A Key Business Partner for Development

The private sector is crucial for generating economic and social development in Latin America and the Caribbean. In recent years, the IDB Group has expanded its financing for innovative and sustainable private-sector-led projects to a wide variety of sectors.

The IDB Group has integrated private-sector-style flexibility into its way of doing business, offering simplified procedures and expedited project preparation and services tailored to each client’s requirements. From microenterprises to large corporations, agribusiness to information technology, and health care to biofuels, these activities underscore the IDB Group’s solid commitment to working with the private sector.

About the IDB Group

The IDB Group is a leader in social and economic development, and is the largest source of multilateral financing for Latin America and the Caribbean. It comprises the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IIC), and the Multilateral Investment Fund (MIF).

The IDB Group works with governments, companies, and civil society organizations from its 48 member countries. It offers technical assistance, advises on public policies, and catalyzes investments in projects with a high development impact. The IDB Group supports financial institutions and microenterprises, small, medium-size, and large companies through its non-sovereign-guaranteed operations.

For the IDB Group, the private sector is not only a client but an active partner, and an essential source of experience and knowledge. Visit our Web site at www.iadb.org/businesses.
**LARGE COMPANIES AND FINANCIAL INSTITUTIONS**

**Structured and Corporate Finance Department (SCF) · IDB**

**Our profile**
SCF provides financing for projects developed by private, public, and mixed-capital companies in a broad range of economic sectors.

**Our operations**
- Project financing for greenfield projects in sectors such as power, transportation, water, telecommunications, tourism, education, healthcare, mining, and agribusiness, biofuels, oil and gas, chemicals, and petrochemicals.
- Corporate financing for expansion projects sponsored by large corporations (sales exceeding US$100 million per year).
- Financing for financial institutions and intermediaries (assets exceeding US$500 million), with an emphasis on activities having a high social impact, such as housing, working capital, and capacity expansion for SMEs and microenterprises, and sustainable financing.

**Our financial tools**
- Long-term loans (five to 30 years) for greenfield projects, capacity expansion, and debt refinancing on a senior or, selectively, a subordinated basis at market rates.
- Syndicated loans with commercial banks and institutional investors.
- Partial credit guarantees in different currencies to support bond issuances in diverse markets.
- Local currency loans and guarantees in select markets.
- Grants for financing preinvestment and impact studies.
- Political risk guarantees.

**SMEs AND SMALL BANKS**

**Inter-American Investment Corporation · IIC**

**Our profile**
With a focus on SMEs, the IIC supports development through private enterprise by financing working capital, business expansion, and production modernization in key sectors such as agriculture and agribusiness, food and beverages, education, energy, infrastructure, manufacturing, and textiles.

**Our operations**
The IIC works with profitable companies that are committed to observing sound environmental and labor standards, have audited financial statements, and show growth potential.

**Our financial tools**
- Companies may obtain short-, medium-, or long-term loans—in U.S. dollars or in local currency—at fixed or variable market rates. In some cases, loans may be syndicated or subordinated.
- Partial credit guarantees, equity, quasi-equity investments, and supply chain financing.
- Standardized small loans to SMEs in select markets are offered through the IIC’s Small Business Revolving Line.
- Financial institutions have access to loans to support their SME activities. Syndicated A/B loans, agency lines, and guarantees are also available.
- Private enterprises can benefit from technical assistance designed to improve their performance in areas such as financial management, corporate family governance, environmental practices, energy efficiency, and labor safety. FINPyme, one of the IIC’s technical assistance instruments, is used to perform diagnostic reviews that enable SMEs to evaluate their operations. It covers aspects that determine the companies’ competitive position, providing a roadmap for improvement (www.FINPyme.org).

**MICRO- AND SMALL ENTERPRISES**

**Multilateral Investment Fund · MIF**

**Our profile**
The MIF uses grant resources and investments to support private sector development by financing innovative, sustainable projects that can be scaled up and replicated in other contexts. The MIF works with local partners from the private sector, civil society organizations, and governments.

**Our operations**
The MIF focuses on projects that contribute to economic growth and poverty reduction through private sector development. The MIF is the leading source of technical assistance, grant resources for microenterprises, and small business development in Latin America and the Caribbean.

**Our financial tools**
- Grant funds for private nonprofit organizations, such as business associations, NGOs, and foundations, and for public sector agencies.
- Investments through financial intermediaries that provide loans, equity investments, and technical assistance. The MIF is the largest supporter of microfinance in the region, promoting modern technology, new management methods, and innovative products and services that have made the microfinance industry in the region the most efficient in the world.

**BASE OF THE PYRAMID**

**Opportunities for the Majority Initiative (OM) · IDB**

**Our profile**
The OM initiative promotes and finances private sector business models that develop and deliver quality products and services, create employment, and enable low-income producers and consumers in Latin America and the Caribbean to join the formal economy. This process stimulates overall economic growth, and contributes toward raising the incomes of the majority of the population (70 percent) at the “base of the pyramid.”

**Our operations**
OM supports innovative business models and market-based solutions to benefit low-income populations in Latin America and the Caribbean, in priority areas such as financial services, housing, education, nutrition, and health.

**Our financial tools**
- The OM Facility provides medium- and long-term loans, and partial credit guarantees to the private sector. Financing amounts range between US$5 million and US$10 million, loans are available at market rates and with long tenors. Operations are supported by technical assistance resources.

The OM initiative offers different resources to encourage partners in the private and public sectors to invest in innovative, well-designed projects to develop low-income markets—as a platform for profitable ventures with high social rewards. To serve this purpose, OM leads a number of initiatives like the “Strategic Partners’ Meeting,” an ongoing platform of collaboration and knowledge sharing among a diverse group of participants interested in applying market-based solutions towards poverty alleviation in Latin America and the Caribbean.