

INTRODUCING THE INTER-AMERICAN DEVELOPMENT BANK GROUP

Rome, October 2 2018



Contents

1. Challenges and Opportunities in Latin America and the Caribbean
2. Introducing the IDB Group
3. Opportunities for Italian Companies

1. Challenges and Opportunities in Latin America and the Caribbean



IDB GROUP works in
26 countries in
Latin America and
the Caribbean



Over 600 million people
live in the region

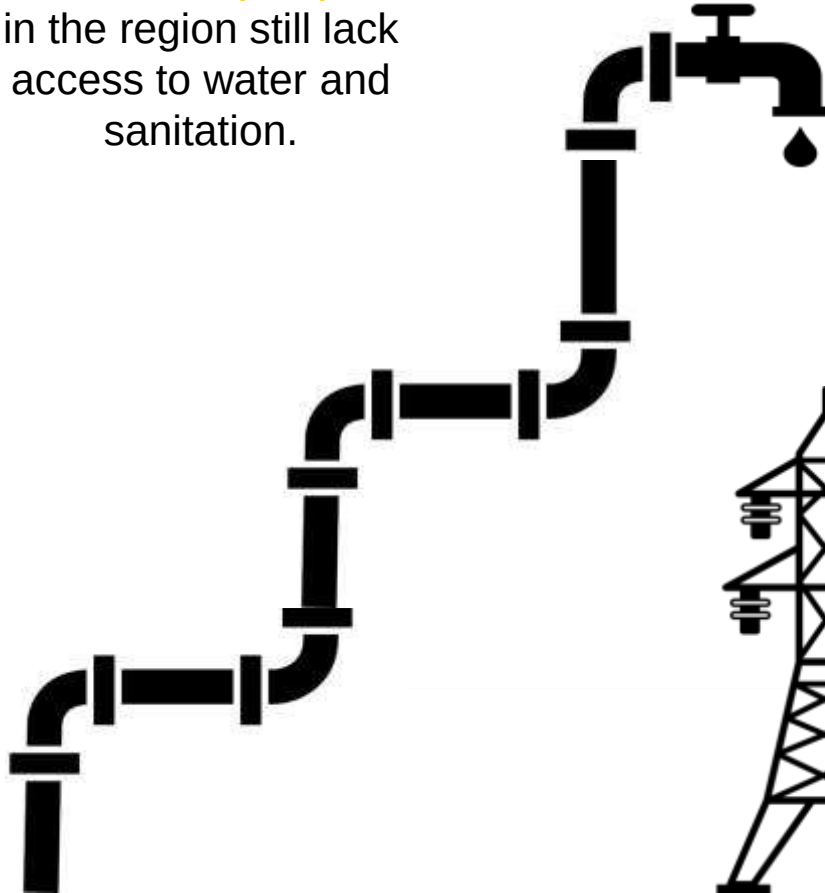
Latin America and the
Caribbean's urbanization rate
grew from
64% in 1980
to 79% in 2010.

If this trend continues,
90% of the region's
population
will be living in cities by 2050.

The key challenge is to extend the full
benefits of urbanization to all urban
residents, both today and tomorrow



Moreover,
80 million people
in the region still lack
access to water and
sanitation.



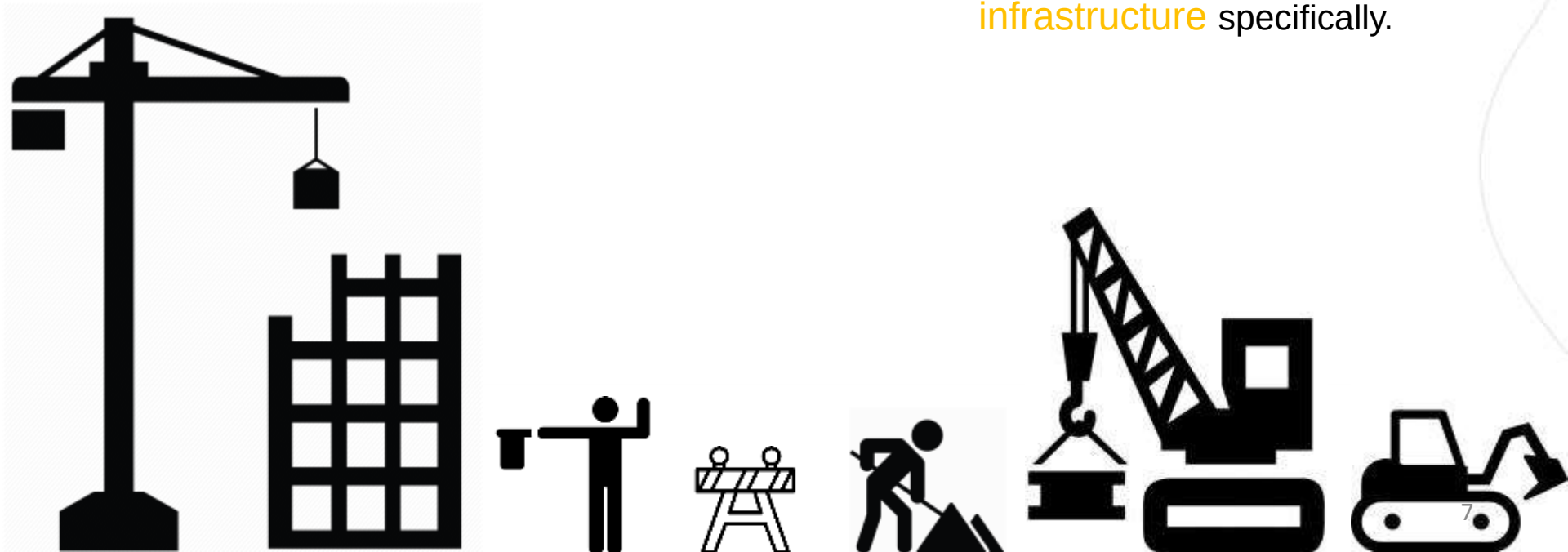
And 30 million lack access to
electricity

Each year
17% of electricity generated
is lost
across LAC.



In light of this, the region must fill
an infrastructure financing gap of
US\$100 billion a year
over the next decade.

And with 70% of the forecasted
emissions increase in developing
countries to come from
infrastructure that's yet to be built,
we must
**invest in sustainable
infrastructure** specifically.



According to the World Economic Forum,

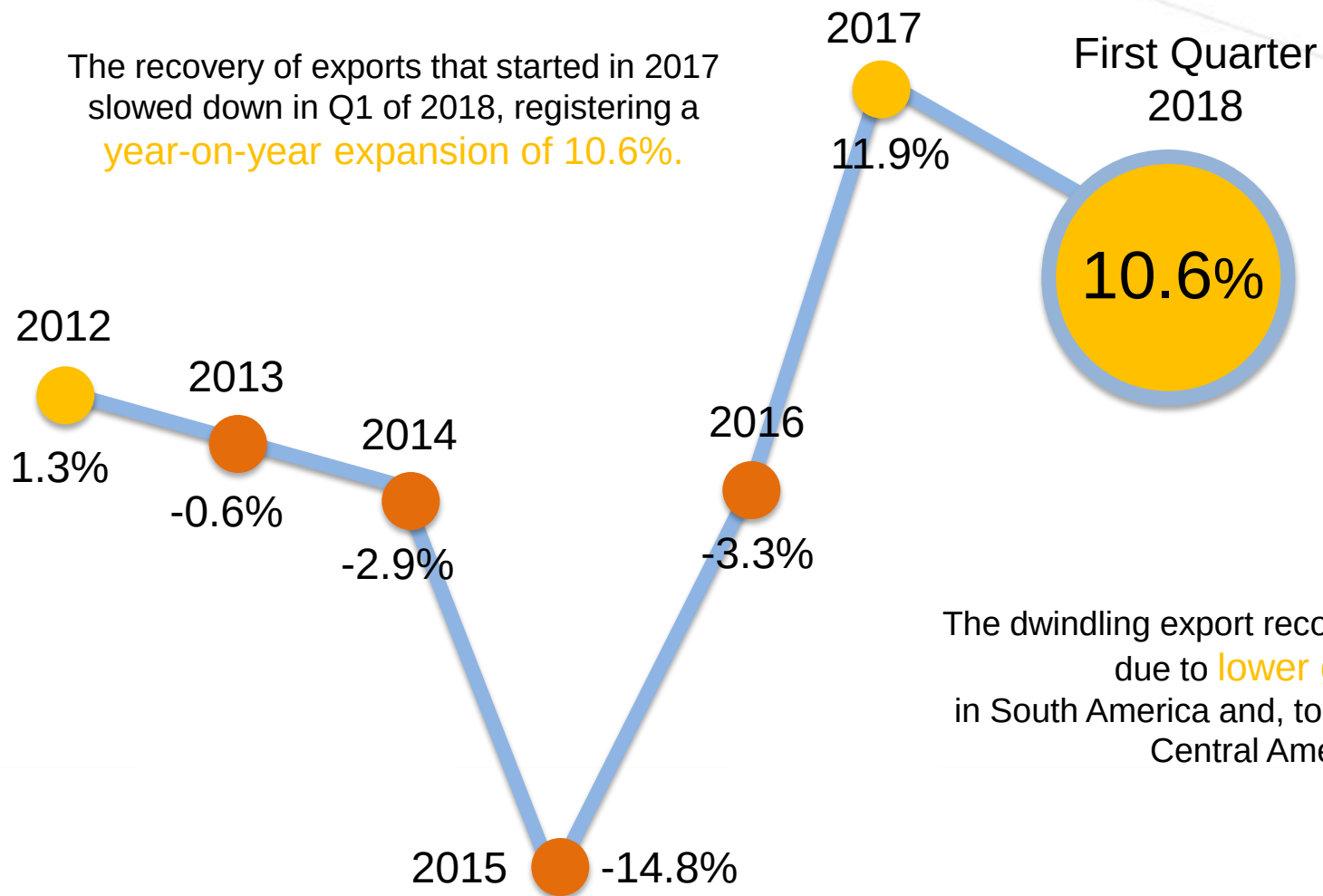
65% of children

entering primary school today will work in jobs that do not yet exist.



This—coupled with today’s mismatch between skills taught in schools and those required by the workplace, and the fact that one in five 15-24 year olds in LAC are “NEETs” (those who neither work nor study)— means we have a lot to do to prepare LAC for its digital future.

The recovery of exports that started in 2017 slowed down in Q1 of 2018, registering a **year-on-year expansion of 10.6%**.



The dwindling export recovery in the Q1 was due to **lower growth** in South America and, to a lesser extent, in Central America.



And while our region remains solidly
middle income
and continues to see a
growing middle class,
economic growth has been mixed and
disappointing.

In many cases increased spending
has helped to
reduce inequality,
but some well-meaning reforms have
had an
adverse impact on productivity.

Yet the region is also filled with strengths and opportunities. It is home to...

40% OF THE WORLD'S
BIODIVERSITY
ON ONLY 16% OF
THE WORLD'S LAND



ALMOST 1/3 OF THE WORLD'S
ARABLE
LAND AND LARGEST
FOOD SURPLUS

1/3 OF THE
WORLD'S FRESH
WATER



THE PLANET'S
CLEANEST ENERGY
MATRIX, 56% OF WHICH IS
RENEWABLE

2. Introducing the IDB Group



Objective



The IDB Group (IDBG) is devoted to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social and institutional development in Latin America and the Caribbean. The IDB also conducts cutting-edge research and provides policy advice, technical assistance and training to public and private sector clients throughout the region.

2,000 employees

across four continents and
29 offices

**IDBG provides
support**

through loans, grants,
technical assistance, and
research

US\$171 billion

in Ordinary Capital

US\$12 billion

in lending per year

Engaging LAC's Public and Private Sector



GOVERNMENTS
CIVIL SOCIETY
PARTNER ORGANIZATIONS

LOANS
GUARANTEES

GRANTS
POLICY ADVICE
TECHNICAL ASSISTANCE



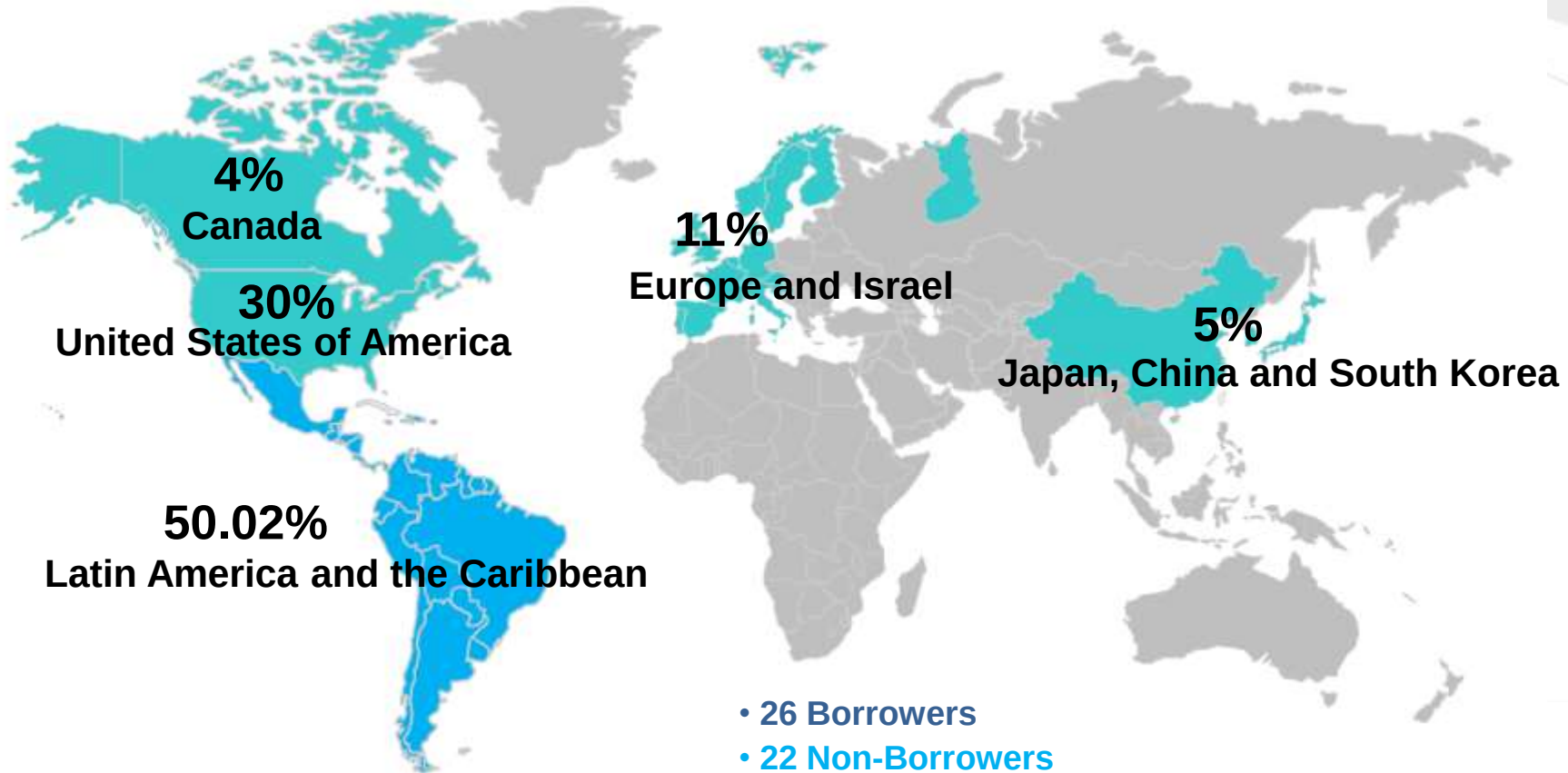
CORPORATES
INFRASTRUCTURE SPONSORS
FINANCIAL INSTITUTIONS
STATE-OWNED ENTERPRISES*

LOANS
GUARANTEES
EQUITY

ADVISORY SERVICES

*Without government guarantee

IDB Members





1959



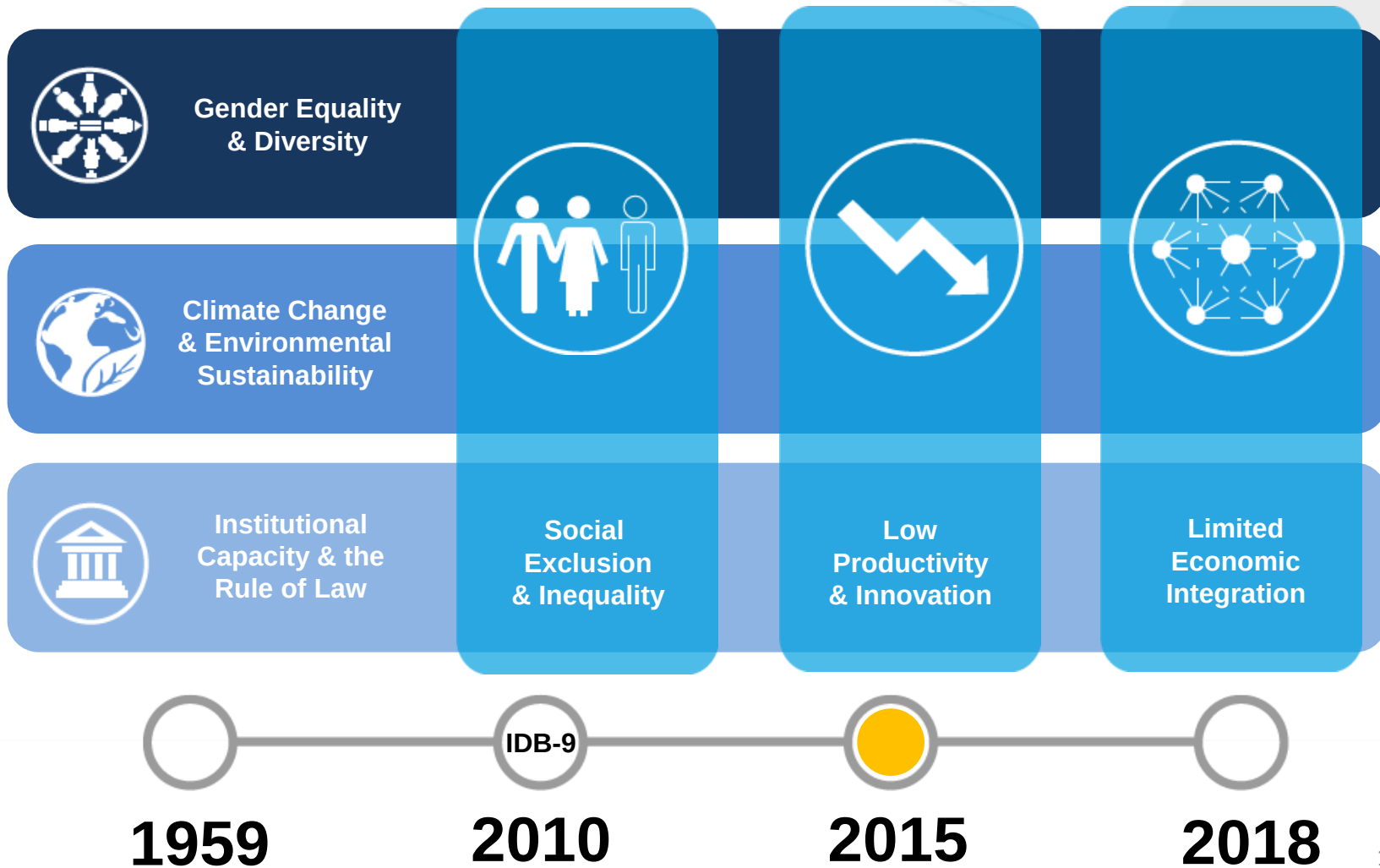
2010



2015



2018

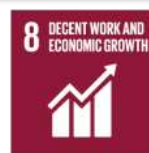




Social inclusion and equality



Productivity and innovation



Economic integration



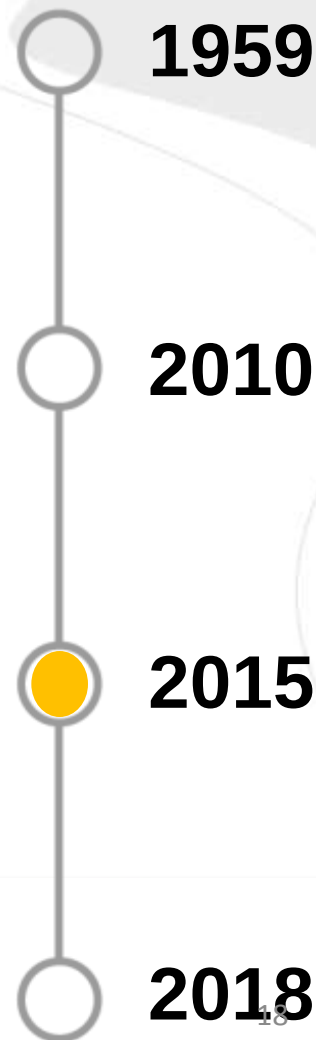
Climate change and environmental sustainability



Gender equality and diversity



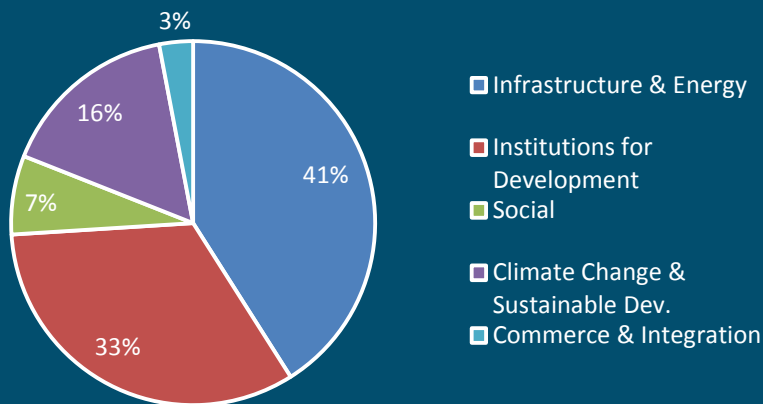
Institutional capacity and the rule of law



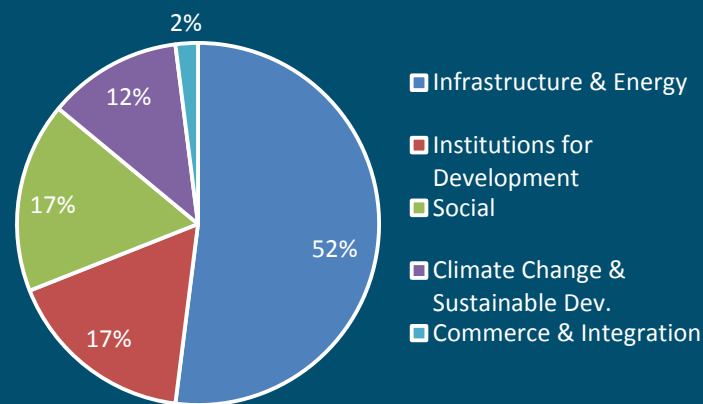
IDB Financing Overview

Every year the IDB approves about USD 10 billion in investment operations

Portfolio in preparation*
(US\$13b)



Value of active portfolio*
(USD 48b)



* Information as of October 15, 2017

2017 IDB APPROVALS BY SECTOR GROUP

(In millions of U.S. dollars)



Infrastructure and Environment

SECTOR	NUMBER OF PROJECTS	AMOUNT	PERCENTAGE ¹
Agriculture and Rural Development	5	288	3
Energy	7	1,201	11
Environment and Natural Disasters	7	857	8
Sustainable Tourism	1	20	0
Transport	10	1,726	15
Water and Sanitation	11	1,345	12
Urban Development and Housing	4	327	3
SUBTOTAL	45	5,763	51



Institutions for Development

Financial Markets	6	1,146	10
Private Firms and SME Development	4	560	5
Reform/Modernization of the State	19	1,880	17
Science and Technology	2	700	6
SUBTOTAL	31	4,285	38



Trade and Regional Integration

Trade	2	277	2
Regional Integration	1	100	0
SUBTOTAL	3	377	2



Social Sector

Education	4	270	2
Health	2	183	2
Social Investment	5	505	4
SUBTOTAL	11	958	8

TOTAL	90	11,384	100
--------------	-----------	---------------	------------

¹ The total excludes the use of the contingent facility for natural disasters.

² Total does not add due to rounding.



IDB: a knowledge Bank

DATA



BLOGS



COURSES



PUBLICATIONS





Organizational Numbers

\$11.22

BILLION

**TOTAL PORTFOLIO
UNDER
MANAGEMENT**

AS OF DEC. 2017

\$2.7

BILLION

**EQUITY
AVAILABLE FOR
FINANCING**

OVER THE NEXT
TEN YEARS

26

REGIONAL OFFICES

**IN LATIN
AMERICA
AND THE
CARIBBEAN**

54

PERCENT
OF SHARES

HELD BY LATIN
AMERICA AND THE
CARIBBEAN
MEMBER
COUNTRIES



IDB | Invest

All amounts are in USD.

Support Provided



Portfolio Numbers

\$7.05

BILLION

OUTSTANDING
A-LOANS¹

328

CLIENTS¹

373

PROJECTS¹

\$3.58

BILLION

OUTSTANDING
B-LOANS¹

1.9

MILLION
MSMEs

FINANCED²

8.1

MILLION

tCO₂
REDUCED
PER YEAR²

138,656

JOBS

CREATED²

Sectors

FINANCIAL INTERMEDIARIES



Funds



Microfinance



Banks and other
financial
intermediaries

INFRASTRUCTURE



Energy



Transport



Water and sanitation



Social infrastructure

CORPORATES



Agribusiness



Manufacturing



Tourism



Telecommunications, media
and technology

FINANCIAL
PRODUCTS

ADVISORY
SERVICES
AND
BLENDED
FINANCE

KNOWLEDGE

3. Opportunities for Italian companies



Opportunities for Italian companies: through



Procurement

Direct
Financing

Partnerships

**Between 2012-2017 Italian Companies
won contracts for projects financed by the IDB worth
US\$ 126.2 M**

Financed Contracts	# Contracts 2007-2017	Value 2007-2017 (US\$)
Goods and Works	20	99.4 M
Consulting Services	41	26.9 M

- ✓ Even if **European shareholder companies** have increased their contracts over time, they currently represent **5% of total contracts awarded (in value)** (9% overall to non-borrowing member countries)
- ✓ Goods and works: Italy ranks **3rd** among European shareholders (after Spain and France) (in value).
- ✓ Consulting services: Italy ranks **5th** among European shareholders (after Spain, the Netherlands, France and UK) (in value).

Financing

- ✓ IDB Group has financed transactions with Italian sponsors, the most recent one **US\$125M to Enel** (approved in 2017) in Mexico.

Partnership

- ✓ Existing Italian trust fund at IDB.
- ✓ IDB Invest and Cassa Depositi e Prestiti signed a co-financing agreement in 2017.
- ✓ In 2017 Italy contributed **EUR1M** to the **Transparency Fund** and **EUR5M** to the **Sustainable Energy Facility for the Eastern Caribbean**.

THANK YOU!

