



FUTURE FINANCE

Private Sector With Purpose

Structured & Corporate Finance Department
October 2013





Leading regional development bank

Who we are

- Largest source of multilateral financing for Latin America and the Caribbean since 1959
- 26 Country offices in the region; 48 member countries worldwide
- AAA/Aaa ratings by Standard & Poor's and Moody's

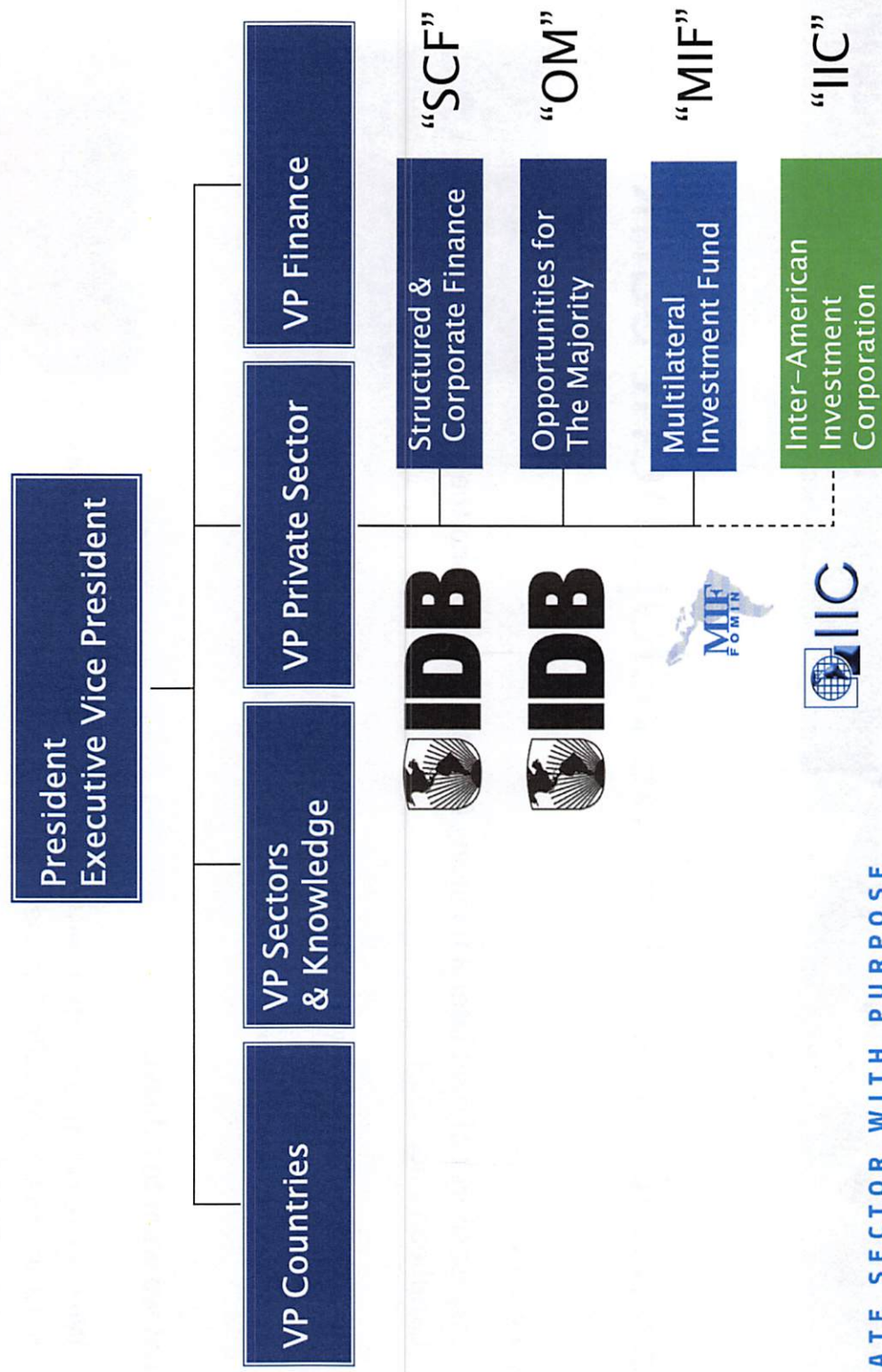


What we want to achieve

- We seek to create opportunities for current and future generations in Latin America and the Caribbean through sustainable private sector investments.
- Through the Structured and Corporate Finance Department (SCF), IDB partners with private sector stakeholders to achieve breakthrough financial results with high development impact.



Our organizational structure



Our expertise

	Industries & Services	Social Infrastructure	Financial Markets	Syndications	Infrastructure
Sector					
Overarching Priorities	Transformational investments, Food Security, Sustainable Natural Resources	Education, Health Care	Financial Social Inclusion, Valuing the Environment, Fostering Trade & Integration	Mobilizing Private Capital	Energy, Transportation, Water Sanitation
Expertise	<p><i>Experienced team with a wide range of backgrounds</i></p> <p><i>Proven sector and technical know-how</i></p> <p><i>Solid track record in structuring financial transactions</i></p>				

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CFI's clients and services

Our clients

- Corporations
- Project finance companies
- State-owned entities without a sovereign guarantee
- Sectors include agribusiness, manufacturing, biofuels, energy efficiency, tourism, sustainable mining

Our products and services

- Loans (syndications and parallel)
- Guarantees
- Project Finance and Public Private Partnerships
- Technical cooperation
 - Climate change concessional finance
 - Clean energy audits
 - Shared value appraisals
 - Bio Diversity

Selected clients



GERDAU



Usina Batatais



adecoagro



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Our financial products in detail

Loans

A-Loan: Direct corporate finance loan facility from IDB own resources (up to 40% brownfields). Minimum amount: US\$15 million

Project Finance: A/B Loans to SPV structure (up to 25% greenfields). IDB Lender of record.

Interest rates: Floating over Libor and Fixed Rate conversion. Market pricing + 1/8% for each additional year

Seniority: Senior

Tenors: up to 20 years(10 years average)

Currency: US dollars /Local currency when hedging is available in certain countries

Preparation and Execution Fees: Analysis, Upfront, Commitment, Structuring

Partial Risk Guarantees

Risk Sharing and Credit Enhancement (Bond Financing, Risk sharing with banks)

Loan approval process

Eligibility

- Eligibility approval process
- Mandate letter signed

Due Diligence

- Technical analysis
- Market analysis
- Insurance analysis
- Legal due diligence
- Environmental and social analysis
- Sponsor analysis
- Financial model review

Approval Process

- Final term sheet negotiations
- IDB Credit and Operations Committees
- Board Approval

Closing and Disbursement

- Preparation of legal documentation
- Preclosing Committee
- Execution of financial documents
- Disbursement

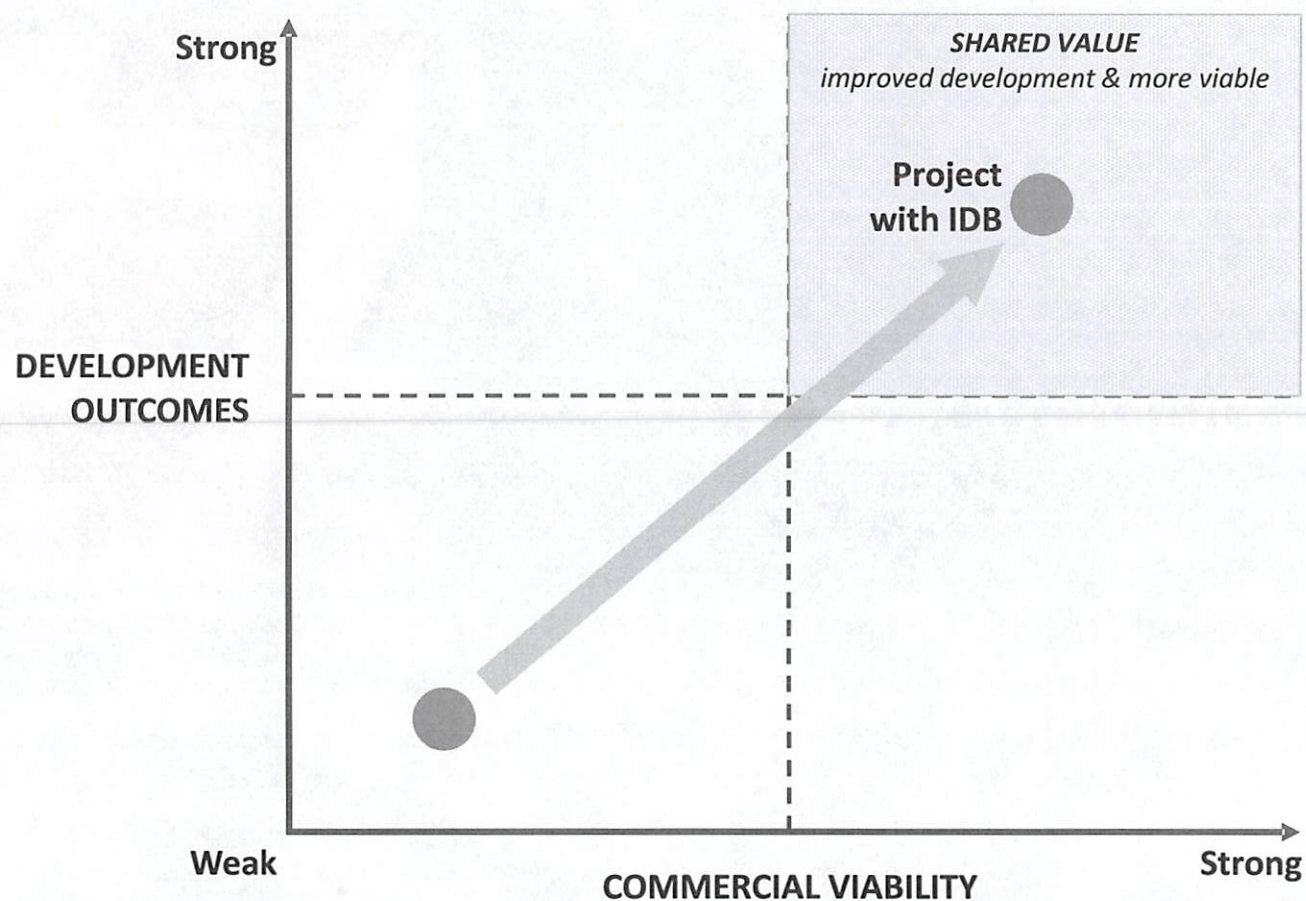


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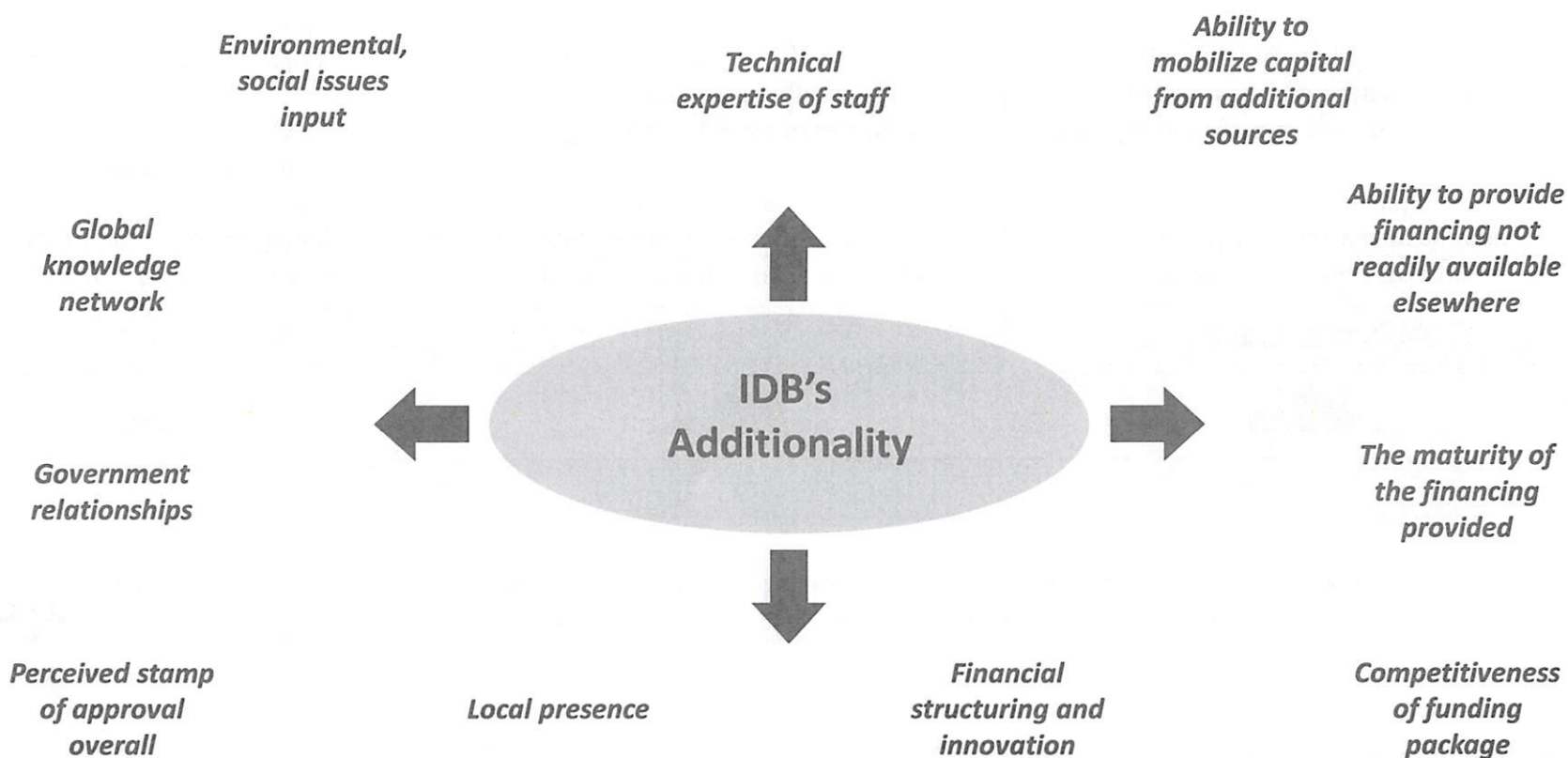
IDB's Added-Value



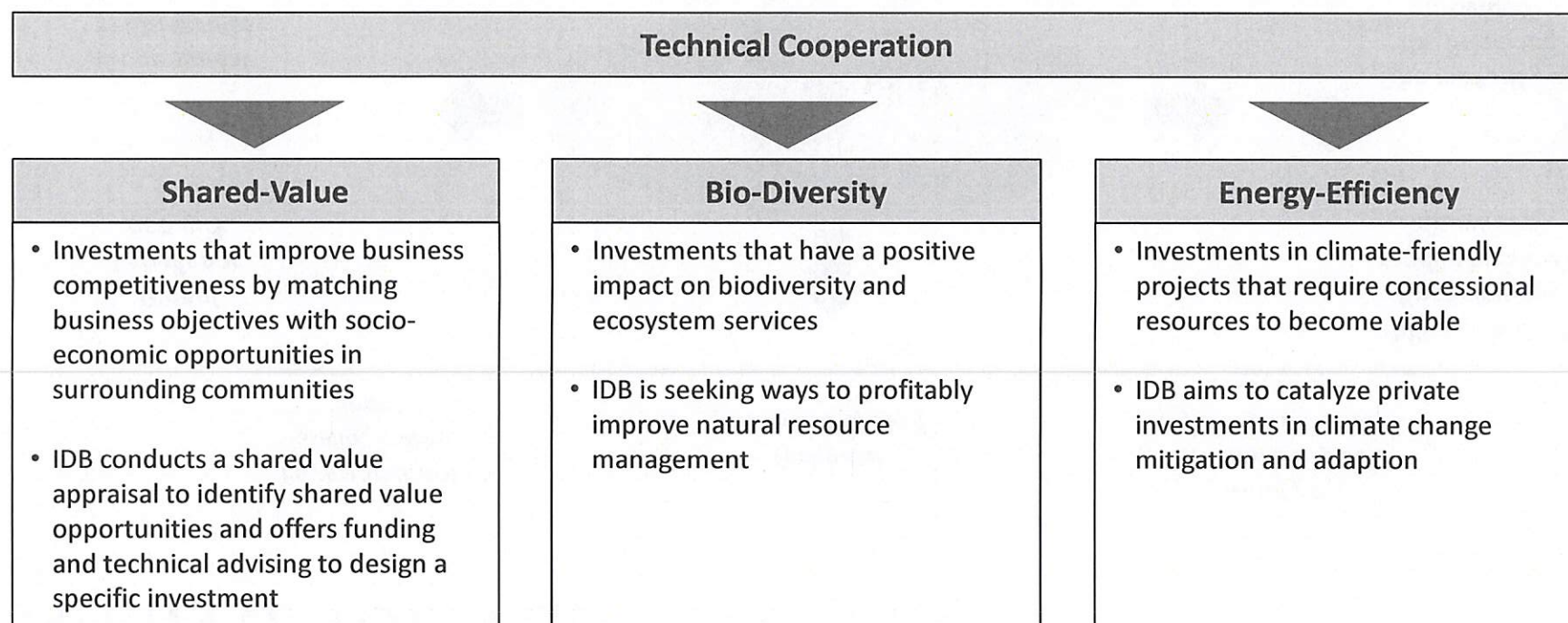
How IDB's additionality improves projects?



Areas of IDB's additionality



Selected forms of technical cooperation



“Re-imagining value chains from the perspective of shared value will offer significant new ways to innovate and unlock new economic value”

– PROF. PORTER AND KRAMER (HARVARD BUSINESS SCHOOL)



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Agribusiness



Maple – Sustainable ethanol producer in Peru

Project Highlights

- Sugar-cane base ethanol plant
 - 7,800 cultivated hectares of sugar cane
 - Cogeneration plant from bagasse (36 MW)
 - Construction of port facilities
-
- Project cost: US\$254 million; senior debt: US\$148.5 million, IDB: US\$25million; 10 yr tenor (Multilaterals)

Development Impact

- High scale for drip irrigation system in an arid area
- 2,000 direct jobs created
- High environmental and social standards
- Self sufficient: electricity co-generation
- IDB community program for local social projects





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Tourism



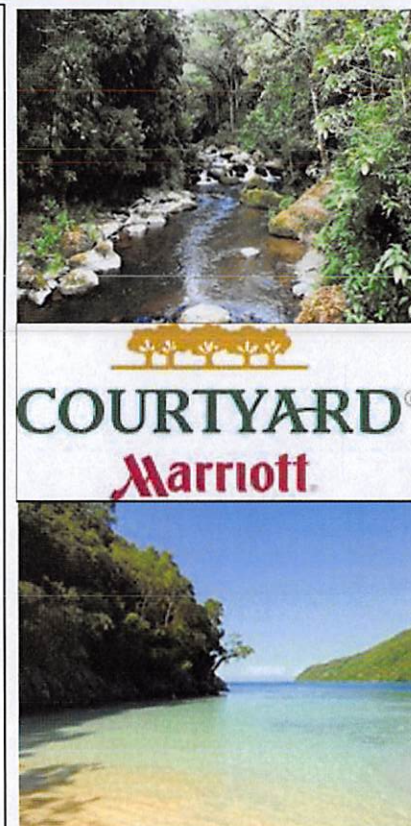
Caribe Hospitality – Develop LEED Certified Hotels in the Region

Project Highlights

- Caribe Hospitality is the developer of up to eight Marriott branded (Marriott Courtyard or Residence Inn) Hotels in LAC
- IDB loan of up to US\$44 million to be matched by co-lenders; and will have a 1 – 2 year grace period

Development Impact

- All Hotels will be Leadership in Energy & Environmental Design (“LEED”) certified and employ some of the latest energy efficiency and water conservation technologies
- The Kingston Hotel project has a shared value component under design, where Youth-At-Risk and Micro, Small and Medium sized businesses (MSMEs) can take advantage of opportunities related to the hotel





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Cement



Tupi Cement – New cement plant in Paraguay

Project Highlights

- Design, development, construction and operation of a cement plant
- First private investment to establish a new plant and to replace imports
- Project cost: US\$150 million (including working capital)
- IDB Loan of US\$50m

Development Impacts

- New supply will cover current unsatisfied demand and future growth
- Replacement of imported cement plus potential to export surplus
- Generation of 1,000 jobs during construction & 300 during operations
- Creation of indirect jobs in construction & other sectors, thru widespread use of cement to support growth & infrastructure development





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Gas and Natural Resources



Camisea Project - Natural gas pipeline project in Peru

Project Highlights

- The IDB's 75 million loan was granted to Transportadora de Gas del Peru for the construction and operation of two gas pipelines in Peru.
- Pipelines consisted of a 729 km pipeline for natural gas and a 557 km pipeline for liquefied gas
- The project is considered one of the largest energy infrastructure projects in the country (US\$3.9 Billion total project costs) and Latin America, contributing an estimated 1 percent annually to Peru's GDP.

Development Impact

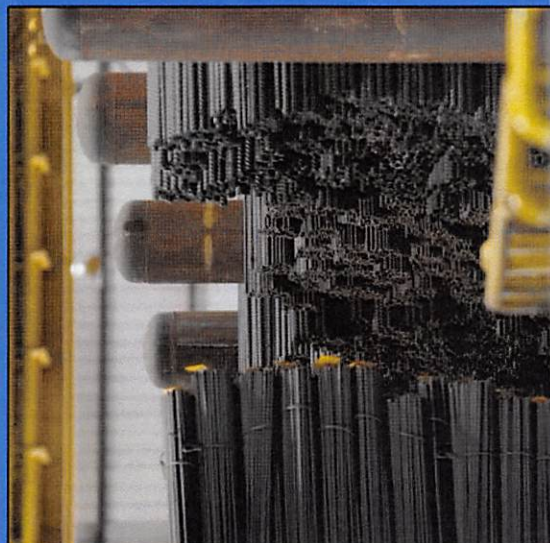
- Promoted the use of alternative and cleaner sources of energy not available in the country before.
- Main clients are thermal plants, industries, households & vehicle users.
- Demand of natural gas in the city of Lima higher than initial expectations.
- Economic benefits to the country in terms of reduction of energy costs, generation of royalties and taxes and job creation.
- IDB's additionality related to the enhancement of the project's environmental and social standards.





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Steel



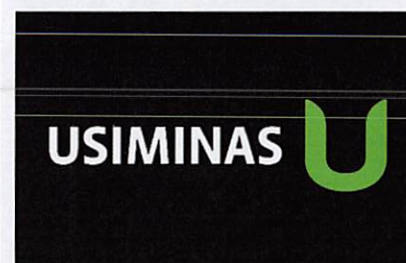
Usiminas – Energy efficiency investment in Brazil

Project Highlights

- Financing of equipment for up to 441 MW in new, energy-efficient, inside-the-fence cogeneration and capacity expansion investment
- The investment in detail includes: three new boilers producing 220 tons of steam per hour, a water treatment center for the water going into the boilers, a water recirculation system, and 2 steam turbo/generator/blowers
- IDB A-loan of \$50m and B-loan of \$350m

Development Impact

- The new plant will produce electricity using excess heat and gases originated from the production of the steel, allowing the company to cut its production costs and reduce carbon emissions.
- The investment allows the company to recover heat and gas for energy cogeneration, purchase turbines to generate up to 96 MW of power using the gas and heat recovered, & recover water by using recirculation system



Testimonials of our partners

"SCF is a strong partner for our sectors and we welcome the ongoing efforts to seek opportunities for collaboration."

Kei Kawabata, Sector Manager, Social Sector.

"Our partnership with the IDB allowed us to expand our lending operations to include some very high credit quality borrowers that we would not have been able to lend to directly. The IDB has understood our needs..."

Camilo Mendez, Director of Regional Investments, BlueOrchard América Latina S.A.C.

"IDB is extremely responsive and this has been key for our fund to grow and thrive. The IDB team has a wide range of skills and experience that has been very useful in both strategizing and implementing a number of important initiatives ... They accomplish what they set out to do and are a reliable partner who can be counted on."

James F. Prusky, Managing Director, Crecera Finance Company

How do you see IDB
adding value to your company?

Let's discuss...



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