

INTERAMERICAN DEVELOPMENT BANK GROUP

OPPORTUNITIES FOR ITALIAN COMPANIES

**Assolombarda Confindustria
Milano Monza e Brianza,
27th of November 2018**



Contents

- 1. Challenges in LAC**
- 2. IDB GROUP'S ROLE**
- 3. Opportunities for Italian companies**



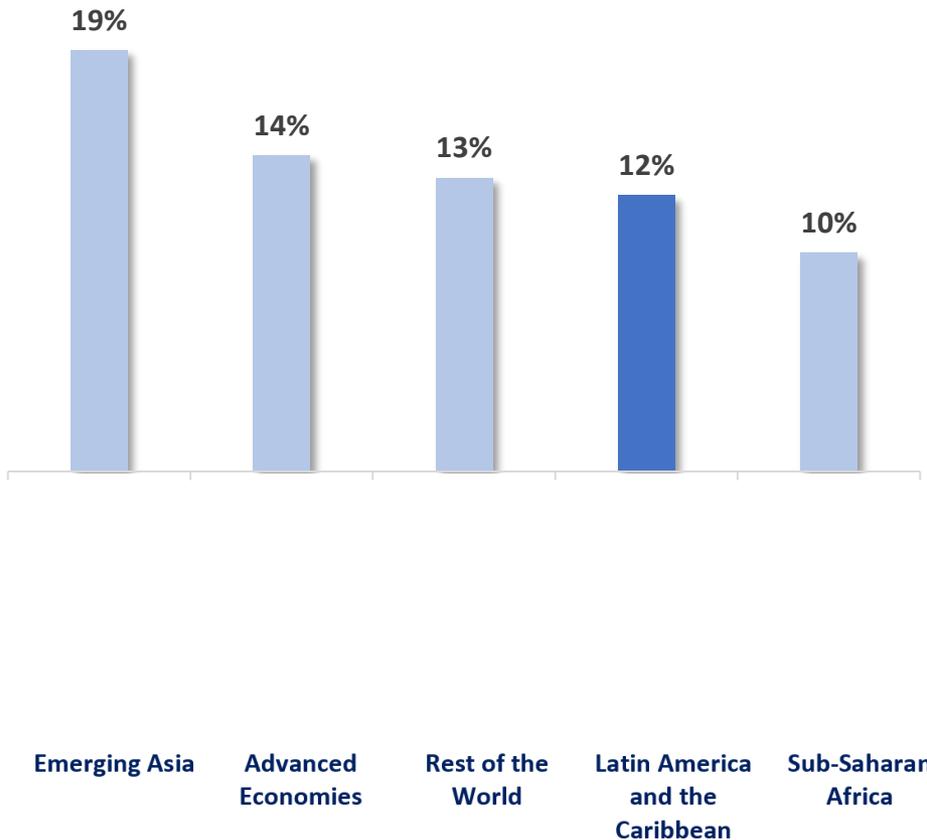
CHALLENGES IN LAC

- Low productivity
- Low investment
- Unsatisfied needs
- Low service quality
- Increasing population demands
- Climate change
- Low transparency

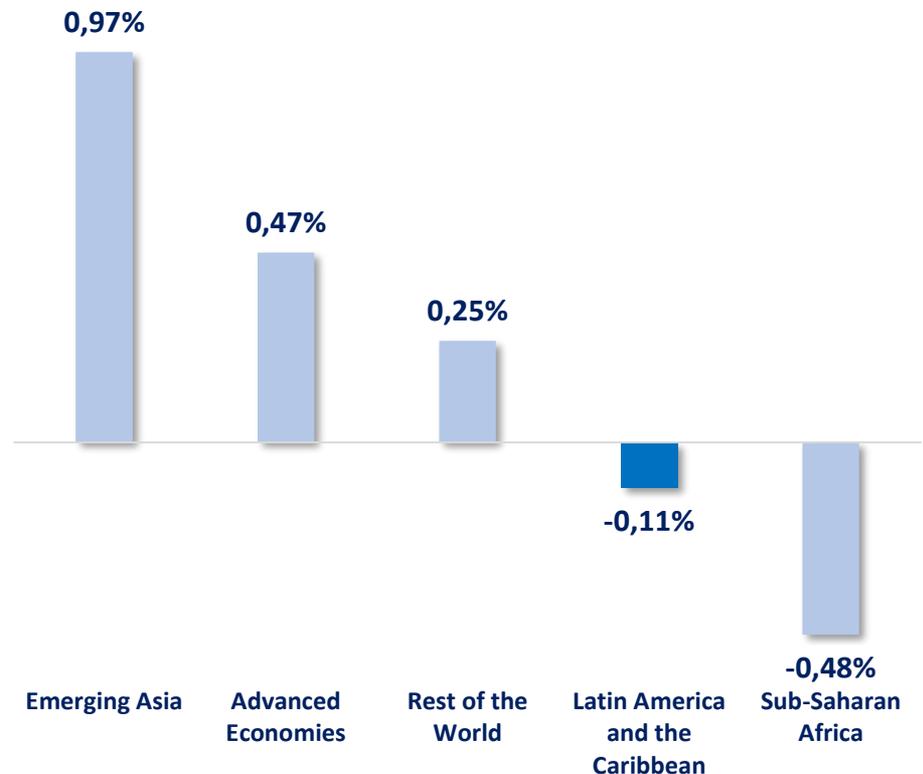
LAC lags in both investment and productivity

Averages 1960-2017

Net Investment Rates (% of GDP)



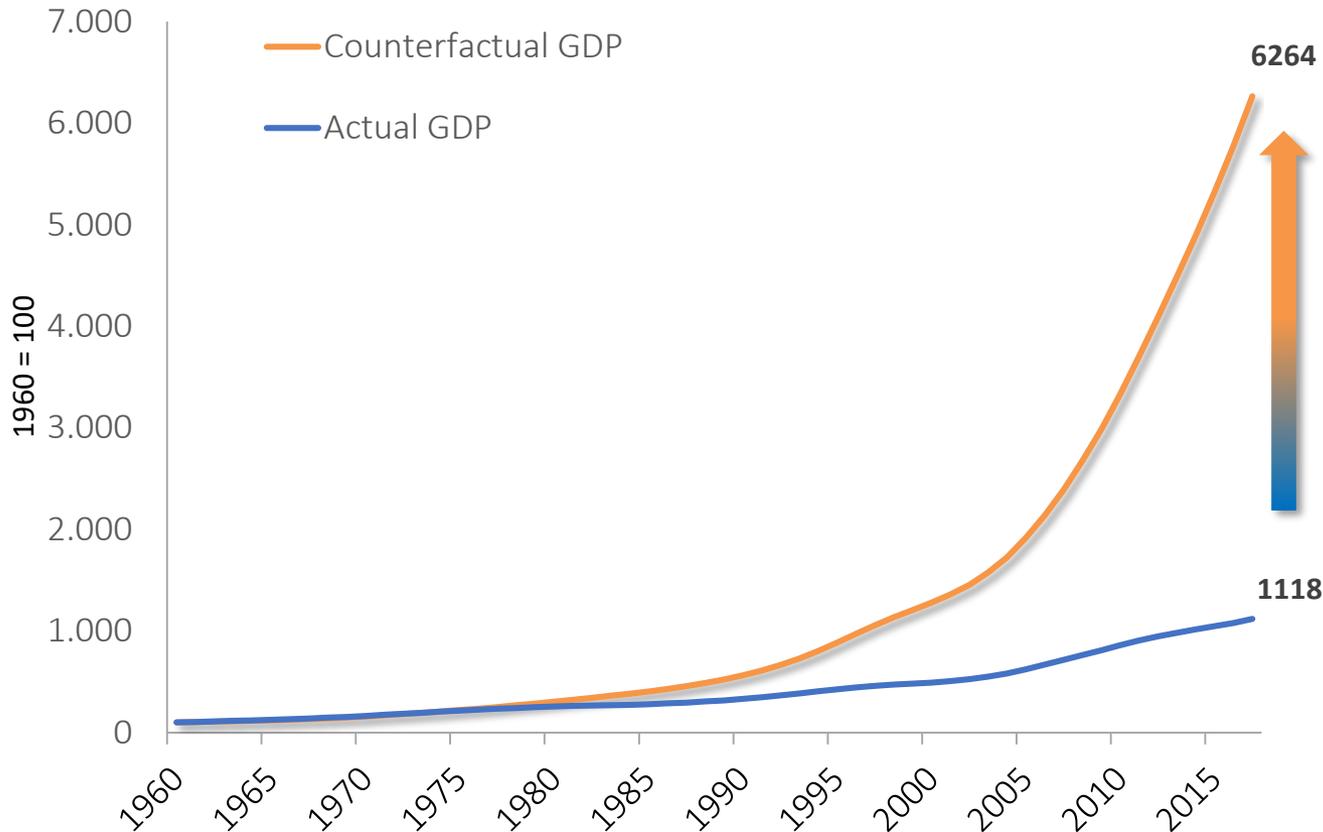
Total Factor Productivity Growth (%)



SOURCE: IDB calculations based on PWT 9.0 database. Simple averages by country.

Investing more and better would produce yet higher growth

Growth in the Region with both Emerging Asia's investment rate and efficiency



LAC invests as much and as efficiently as Emerging Asia

GDP would have been 5.6 times higher than observed

SOURCE: IDB calculations based on PWT 9.0 database. Simple averages by country.



By 2030,
LAC cities will have
74 million people +
more than in **2018**

PRESSURE ON SERVICE DELIVERY – TRANSPORT & ROADS

2.5
Car
registrations

For every
new born



28.1
million
people

Travel **90+** minutes a day



10 working weeks

HUGE UNSATISFIED BASIC SERVICE NEEDS – WATER & SANITATION



80 million
Lack water &
sanitation



200 million
Receive
non-continuous
service



19 million
open
defecation



\$20 billion
To meet
water-related
SDGs

LOW ACCESS AND LOW QUALITY - ENERGY



17% of generation gets lost every year



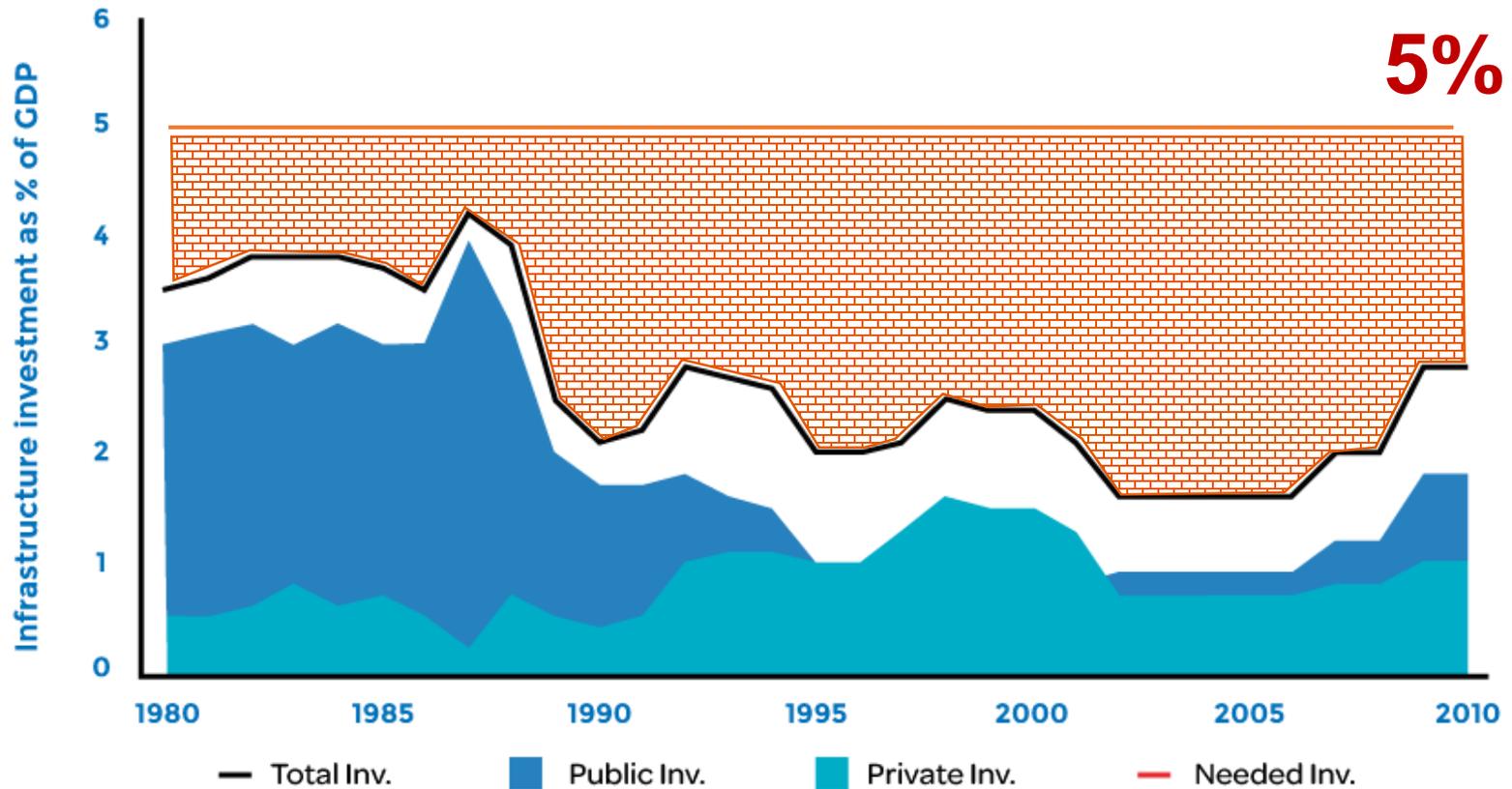
3x the losses levels of OECD countries



Enough to serve more than the 30 million people with no access

THE INFRASTRUCTURE GAP IN LAC

Public and Private investment in infrastructure in LAC
1980-2013



5%

IDB GROUP



IDB Group: Our mission

Objective



Contribute to the acceleration of **economic and social development** of the regional developing member countries, individually and collectively.

Vision



Increase **productivity and reduce inequality** in a sustainable way to transform LAC into a more inclusive and prosperous society.

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



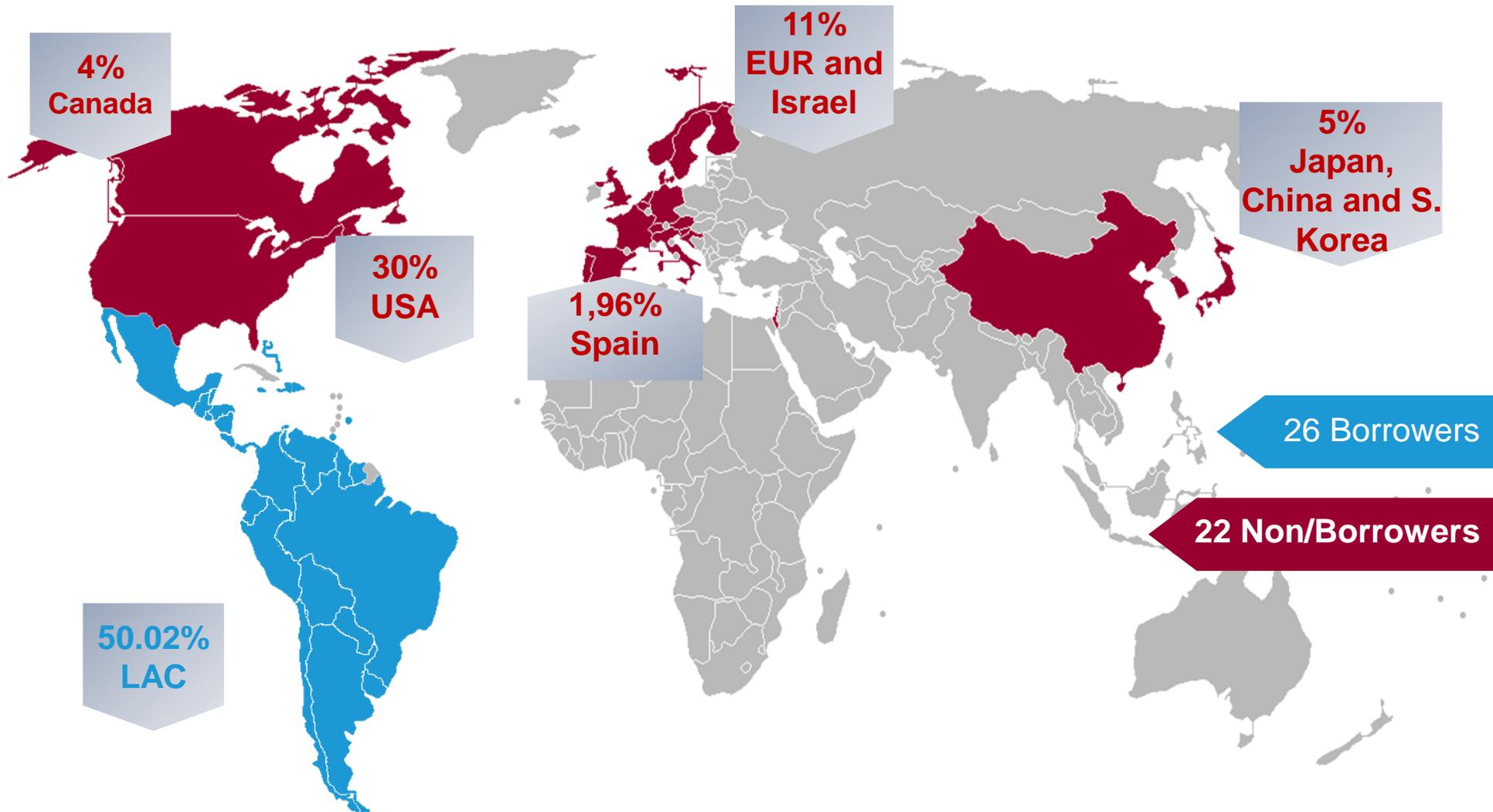
PRIVATE SECTOR
GOVERNMENTS
CIVIL SOCIETY

LOANS
GUARANTEES

ADVISORY SERVICES

*Without government guarantee

IDB Member Countries





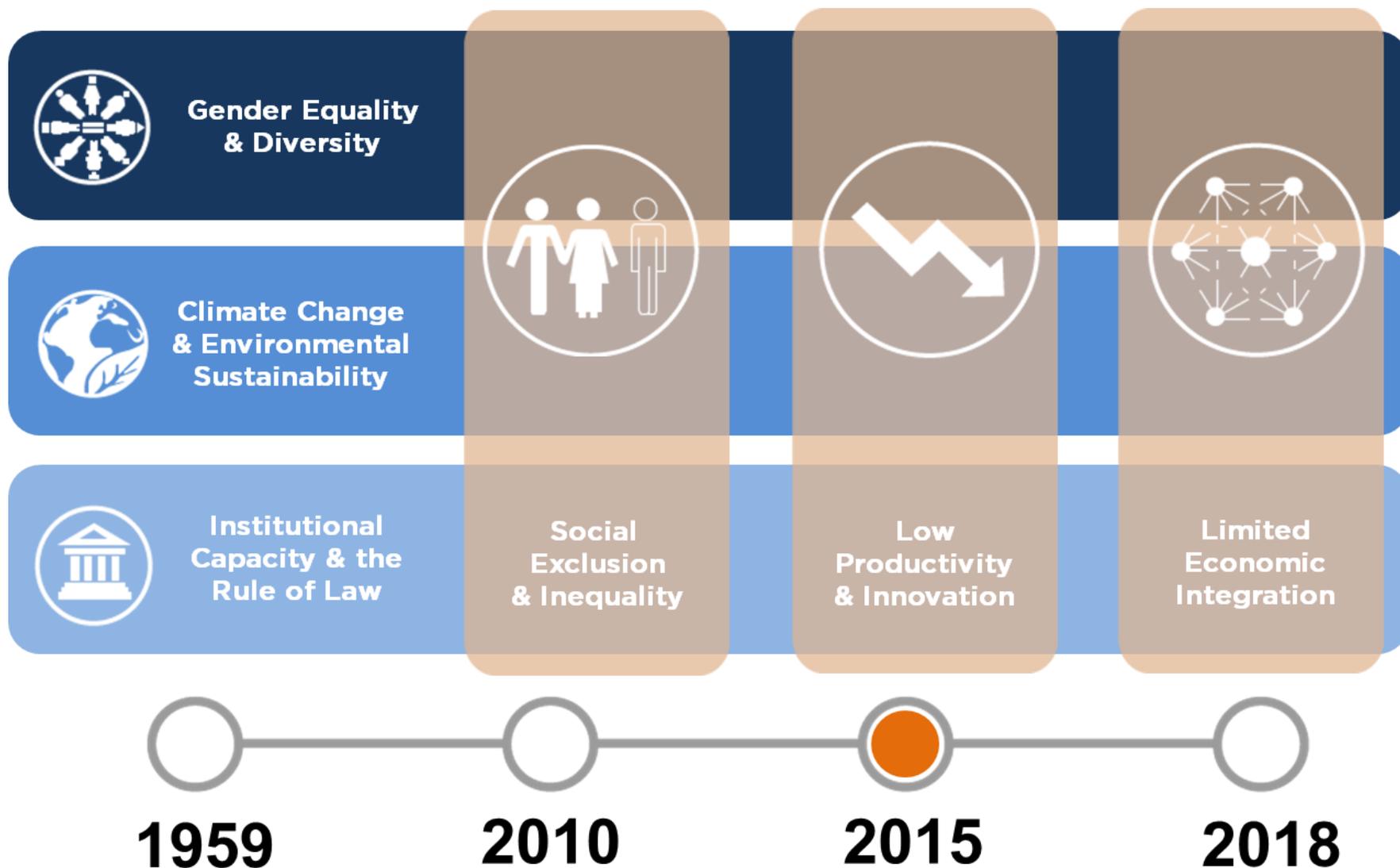

1959

 IDB-9
2010


2015


2018

IDB Group: Institutional Strategy



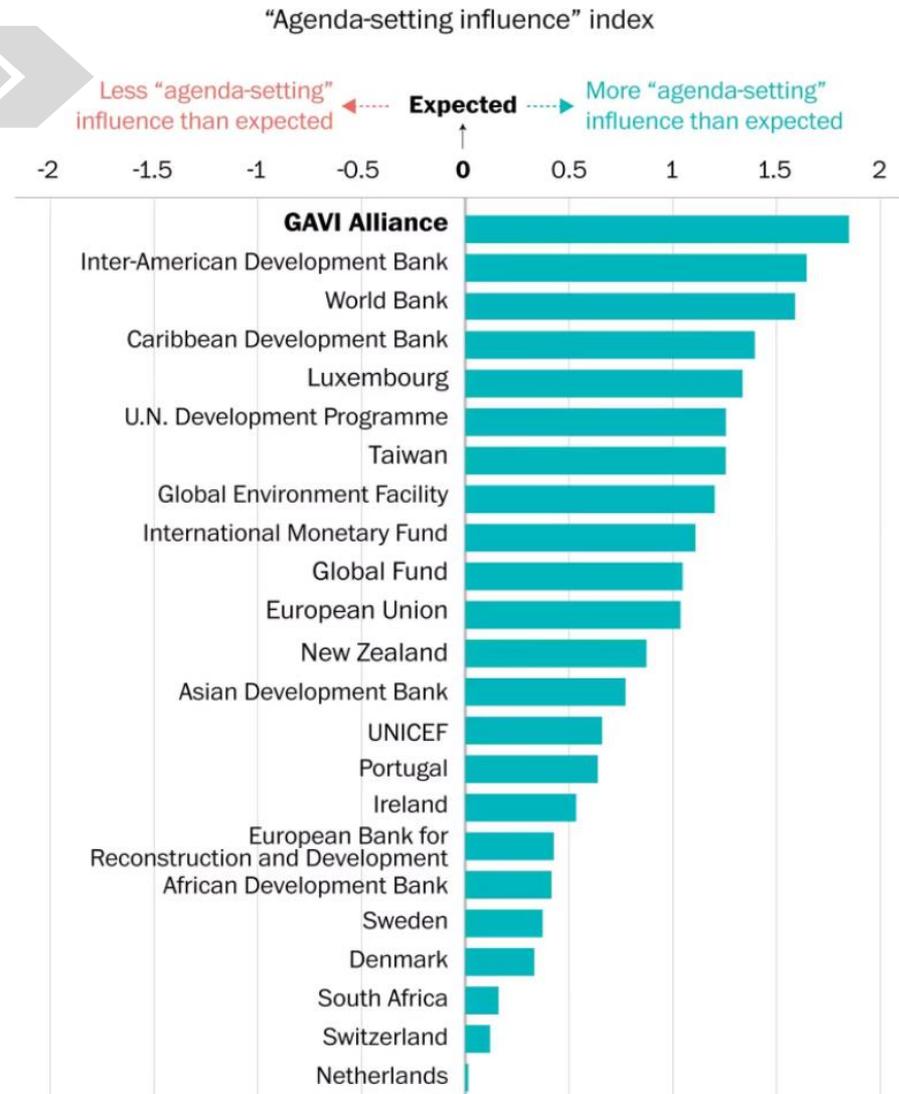
Alignment of institutional strategy with SDGs



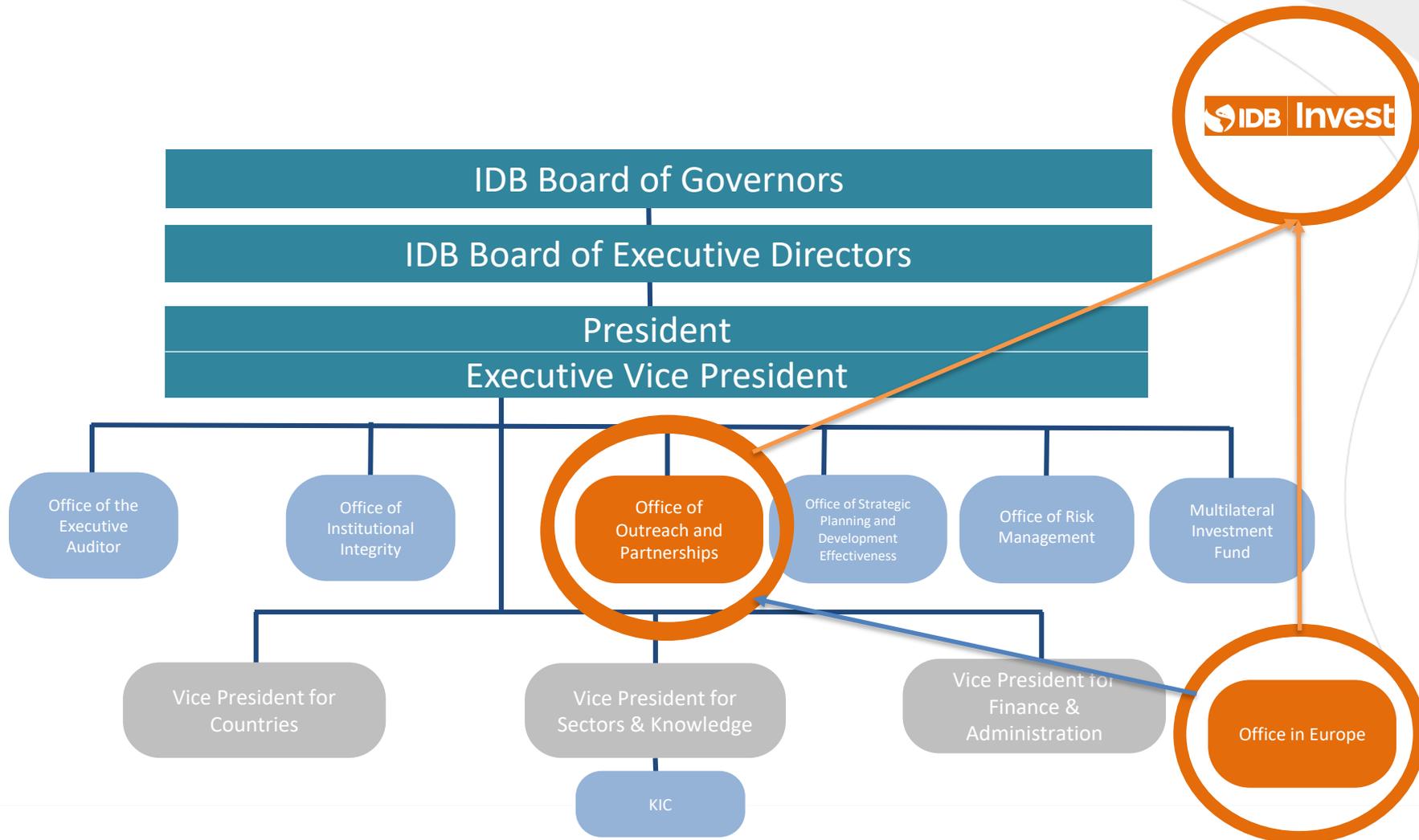
Office of Outreach and Partnerships

The IDB pioneer and preferred partner

- **Pioneers** in partnerships for development: with the creation of the Partnerships Office in **2008**, the IDB opened a new path for institutional collaboration and showed its commitment to the type of collaboration now established in ODS # 17.
- **The IDB as a preferred partner:** In an independent AidData study on "value for money" that quantifies the impact achieved through official development assistance (ODA), the **IDB obtained the second position** among the most influential development partners in the world.



Office of Outreach and Partnerships





FINANCING FOR DEVELOPMENT

13-16 JULY 2015 • ADDIS ABABA • ETHIOPIA

TIME FOR GLOBAL ACTION



SUSTAINABLE DEVELOPMENT GOALS

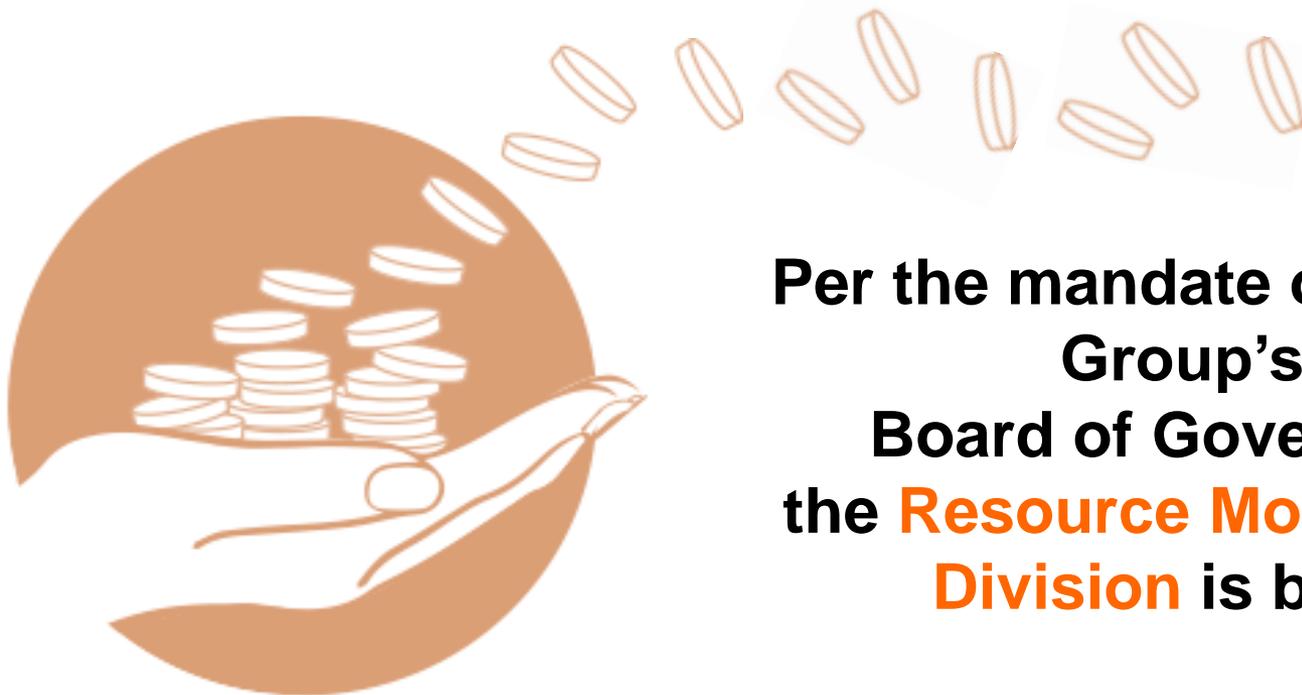


COP21 • CMP11

PARIS 2015

UN CLIMATE CHANGE CONFERENCE

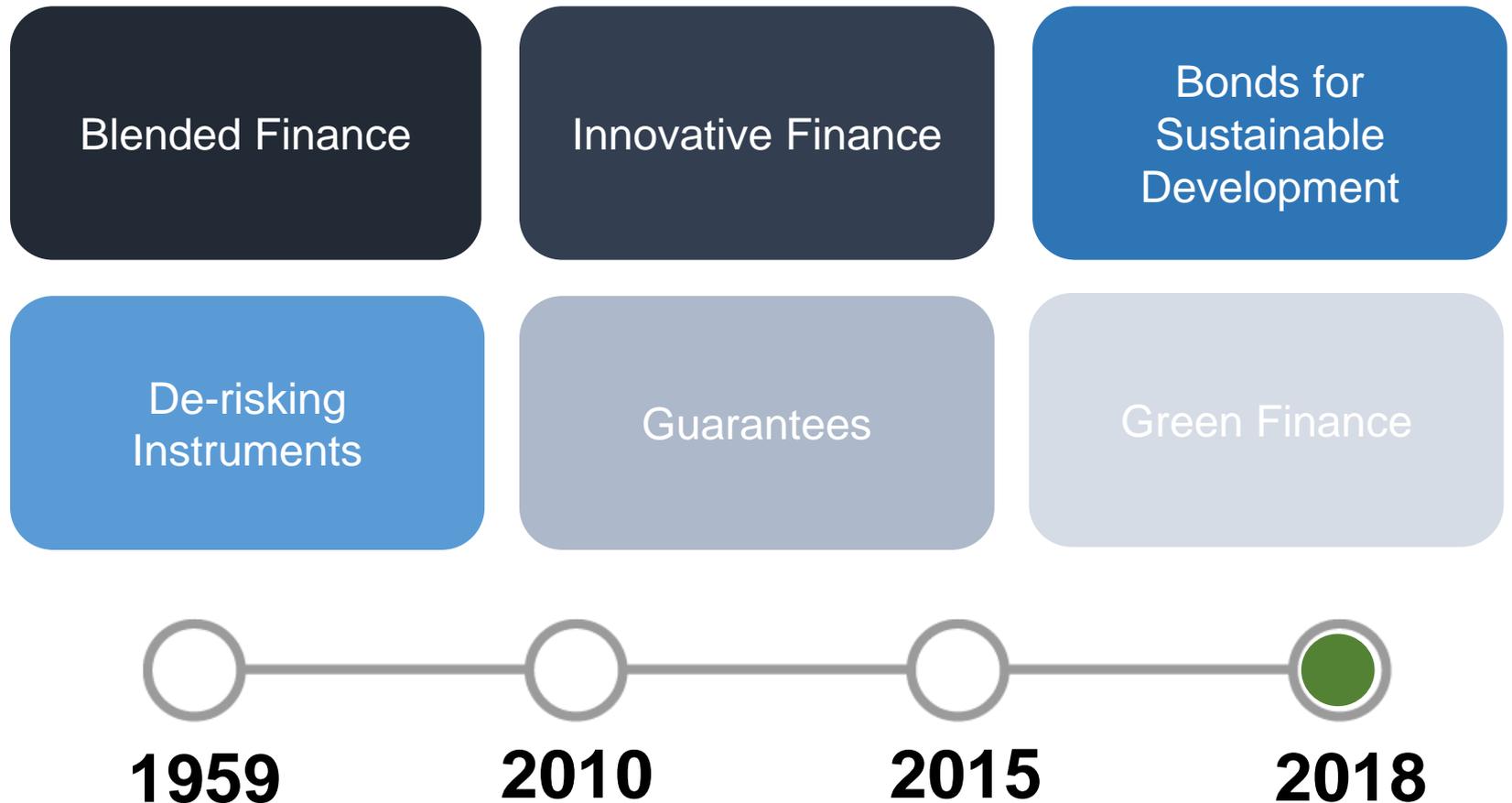
Resource Mobilization Division



Per the mandate of the IDB Group's Board of Governors, the **Resource Mobilization Division** is born.



Financing the Future



We are a knowledge Bank

DATA

NUMBERS FOR DEVELOPMENT

FEATURED DATA COURSE: DATA-DRIVEN DECISION MAKING FOR PUBLIC POLICY

EXPLORE AND DOWNLOAD DATA

Start by either selecting a Country or a Topic to Visualize, Download and Share Data

BLOGS

Innovation, quality of life and knowledge

The latest ideas and solutions from our authors

 <p>Caribbean Dev Trends</p> <p>THE GUYANA LABOR FORCE SURVEY: A HAPPY REALITY!</p> <p>Caribbean</p>	 <p>VivaSustainability</p> <p>HOW TO DEFINE OCCUPATIONAL SAFETY AND HEALTH INDICATORS IN DEVELO</p> <p>Environment and Natural Disasters</p>	 <p>Enfoque Educación</p> <p>THE MINIMUM INDISPENSABLE</p> <p>Environment and Natural Disasters</p>	 <p>Sustainability</p> <p>COSTA RICA: A LEADER IN ENVIRONMENTAL-ECONOMIC ACCOUNTING</p> <p>Environment and Natural Disasters</p>
 <p>Beyond Borders</p>	 <p>Ideas matter Democracy</p>	 <p>Energía para el Futuro</p>	 <p>Primeros Pasos</p> <p>23 DE ABRIL DÍA MUNDI DEL LIBRO</p>

COURSES



Challenges and Opportunities in the Digital Economy (ES)

COURSE TYPE: MOOC
SESSION DATES: 05/20/18 to 11/20/18



Improving the Implementation of Public Programs (ES)

COURSE TYPE: ONLINE TUTOR
SESSION DATES: 04/10/18 to 06/05/18



Principles for Reviewing Environmental Impact Assessments

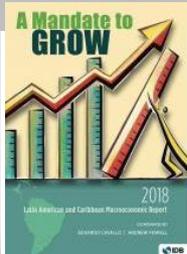
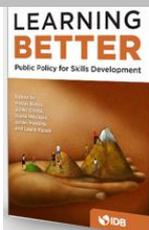
COURSE TYPE: ONLINE TUTOR
SESSION DATES: 06/19/18 to 08/06/18



Integral Management for Regional Economic Development (ES)

COURSE TYPE: ONLINE TUTOR
SESSION DATES: 04/24/18 to 07/10/18

PUBLICATIONS



**DOING BUSINESS
IN LAC WITH
THE IDB GROUP:
PUBLIC AND
PRIVATE SECTOR
OPPORTUNITIES
FOR ITALIAN
COMPANIES**

Procurement

Direct
Financing

Resource
Mobilization
&
Partnerships

LAC Public Procurement Market

US\$ **800b**

Public Procurement
Market

1-3%

Cofinanced by IDB

Procurement

2017 IDB APPROVALS BY SECTOR GROUP

(In millions of U.S. dollars)



Infrastructure and Environment

SECTOR	NUMBER OF PROJECTS	AMOUNT	PERCENTAGE ²
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
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¹ The total excludes the use of the contingent facility for natural disasters

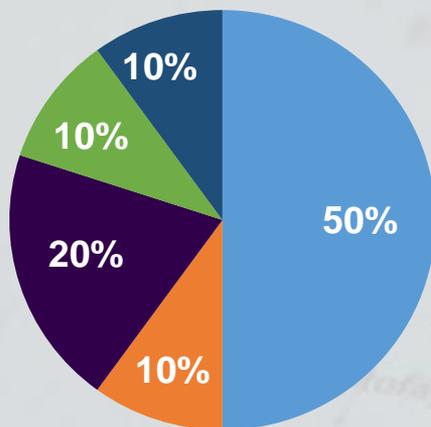
² Total does not add due to rounding.

IDB Financing Overview

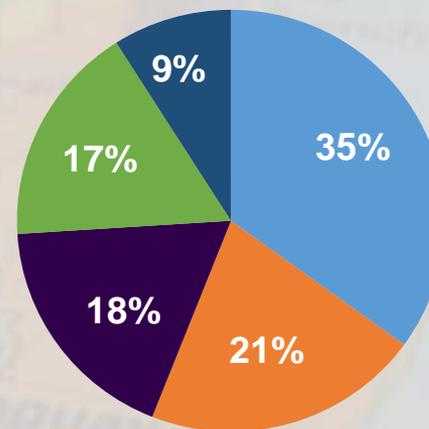
IDB FINANCING BY SECTOR

Every year IDB approves about **USD 10b** in investment operations

PIPELINE IN PREPARATION - 13b*



VALUE OF ACTIVE PORTFOLIO - 48b



- Infrastructure and energy
- Inst. for development
- Social
- Climate change and sustainable development

*As of October 2018, 70% was already approved

Key Figures

IDB-Financed Contracts Awarded Yearly

US\$ 4-5 BILLION



30,000 CONTRACTS



Consulting

Good & Works

Source: Data based on contract award statistics and procurement plan estimations

EMERGENCY ELECTRIFICATION PROGRAM, HAITI

**Project
amount:
\$3M (IDB +
World Bank +
GEF)**



MONTEVIDEO BAY SANITATION, URUGUAY



Project amount:
\$30.5M
(\$20.5 IDB +
local
counterpart)

MÁRIO COVAS RODOANEL HIGHWAY, BRAZIL

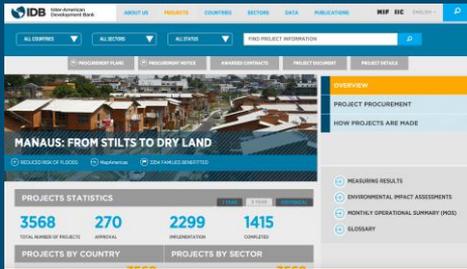
**Project
amount:**
\$3Bn (IDB:
\$1.5Bn)



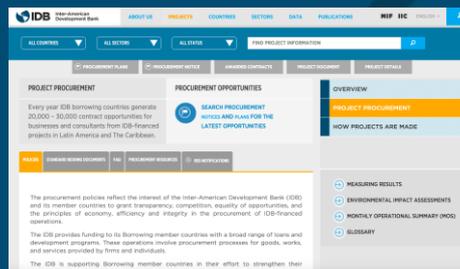
Key Factors for Successful Firms

- Have a **long-term** perspective
- Be **systematic** in screening information
- Be strategic and persistent in:
 - Assessing the market
 - Assessing your competition
- Contact the **Executing Agency** if you have questions
- Understand the legal nuances for **foreign firms** (visas, taxes, registration, legally establishing)
- Approach your **Embassy or Commercial Office** in the Borrowing country to seek firms from your country already established locally
- Stay in touch with IDB sector initiatives through their [Blogs](#)

IDB Resources and Online Information



www.iadb.org/projects
For the Pipeline and Project Information



www.iadb.org/procurement
For specific information on:

- Procurement Plans
- Specific Procurement and Award Notices
- Procurement Policies
- Standard Bidding Documents
- Information on Contracts Awarded



www.devbusiness.com
UN Development Business *Online*
For advertising of international procurement opportunities



www.connectamericas.com
A social network for businesses in the Americas



Direct
Financing



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

¹Under management as of Dec 2017.

²Actual amounts 2011 - 2016.

All amounts are in USD.

Our 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 & Services

Loans

- Senior and subordinated
- Bilateral, syndicated and club deals
- U.S. dollars or local currency
- A/B loans

Guarantees

- Total or partial guarantee
- Completion guarantee
- Project completion liquidity facility

Equity & Mezzanine

- Common shares
- Preferred shares
- Payment-In-kind loans
- Loans with warrants
- Convertible loans
- Loans with revenue participation

Blended Finance

We tap into new sources of capital for high impact projects by putting concessional donor funds to work.

Advisory Services

Climate Change

We are helping project sponsors to benefit from including low carbon technologies with knowledge, assessments for tapping into green financing options (green bonds), and other incentives that promote sustainability.

Gender

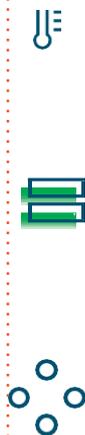
We advise our clients on their gender equality strategy, guide them in certification processes and help them with their go-to market strategy for the underserved segments of their market.

Public-Private Partnerships

We increase infrastructure projects' bankability by advising governments on PPP structuring and tender processes, and helping private clients implement their unsolicited proposals.



¹ As of June 2018.
² Actual amounts 2016 - June 2018.



W&S utilities investment programs



Industrial water supply treatment



Desalination and water reuse projects



Solid waste management



Water resources management



Storage Technologies, Hybrid Solutions and Smart Grids



Transmission Lines and Distribution



Wind Energy



Hydroelectric Energy



Solar Energy



Natural Gas



Roads



Ports



Airports



Rail



Metro



Trams



Cable Cars



Waterways

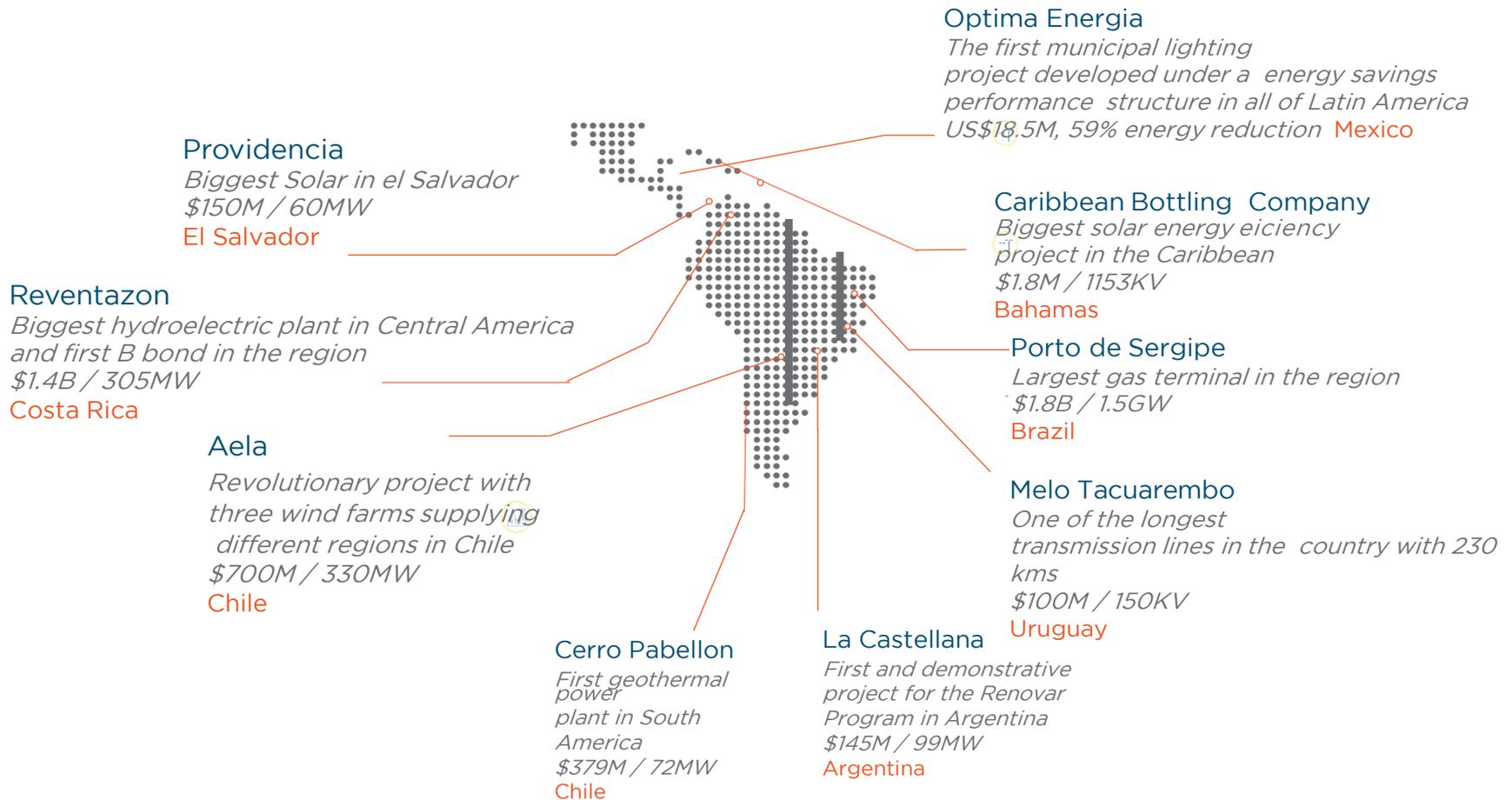


Pub. Transp.

ENERGY

Promoting a brighter future

FEATURED OPERATIONS



WATER AND SANITATION

Clean resources, healthy lives

FEATURED OPERATIONS

Interagua

*Water and sanitation
investment program*

\$70M

Ecuador

SABESP

*Water and sanitation
investment program*

\$250M

Brazil

AEGEA

*Water losses reduction,
and wastewater treatment*

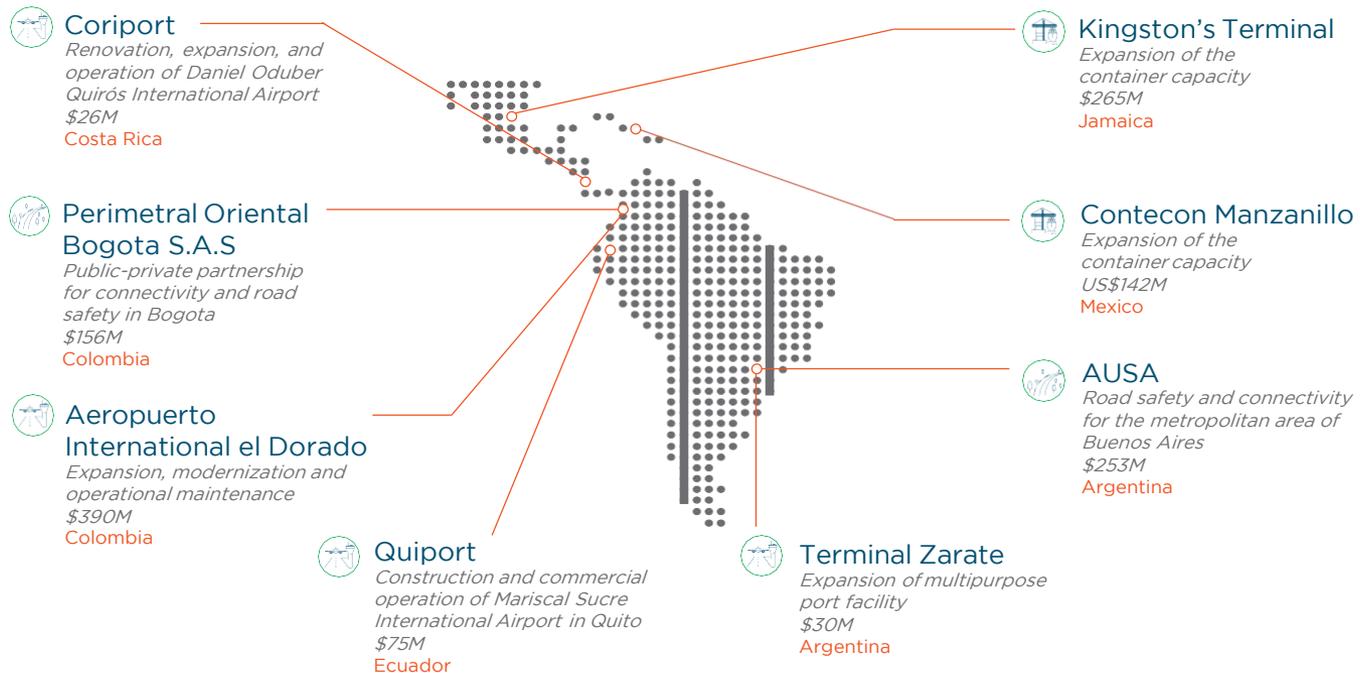
\$219M

Brazil

TRANSPORT

Forward Momentum

FEATURED OPERATIONS



MANUFACTURING

Innovate to compete globally

FEATURED OPERATIONS

Caracol Knits

Promote renewable and cleaner energy
\$5.59M
Honduras

Tablemac

Support of sector diversification and the production chain
\$5M
Colombia

Vicunha La intenacional

Expansion, modernization and operational maintenance
Ecuador
\$20M

Adelca

Financing the construction of a new state-of-the-art steel plant
\$67M
Ecuador

Terminal Zarate

Expansion of multipurpose port facility
\$30M
Argentina

Securepharma

Expansion of production lines
\$4.1M
Dominican Republic

Etileno XXI

Develop, construct and operate an integrated polyethylene complex
US\$285M
Mexico

Mind Lab

Increase access to innovative educational methodologies
\$18M
Brazil



TOURISM

A pillar for LAC economies

FEATURED OPERATIONS

Courtyard

Promote sustainable tourism by fostering development in the urban "green hotel" niche

\$4.1M

Costa Rica

Mountain Lodges of Peru

Strengthen and diversify the local tourism supply

\$7.5M

Peru

Seawind Secrets Jamaica

Expansion to support sustainable lodging infrastructure

\$15.5M

Jamaica

Courtyard Kingston

Develop the first LEED-certified hotel in Jamaica in an urban setting

\$6.8M

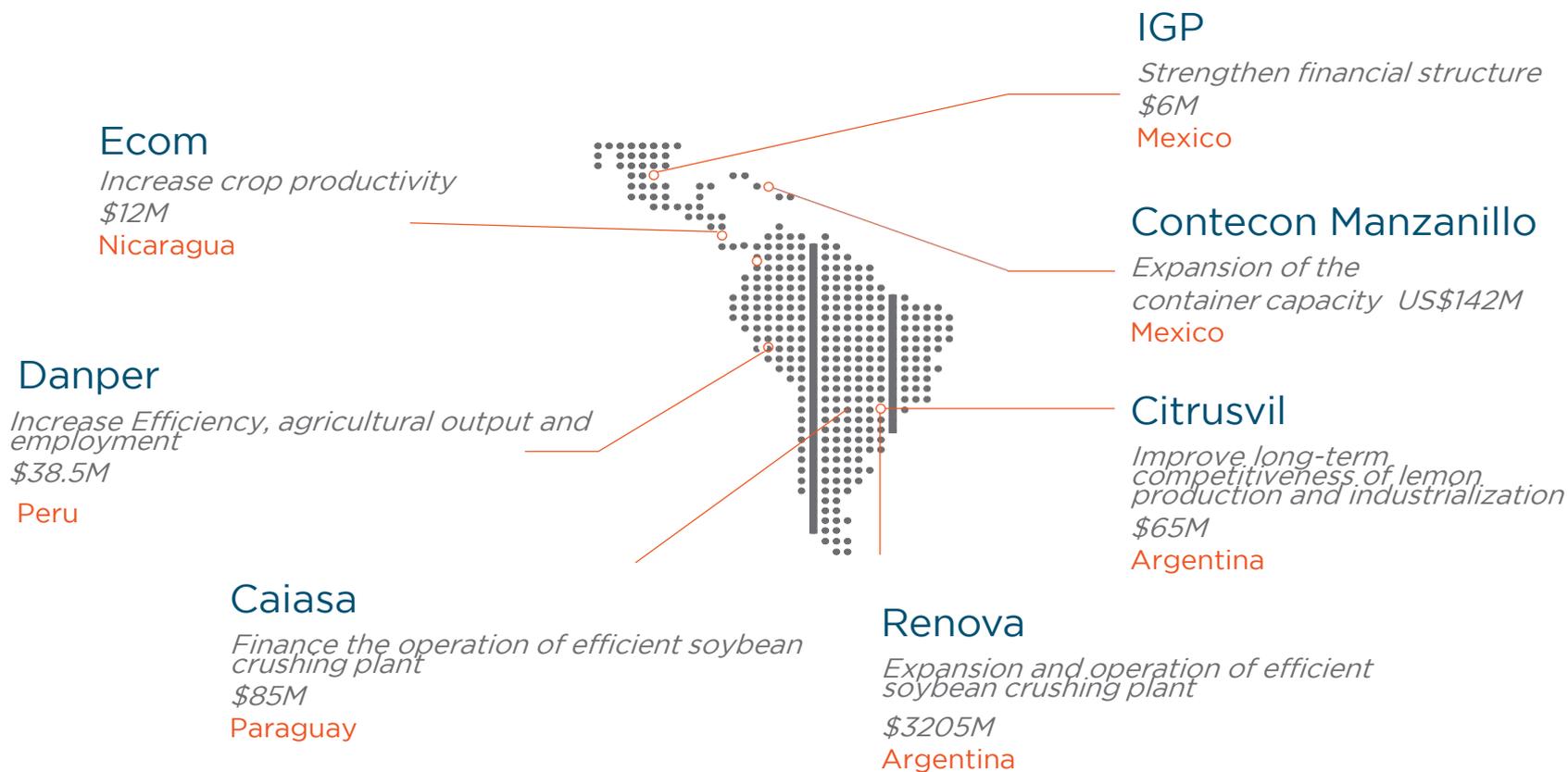
Jamaica



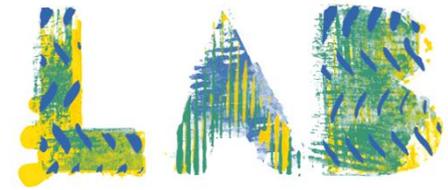
AGRIBUSINESS

The food basket of the world

FEATURED OPERATIONS



IDB LAB





PRIORITIES

1 PRODUCTIVITY ACCELERATION

Agriculture, Natural Capital, Creative Industries

2 FINANCIAL INCLUSION

Fintech, Insurtech, Marketplaces

3 SOCIAL INCLUSION

Health, Education, Future of Work, Gender

HOW WE DO IT

1 FINANCING

Flexible Instrument Mix + Risk Tolerance + Third-Party Mobilization



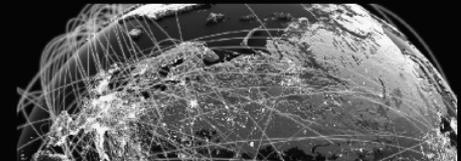
2 KNOWLEDGE

IDBG Expertise + Open Innovation



3 CONNECTIONS

Diverse + Global + Specialized



Opportunities for Partnership

Partnerships





RESOURCE MOBILIZATION AND PARTNERSHIPS





**THANK YOU
GRAZIE**

Fazia Pusterla

Inter-American Development Bank
Office in Europe

IDBEurope@iadb.org
partnerships@iadb.org