Northern Triangle of Central America, and also expecting a substantial increase in our grants budget. Excited about the year and work ahead, we hired two new foundation representations and hit the ground running with pre screening new grants. In March, confronted with the reality of the global COVID pandemic, we halted travel to the field indefinitely. The impact of COVID on

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4 FY21 funding scenarios include: (1) TBD - congressional appropriation + TBD transfer amount + $6.9 million carryforward; (2) Continuing Resolution of $37.5 million + $6.9 carryforward; and (3) President’s Budget request at $3.8 million to shutter the agency.
already fragile communities was devastating, but the IAF and our grantees adapted and responded nimbly and resourcefully managing both the onslaught of the pandemic and a 62 percent increase in our grants budget. We lay the groundwork for virtual grassroots grantmaking and implemented the IAF’s programmatic response to COVID. Within a month we had been in touch with every grantee, listened to their concerns, and set in motion plans to streamline grant processes, reprogram already-disbursed funds, and began awarding funds to existing and new grantees.

**COVID Funding.** The IAF’s managing director for learning and impact, Raquel Gomes described how grantees have been responding to COVID through activities characterized in three ways:

- **Response**, including activities such as distributing meals to households that lost sources of income and access to markets,
- **Recovery**, including supporting micro and small enterprises to pivot and adapt to new products and markets, and
- **Resilience**, which reflect the activities our grantees typically advance to help vulnerable and underserved communities thrive in times of crises and beyond

More specifically, an assessment of our grantees revealed the following:

- 95 percent of IAF grantees pivoted to working virtually and even as grantees remained committed to their core mandates like enterprise development and food security,
- 80 percent took on additional activities to help their communities weather the COVID crisis. Moreover,
- 72 percent of IAF grantees turned from traditional project activities to supporting basic needs like personal protective equipment and food aid, and
- 44 percent invested in communications technology for better connecting to their communities, such as setting up more reliable servers, developing online tools, and providing cell phone signal amplifiers to communities.

Every three years the IAF partners with the Center for Effective Philanthropy (CEP) to conduct a Grantee Perception Report and delve into how our grantees view our work as a funder. This year they also queried our grantees perceptions vis-à-vis our COVID response. Among other findings, CEP found that:

- 89 percent of grantees agree that the IAF communicated a willingness to hear from their organization,
- 84 percent of grantees agree that IAF’s response was rapid enough to allow the continuation of their most important work, and
- 81 percent of grantees agree that the IAF’s response allowed their organization to address the needs of the most vulnerable households in their communities during this crisis.

A summary of the full CEP report was included in the briefing materials, Gomes noted that the full report was also available to be shared with the board of directors and advisory council members.
**FY20 Grants Portfolio.** Next, Kelley briefed on our overall FY20 development grants program. She noted that in FY20 the IAF completed 216 funding actions for a total IAF investment of $30 million in the region — a more than 60 percent increase in funding actions over last year and a record high for funding amount. She overviewed the geographic distribution of FY20 funding, specifically the distribution in the Northern Triangle of Central America (36%), South American countries\(^5\) working on the IAF’s Venezuela crisis response (17%), and the Caribbean\(^6\) (12%). Consistent with past years, about 40 percent of funding went to grants that advance sustainable agriculture and food security in the region. About 21 percent went to support enterprise development and job skills, and 19 percent of funding went to support civic engagement and human rights. At the close of FY20, the IAF’s active portfolio consisted of 333 grants in 26 countries valued at $218.9 million\(^7\) and was benefitting 2.3 million people across Latin America and the Caribbean.

Next, Dolan stated that while the IAF and our grantees were able to accomplish a lot in FY20, the outlook for our FY21 grantaking remains uncertain and he identified three persistent challenges that will shape our work in the coming year. First and foremost is the threat of increasing poverty levels. Latin American and Caribbean economies are expected to contract by 9 percent over the next year as a result of the pandemic, increasing poverty levels by over 30 percent and an estimated 36 million people are expected to slip below the poverty line. Reports from international organizations indicate that this trend may negate most of the economic gains the region has made over that last decade. Second, are the ongoing challenges of operating during a pandemic. Grassroots organizations are challenged by how to meet/operate and limit the exposure to COVID for themselves and their communities. Even as some grantees work to transition to a virtual setting, others have had to slow down activities. Last, we are still challenged to adapt our very high-touch and direct-to-communities model to a virtual world. On this last point, the specific challenges we are seeing are that some community members find it even more difficult to open up during video prescreening, others lack connectivity all together or have limited access to the internet or the necessary information technology skills to engage in the virtual setting that we now rely on to conduct our work.

**D. Learning and Impact**

Gomes noted that we are in the process of compiling and synthesizing performance results for IAF’s FY 2018–2022 strategic plan\(^8\) as part of our annual compliance reporting to the Office of Management and Budget. The report will be shared with the board of directors when it is completed in the coming months.

\(^5\)This does not include the Brazil and Colombia portfolios which are reported separately.
\(^6\) Here Caribbean refers to the IAF’s portfolios in Jamaica, Haiti, Dominican Republic, and the Eastern Caribbean.
\(^7\) This total includes the IAF’s investment of $98.5 million as well as our grantee’s counterpart funding of $120.4 million.
\(^8\) The IAF’s 5-year strategic plan includes five goals: (1) Increasing awareness; (2) Deepening programmatic excellence; (3) Leveraging resources; (4) Improving knowledge management; and (5) Attracting and inspiring world-class staff.
Gomes shared highlights from CEP’s Grantee Perception Report that provides insight into our performance as a funder. Of note, the IAF continues to be ranked among a cohort of “high performing funders,” which means that we are rated more positively than most other funders in CEP’s dataset on nearly all metrics covered by the survey. Three key measures of IAF’s success include Field Impact (99th percentile), Community Impact (94th percentile), and Organizational Impact (96th percentile). Taken together, these measures tell us that with our support local organizations are better equipped to address the challenges they face.

Next, she provided FY20 highlights from the Office of Learning & Impact, including having:

- Conceived, developed and begun to roll out a new monitoring tool to replace the Grassroots Development Framework indicators. The new tool is designed to give us specific data that will be as meaningful to our grantees as it is useful for our learning agenda.
- Advanced learning across cohorts, particularly by convening and connecting the 14 grantees across five countries who are working with displaced Venezuelan migrants.
- Onboarded new staff and re-energized our relationships with our in-country data verifiers.

Goals for FY21 include rolling out an efficient data system that will allow us to collect and analyze grantee reports so we can better leverage our data. A brief discussion took place on the expected efficiencies the IAF would gain through the implementation of the data system. Board and advisory council members complimented the FY20 accomplishments and expressed enthusiasm for having a system in place that will support the agency’s efforts to demonstrate and share program impact with stakeholders.

E. Strategic Partnerships and Donor Engagement

Marcia Cota, the IAF’s senior advisor for strategic partnerships, reported on the agency’s donor engagement and private sector partnerships. She noted that in FY20 we put in place the infrastructure for the IAF’s public-private partnership (P3) practice and strategy. Specifically, we tested partnership models and improved our P3 messaging, which garnered external validation for our approach and the value IAF brings to partners. The latter was exemplified when our partnership with the Charles Stewart Mott Foundation was featured on the virtual stage at the prestigious 2020 Concordia Annual Summit as a P3 Impact Award finalist. Furthermore, we established a cross functional working group to inform, create, and institutionalize the IAF’s standard operating procedures for our inaugural P3 practice.

Next, Cota delivered key results from the IAF’s partnership efforts from FY20. We negotiated and signed two major partnerships with Danone and the Young Americas Business Trust, signed MOU’s with two additional collaborations with whom we will launch partnerships in early 2021.

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9Comparable funders in the dataset include Ford Foundation, Hewlett Packard Foundation, Kellogg Foundation, Knight Foundation, Rockefeller Foundation, Tinker Foundation, among others.
To close, Cota stated that our P3 and donor engagement efforts, which included the successful implementation of our annual Giving Tuesday campaign, mobilized just shy of $900,000. Board and advisory council members congratulated Marcia for her leadership of the IAF’s P3 and donor engagement efforts. They further affirmed the quality of IAF’s partnerships, and stated that the IAF’s targets, processes, and models described align with best practices for USG engagement with the private sector.

F. Communications and 50th Anniversary

Friedman briefed on the IAF’s broader communications strategy and results. He noted that in FY20 we made a concerted effort to strengthen the agency’s strategic communications, including through robust use of social media. The latter has generated positive results on our channels, for instance (1) Twitter saw a 247 percent increase in engagement and a 47 percent increase in followers, (2) Instagram saw an increase of 86 percent on followers; and (3) LinkedIn had 12 times the average engagement rate. He also noted a 41 percent increase in unique website users compared to the previous fiscal year, which is likely a result of our website redesign to modernize and improve user experience. As part of a media strategy, the agency has started ramping up engagement with traditional media. He pointed to a more purposeful use of press releases — for example the press release to announce our impact investment with EDESA in Costa Rica was picked up 123 times by media outlets and generated over 3,500 views to our website. And we also made strides to enhance the quantity and quality of our published content (blogs, thought leadership articles, etc). Board and advisory council members congratulated the IAF’s successful implementation of the agency strategic communication strategy. They also stressed the importance of ensuring consistent and high quality messaging and branding across channels, which is of paramount importance as we continue to broaden engagement with the private sector. There was a short discussion and recommendation on the use of amplifiers to reinforce the agency’s strong communications products and messaging.

Next, Amber Forbes, senior advisor, shared highlights from the agency-wide effort to commemorate the IAF’s 50th anniversary, which presented an opportunity to increase awareness, understanding, and support for the IAF model of development. In FY20, the agency can confidently say that the cross-functional teams created to carry out the vision of the 50th anniversary have successfully delivered across the priority goals as highlighted throughout the meeting. A standout achievement this year was successfully engaging former IAF staff who were instrumental in the creation of a more complete historic grants record. As a result we were better able to substantiate agency messaging, including with alumni blogs, and leverage our enhanced communications to effectively engage external stakeholders.

10 The 50th anniversary goals include: (1) the creation of compelling communications products; (2) activated internal and external supporters including Congress, IAF staff alum and fellows, and partners/donors; (3) organized historical grant record; (4) new partners and donors.
V. NEW BUSINESS

The management team previewed FY21 priorities.

A. Grantmaking and Portfolio Management

*FY21 Programming Projection.* Dolan overviewed the IAF’s country prioritization and funding targets for FY21. A full report was provided in the meeting materials. He also noted emerging regional and country opportunities and trends that the IAF will continue to monitor throughout the year. Of particular note, the IAF’s demand for funding\(^\text{11}\) in FY21 increased by 18 percent over last year, with notable increases in Nicaragua, Colombia, and Mexico.

*Virtual Grassroots Development.* The IAF’s high-touch grassroots grantmaking model relies heavily on in-person meetings and site visits. COVID prompted us to modernize and adapt our processes to a virtual setting. Dolan described the new practices and lessons learned that will continue to inform our virtual process in FY21, including our use of technology for virtual meetings, tapping into referrals from our network as part of our enhanced vetting procedures, and applying a user-experience approach when designing meetings and engagements.

*New Initiatives.* Dolan briefed on three programmatic initiatives that will be carried out in FY21. The IAF plans to measure the impact of violence on grantee partners and will convene select grantees to discuss strategies for how the IAF can best partner with communities that have been exposed to chronic violence. We also plan to analyze the IAF’s methodology used to determine and report grantee co-investment, and articulate how we work with grantees to identify and monetize community assets. And, as expected we are putting together our programmatic strategy for responding to natural disasters, including the most recent hurricanes (Eta and Iota).

Board and advisory council members were enthusiastic about the program office’s priorities for FY21 and they offered ideas in support of the programmatic vision for the year.

B. P3 Strategy and Donor Engagement

Cota shared the IAF’s FY21 priority for P3 and donor engagement efforts include the rollout of the P3 and Donor Engagement Strategy and add additional staff support. The executive summary of the draft P3 Strategy was shared in the meeting materials. The full strategy will be shared with board and advisory council members in advance of a dedicated follow-up session to discuss.

C. Communications and External Engagement

\(^{11}\) As measured by the number of funding proposals received.
Friedman underscored that the IAF will continue to build digital communications capabilities in FY21 to maintain the level of high-quality products showcased this year. As mentioned above, we plan to finalize a media engagement strategy and increase our efforts on thought-leadership publications. We also expect to conclude our 50th anniversary commemoration with a virtual capstone event in 2021.

**2021 Summit of the Americas.** Forbes shared that IAF has participated in preliminary interagency discussions on the coordination of the IX Summit of the Americas, which will be hosted by the United States. As we’ve done in previous years, the IAF will plan to fund youth and civil society grantees’ participation in the Summit. We are discussing the possibility of co-hosting the Youth Forum.

**D. Operations and Return-to-Office Scenario Planning**

Duncan briefed on the agency’s ongoing scenario planning vis-à-vis COVID. We are currently under mandatory telework with maximum flexibility and as expected no official travel is being allowed. The IAF’s management team continues to monitor the situation and is keeping abreast of the latest guidelines and best practices. To this end, we consulted with a Industrial Hygienist and other engineering experts who provided key recommendations for our eventual return to office. We plan to implement their recommendations with respect to space adjustments and upgrades in late winter or spring of 2021.

**VI. EXECUTIVE SESSION**

The executive session portion of this meeting was closed to the public as provided by 22 CFR 1004.4(b) & (f).

**VII. ADJOURNMENT**

Chairman Arriola recognized outgoing managing director for programs, Marcy Kelley, for whom this was the last time joining the Annual Meeting of the IAF Board of Directors and Advisory Council. He presented a formal board resolution honoring Kelly’s federal service and her myriad contributions to the agency. He also congratulated the tremendous leadership by the IAF’s president and management team in navigating the COVID pandemic and for the agency’s outstanding work in FY20.

Arriola adjourned the meeting at 2:37 p.m.