



James P. Scriven
Chief Executive Officer
IDB Invest

Letter from the CEO

We are living in a **new era for global development financing** that is advancing at exponential speed. Faced with this new scenario, we want to be the solutions bank that serves Latin America and the Caribbean's private sector while promoting inclusive and sustainable growth.

The **big challenges** facing our region force us to pursue new frontiers and new ways of doing business. Cities need more sustainable infrastructure so we can connect better and adapt to events such as natural disasters. Farmers are looking for more sophisticated agricultural techniques. The banking system must tackle the fintech phenomenon to navigate the digital era. In this context our clients demand new financial tools to facilitate investments that benefit our region's countries. IDB Invest seeks to provide these solutions.

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In **2015 we launched a restructuring** aimed at accelerating development through the private sector. And in 2017 we completed this process with a new brand that combines the IDB's confidence and history with the flexibility and agility that the region's private businesses seek.

During 2017 we **achieved IDB Group synergies** to leverage the IDB's experience and dialogue with the governments in our region and maximize our impact. We worked alongside the public sector to create the business environment and the regulatory frameworks that are needed to finance private sector projects. Additionally, we created a single IDB Group window to facilitate the creation and execution of public-private partnerships.

We focused on **key sectors for sustainable development** such as infrastructure, energy, agribusiness, manufacturing and tourism. During the year we also concentrated on **diversifying our products** and linking our assets to the capital markets. We got institutional investors on board with products such as B Bonds



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in order to show that investments in emerging markets could outperform those in developed markets. To foster solid growth and create more jobs, we are generating more capital and quasi-capital products, such as mezzanine and subordinate debt. In addition, this year we offered more local currency financing, so borrowers can pay using the money generated by their cash flows.

Yet, we know that there is liquidity and that the private sector needs more than capital to conduct business that impacts development. This is why in 2017 we focused on providing **advice and knowledge** to our clients. For example, we sought ways to incorporate **climate and gender equality** as cross-cutting business issues. We believe that adding value is what sets us apart and helps us foster sustainable growth in the region.

Given the increasing complexity and growth of new sectors in our operations, we have developed tools to **manage risk and ensure prudent growth**, including a risk appetite framework. We have sought new ways to assess environmental, social, and governance sustainability in our projects. We expect to **continue generating IDB Group synergies**, also leveraging the **Multilateral Investments Fund (MIF)**, a key partner in regional innovation.

Lastly, in 2017 we endeavored to be more agile, flexible and client focused through our **operational excellence** exercise that is improving our internal processes, cross-team collaboration and transactional experience. We are evolving from a Washington, DC-based organization into a Latin America and Caribbean one, **increasing our presence from 16 to 26 borrowing member countries** to get closer to our clients. It is they and their development impact that motivates us to be a cyclical and countercyclical force in Latin America and the Caribbean. In 2018 we will continue uncovering new and better solutions to invest in the future of our region.

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