The daunting issues facing Latin America and the Caribbean demand concerted efforts to meet the moment. The ongoing pandemic has caused economic devastation and exacerbated food insecurity, democratic backsliding, chronic violence, environmental deterioration, and displacement throughout the region. However, the grassroots successes our grantees are propelling inspire us daily as we support their work on the front lines of these compounding crises.

As the region's challenges have grown, we have stretched ourselves to help marginalized communities meet more of their needs. In 2021, we awarded $30.3 million in new grant funding—the highest level in our history—across thousands of communities. Our total active portfolio now comprises almost 400 grants, representing a total investment of about $279 million in 27 countries. These investments were made possible with bipartisan confidence in the IAF's ability to address strategic priorities at the grassroots level, enabling a record appropriation level from the U.S. Congress. Partnerships and donors also expand our impact, such as our new partnership with Laudes Foundation to increase Brazilian farmers' access to food and markets.

Our grantees consistently demonstrate why we invest in community resilience to address the disasters driving desperation and migration across the region. A third of all IAF grantees—already reeling from the pandemic—lost crops, buildings, electricity, and drinkable water in two consecutive Category-4 hurricanes, Eta and Iota, in November 2020. Farmers with above-average first harvests thanks to IAF grantees' sustainable agriculture techniques withstood crop loss with food to share and sell to neighbors. We see it repeatedly. Only a couple of months ago, grantees activated their network of local organizations to bring emergency relief to thousands of Haitians following the 7.2 magnitude earthquake.

In Central America, the IAF is investing and mobilizing a total of $102 million for community-led efforts that address the multiple, overlapping root causes of irregular migration across nearly 2,700 communities in areas of out-migration. We also continued facilitating peer-to-peer learning among grantees through our regional initiative to support the integration of Venezuelan migrants and refugees, which expanded into two new countries: Costa Rica and Uruguay. Finally, our InnovAction Challenge in partnership with Young Americas Business Trust and the Summits of the Americas Secretariat resulted in their most inclusive innovation competition to date. InnovAction stimulated small business proposals designed to spur COVID-19 recovery from 1,300 young entrepreneurs across 32 countries.

On the eve of her departure, before taking on new challenges on behalf of the U.S. government in Fiscal Year 2022, President & CEO Paloma Adams-Allen shared, “It has been the honor of my life to lead the IAF. I'm immensely proud of what the agency accomplished these last four years, which was made possible by the tireless work of a committed team of gifted, creative, and tenacious individuals who will undoubtedly continue to do great things.” The IAF will remain forever grateful for Paloma’s leadership and wish her continued success in her new role. Thanks to Paloma, the IAF stands ready to rise to this occasion and help Latin America and the Caribbean rebuild.

Eddy Arriola
Chair, Board of Directors
We are proud of our accomplishments under the leadership of Paloma Adams-Allen, who served the IAF as President & CEO from April 2017 to October 2021:

- We extended our reach to seven countries in the Eastern and Southern Caribbean and grew our grant investment by 79% thanks to a 67% increase in our base appropriation.

- We launched or expanded key initiatives to:
  - address root causes of irregular migration in Central America
  - empower women entrepreneurs
  - increase disaster resilience in the Caribbean, and
  - support displaced Venezuelans across the region.

- We built new partnerships and explored new ways of investing in grassroots innovation beyond grantmaking, including our first impact investment.

- We invested in and modernized the agency's internal capacity. Paloma re-envisioned the Office of Learning and Impact, stood up a new Public-Private Partnerships Unit, and filled critical staffing gaps to ensure that we would continue delivering on our mission.

- We elevated the role of community-led development in U.S. foreign policy by deepening engagement with the U.S. interagency and external stakeholders.
2021 HIGHLIGHTS

RESULTS*

3.5 M
community members
BENEFITED
from IAF investments

5,352
SMALL BUSINESSES or
ENTERPRISES created or
supported

282,483
people acquired new
KNOWLEDGE and
SKILLS

COMMUNITIES

53%
of participants are
WOMEN

35%
of participants are
YOUNG PEOPLE

24%
of participants self-identify as
AFRO-DESCENDANTS or
INDIGENOUS

MATCHING RESOURCES

For every
$1
IAF invests
IAF GRANTEE
PARTNERS commit
$1.23

*These totals represent cumulative year-end results for all active grants.

IAF EFFICIENCY

92.4%
PROGRAM
INVESTMENTS

7.6%
ADMINISTRATIVE
COSTS

7.6%
Most grantees work across several mutually reinforcing program areas. This allocation reflects the main sectors and activities in which each grantee works.
COVID-19 RECOVERY

Latin America and the Caribbean has been the region hardest hit by the COVID-19 pandemic, suffering the greatest loss of life and economic collapse, with three million people falling into poverty. As the pandemic continues, IAF grantees have continued to support communities' immediate health, safety, food security, and connectivity needs while addressing its secondary effects. Grantees have addressed gender-based violence, innovated or adapted to new markets, built sustainable livelihoods, and promoted government transparency and responsiveness through civic engagement.

ADDRESSING GENDER-BASED VIOLENCE

Reports of gender-based violence in Peru increased 130% in 2020 during the pandemic. Women's association Asociación Peruana Mujer y Familia (APMF) uses its IAF funding to work with grassroots organizations, community members, and public officials to combat and prevent violence and to secure survivors' access to basic protections, care, and remedies. APMF has trained officers from 11 police stations and 639 neighborhood groups on responding effectively to domestic violence. Through their door-to-door outreach program, they reached 31,000 families with information about what to do in cases of violence.

PROMOTING GOVERNMENT TRANSPARENCY

Youth networks trained by Honduran IAF grantee Centro de Desarrollo Humano (CDH) quickly became involved in monitoring municipal humanitarian funding for COVID-19, to identify gaps and reduce corruption and partisan practices in food and medical supply distribution. CDH has worked with 39 networks of youth organizations in southern Honduras and Tegucigalpa to equip young leaders with the skills to participate effectively in local government accountability processes focused on policies that impact youth. These young leaders have, in turn, trained an additional 10,000 young people in their communities.

SUPPORTING SMALL BUSINESS ADAPTATION

When COVID-19 shut down markets and traditional sales outlets, Corambiente in Colombia closed its storefront and transitioned to direct home delivery of boxed vegetables and other produce. By pivoting its model, Corambiente played an important role in alleviating local food shortages and supplying healthy, local food for consumers, at one point doubling its sales numbers from before the pandemic. Partners in Valle del Cauca also delivered food through local farmers’ markets, gaining 200 new clients.
We are proud to have raised our already exceptionally positive scores in the Center for Philanthropy’s (CEP) most recent grantee perception report. IAF grantees, 86% of whom participated in the survey, rated our impact on their fields in the top 1% of CEP’s funder database. The IAF is also the CEP’s highest-rated foundation for 1) transparency with grantees and openness to their ideas; and 2) the usefulness of the selection process in strengthening their organizations.

**PARTNERSHIP HIGHLIGHTS**

**Laudes Foundation**
The IAF is joining forces with industry-focused Laudes Foundation to improve Brazilian farmers’ quality of life, food security, and access to markets through participatory certification.

**Fine Chocolate Industry Association**
The IAF is partnering with nonprofit trade association Fine Chocolate Industry Association to provide technical education and marketing opportunities to small-scale cocoa farmers in Latin America and the Caribbean.
DISASTER RESILIENCE IN HAITI

IAF investments in Haiti have long focused on locally-led organizations building environmental and disaster resilience, given that 96% of Haitians are vulnerable to natural disasters and centralized relief efforts often fail to reach isolated rural communities. For example:

- Farmers’ association Organisation des Paysans de Labiche promotes food security with its IAF grant by supporting subsistence gardening and training veterinary service providers.
- IAF grantee Platfòm Inite Òganizasyon Dezam works with small farmers to plant trees and control erosion around a key local watershed. The visibly positive results have rippled out to inspire reforestation in other communities.

Sustained investments in environmental resilience help communities bounce back from natural disasters, such as the August 14th 7.2 magnitude earthquake that affected IAF grantee organizations representing around 150,000 rural Haitians. The immediate aid reaching these communities came entirely through networks of local organizations, including grantees like Unité de Lutte pour la Santé that coordinated with an affected grantee to deliver mobile assistance to nearly 900 people with wounds festering from lack of access to care. The IAF has also been redirecting its existing funding to earthquake relief and identifying opportunities for new investments and coordination among grantees, which are key to improving on earlier disaster response efforts.

“It inspires me to see how, despite tremendous difficulties such as earthquakes or Hurricane Matthew, Haitians always look for solutions.”

Dieusibon Pierre-Mérité, IAF Local Liaison in Haiti
ROOT CAUSES OF CENTRAL AMERICAN MIGRATION

After multi-year droughts and catastrophic hurricanes, Central Americans face widespread poverty and unemployment, hunger and malnutrition, chronic violence and insecurity, and corruption and impunity. Our grantees revive potential migrants' hope for a future in their home countries by showing people their communities can change for the better, addressing multiple drivers of migration simultaneously. We strengthen resilience by partnering directly with more than 150 community organizations to improve sustainable agriculture and promote food security, create durable income-generating opportunities and enterprises, and develop community disaster plans. We also foster rootedness by promoting social and economic inclusion and addressing factors making life untenable in Central America. For example:

- Organismo Cristiano de Desarrollo Integral de Honduras addresses insecurity by convening local representatives of civil society, government, business, police, schools, and churches to form citizen security roundtables. These roundtables contributed to the reduction of violence in Trinidad, Honduras, from 2019 to 2020.

- Red Maya Cedimujer tackles corruption by training young Indigenous women from Huehuetenango, Guatemala, to conduct audits to ensure that public development initiatives are following established Guatemalan law and funds go to their intended purposes.

- Despite having to cross gang-dominated territories, women with Asociación Agropecuaria de Mujeres Produciendo en la Tierra in El Salvador are building small livestock businesses, reducing poverty by raising their family incomes by 20–30% on average.

“Why would we leave if we are fine here?”—Guatemalan participant with IAF grantee ASORECH
HOW WE WORK: MATCHING RESOURCES

The IAF requires cash or in-kind counterpart resources from all grantees. The ability to mobilize funding, donations, and volunteer hours from a variety of primarily local sources shows how strongly the community supports the initiative, lays the groundwork for its future sustainability, and reduces communities’ dependence on a single funder.

IAF staff work with communities to identify and value their contributions, from plots of land to use of vehicles to hours of expert labor. Analysis of audited IAF grants over a 10-year period showed that grantee partners actually exceeded their own projections in the resources they were able to mobilize from grant launch by a total of nearly $400,000.

Because we know historically marginalized groups like youth or African descendants face more barriers to raising counterpart resources, we do not require a specific percentage of counterpart funding. This allows us to recognize contextual limitations while holding all grantees responsible for committing available resources.
The Inter-American Foundation is governed by a bipartisan board of directors appointed by the president of the United States and confirmed by the U.S. Senate. Our board members are drawn from the private sector and the federal government.

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Independent Consultant

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The experience, knowledge, empathy, and professionalism of IAF staff is what we value most. It’s not just oversight and evaluation; they share their knowledge of the issues.”—Anonymous IAF grantee feedback

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The Inter-American Foundation (IAF) is a transformative U.S. government agency that works with communities to create a more prosperous, peaceful, and democratic Latin America and Caribbean region. The IAF works directly with community organizations to help them realize opportunities and solve their own problems. This approach results in effective, community-owned development characterized by economic opportunity, resilience to violence, social inclusion, and greater citizen participation in democratic processes.