

Originate -to- Share

ANNUAL
REPORT
2024



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Chairman's letter of TRANSMITTAL

To Chairperson
Board of Governors Inter-American Investment Corporation (IDB Invest)

Dear Chairperson,

I am pleased to present the Annual Report for the year 2024, including the institution's financial results, pursuant to the provisions of the agreement establishing the Inter-American Investment Corporation (IDB Invest).

As the private sector arm of the IDB, IDB Invest **represents 42% of the institutional activity**, and is central to how we serve Latin America and the Caribbean to drive private sector led development.

Transformational changes at the IDB, IDB Lab and IDB Invest make up **IDBImpact+** to ramp up the scale and impact our work to foster lasting development in Latin America and the Caribbean.

As part of these efforts, in 2024 we started laying the groundwork for **IDBInvest+**, a transformational strategy to better address our region's pressing challenges and unlock new opportunities for sustainable development.

This transformation is reflected in two key shifts: a **capital increase** that expands impact in critical sectors, attracts new investors, and strengthens private sector led development; and a **new business model** that shifts beyond the traditional hold-to-maturity approach leveraging initiatives like the **Originate-to-Share** to transfer risk to

unlock new capital and deepen institutional investor engagement.

We are positioning the IDB as **"the private sector MDB"**—leveraging our 65 plus years of experience and closeness to the public-sector of the region to create synergies that benefit private investors who want to play a role in Latin America and the Caribbean.

This is already evident in our country work as well as in regional initiatives like **Amazonia Forever, One Caribbean, and America en el Centro**, in efforts to support urban transportation and interventions to unlock and fuel private sector investment.

As you will see in the following pages, **these efforts are already bearing fruit**. Our accomplishments in 2024 reflect our commitment to delivering results that matter—not just in lending, but in real progress for people and economies.

None of this would have been possible without our shareholders, staff, and partners. Together, we are building a stronger and more prosperous Latin America and the Caribbean region.

Sincerely,
Ilan Goldfajn

A message FROM THE CEO



Impact is at the heart of everything we do at IDB Invest. We are shifting to a new business model to attract global investors to Latin America and the Caribbean, ensuring that private capital flows to where it is needed most.

In 2024, we made historic strides in increasing our scale and deepening our impact, reinforced by three transformational reforms approved at the Annual Meeting in the Dominican Republic. These included a new Institutional Strategy and a \$3.5 billion capital increase to support our new business model, Originate-to-Share.

We call this new approach IDBInvest+. We connect development projects in the region with global investors to fuel sustainable growth. To ensure we are best positioned for this ambitious vision, we have worked closely with our Board of Directors and shareholders to create a new organizational structure that is fit for purpose.

Amidst this transition, we delivered on all our commitments. Our total activity reached \$9.8 billion, including \$5.0 billion in mobilized private sector resources — accounting for 51% of our total funding. We also achieved a record level of engagement in our smaller and island (S&I) member countries, delivering nearly \$1.0 billion in financing — representing 13.3% of our total business volume and underscoring our commitment to inclusive regional growth.

A prime example of our evolving model is the \$1.0 billion securitization transaction announced in October, the first of its kind in Latin America and the Caribbean. This financial innovation enabled private sector investors to buy MDB assets, creating a new asset class and unlocking over \$500 million to reinvest in impactful projects. Santander acted as the sole financial advisor, boosting global investor confidence in the region.

Our commitment to sustainability and collaboration was highlighted at Sustainability Week 2024, held in Manaus, Brazil — the heart of the Amazon. This landmark event brought together over 1,000 participants from the private sector, public sector, and civil society, making it the largest gathering of its kind. The discussions reinforced the urgency of sustainable solutions and the role of private sector engagement in advancing resilience and economic growth.

As we scale our efforts, collaboration remains essential. Together with the IDB and IDB Lab, we are leveraging synergies to create a compelling and comprehensive value proposition for tackling regional challenges. The IDB is also evolving to create an enabling environment within the public sector to attract and sustain private investment, understanding that transformative development requires a strong partnership between governments and businesses.

As the leading MDB focused on private sector engagement in Latin America and the Caribbean, IDB Invest continues to pioneer innovative financial solutions and mobilize global capital for development. Looking ahead, we remain committed to driving impact at scale and forging new pathways for sustainable growth.

We invite you to explore the impact stories within this report, showcasing how we are shaping the future of the region. Now, more than ever, we are scaling our impact.

James P. Scriven
CEO of IDB Invest

01

IDB Invest

Financial

SUMMARY

2020-2024



Financial Highlights¹

Years ended December 31

	2020	2021	2022	2023	2024
Income Statement					
Net income	\$6,888	\$130,925	\$104,590	\$163,934	\$273,701
Development-related investments income, net	\$75,429	\$251,487	\$269,561	\$527,173	\$609,790
Total other income	\$94,929	\$92,199	\$97,484	\$75,537	\$64,068
Borrowings expense	(\$47,957)	(\$62,896)	(\$117,529)	(\$242,484)	(\$311,229)
Total other expenses	(\$153,175)	(\$172,455)	(\$180,868)	(\$162,658)	(\$177,934)
Balance Sheet					
Total assets	\$6,424,312	\$7,551,424	\$9,401,218	\$11,328,234	\$12,800,607
Development-related investments, net	\$4,176,889	\$5,383,830	\$6,207,178	\$7,992,110	\$8,229,750
Liquid assets	\$2,120,628	\$1,957,960	\$2,586,159	\$2,618,396	\$3,834,743
Borrowings	\$3,908,457	\$4,612,629	\$5,784,297	\$7,305,544	\$8,301,395
Total capital	\$2,108,214	\$2,474,774	\$2,964,362	\$3,229,889	\$3,695,468
Leverage Ratios	1.9	1.9	2.0	2.4	2.4

Expressed in thousands of United States dollars, USD, except for ratios.

1.Refer to the FY2024 IDB Invest Information Statement for IDB Invest's Management Discussion & Analysis and Financial Statements.



02

GENERAL OVERVIEW

As the following pages reflect, 2024 was a year of transformation and achievement for *IDB Invest*.



The additional resources, scheduled to be paid in over seven years, will allow us to virtually double our lending capacity. In 2024 our total financing activity reached \$9.8 billion. By the end of the capitalization period we expect to reach \$19.1 billion in annual total activity.

During 2024 we met or surpassed several targets set for priority activities and critical sectors. Core mobilization –the additional financing we raise from other investors– topped the \$5.0 billion mark for a second year in a row. Our new **Originate-to-Share** business model will allow us to attract even more resources through securitizations and other tools that depart from our traditional approach.

Other goals: 43% of our new projects involved micro, small and medium-sized enterprises (MSMEs), up from 35% in 2023. In turn, we reached \$989 million in total activity in our smaller and island member countries, meeting the long-term and short-term targets for the third consecutive year (12% and 14%, respectively).

Our efforts were recognized with multiple awards, including being named Multilateral Development Bank of the Year by LatinFinance magazine and ESG DFI of the Year globally by the IJGlobal ESG Awards. These awards underscore the institution's leadership and transformative impact in the region.

In March 2024 the Board of Governors of the Inter-American Investment Corporation (IDB Invest) approved a \$3.5 billion capital increase.

This capital injection will nearly double our total activity in the next few years, to as much as \$19 billion a year, enhancing our ability to finance projects in alliance with the private sector.

Our new business model will also allow us to shift toward a bolder, impact-driven approach, take on more risk, and expand our presence in the field.

The capital increase will expand our new *IDBInvest+* business model and increase the impact and scale of our work in Latin America and the Caribbean.

This milestone approval was a vote of confidence in our capacity to turn our vision into reality.

To that end we are adopting an **Originate-to-Share** business model designed to mobilize more private sector investment. This change allows us to deploy innovative financial solutions to achieve better results at both the project and portfolio levels.

The projected growth in operations requires reforms to our organizational structure, such as the creation of a new country-industry matrix and a new Financial Solutions, Mobilization, and Asset Sharing Department. Our workforce will evolve to take on the expanding volume of business, with an emphasis on leadership roles and field presence.




In addition, we are significantly strengthening our products and delivery capacity, particularly in resource mobilization, equity investments, and local currency financing solutions.

***Capital increase,*
institutional reforms and IDBInvest+**



With the capital increase, the IDB Invest Board of Governors has approved the implementation plan for IDBInvest+, a comprehensive series of reforms designed to operationalize the new vision and business model. The implementation will proceed in two distinct phases: an initial pivot year in 2024, followed by a three-year execution period corresponding to the 2025-2027 Business Plan.

The key focus areas during the pivot year were:

1.  Reinforcing the impact model and ambition.
2.  Building the operational platform for originate-to-share.
3.  Aligning the structure and people to *IDBInvest+*.
4.  Strengthening synergies and working seamlessly as an *IDB Group*.

During 2024 we also worked to improve our impact management framework to increase development effectiveness, featuring an enhanced impact scoring system (DELTA+) and an additionality framework to track how we add value to our clients and partners.

The 2025-2027 Business Plan is the first one fully oriented toward the new vision of *IDBInvest+*. It provides a clear roadmap for increasing our impact and ambition while improving our organizational structure, processes, and culture.



Our new business model is built around the core concept of **Originate-to-Share**. Its focus is originating – or creating – more impactful development assets and structuring them to meet the needs of local and international investors.

For example, in 2024 we completed our first securitization deal, taking a \$1.0 billion credit portfolio from our existing operations and repackaging them into a series of bonds with different risk profiles.

These transactions allow us to free up resources to finance new projects. We retain sufficient participation in repackaged operations to ensure development goals are achieved and to assure investors. At the same time, we employ a suite of financial and non-financial risk absorption tools.

This approach can generate a virtuous cycle of releasing and redeploying capital, making a more efficient use of our publicly provided resources and attracting additional financing through the participation of private sector investors.

New business Model





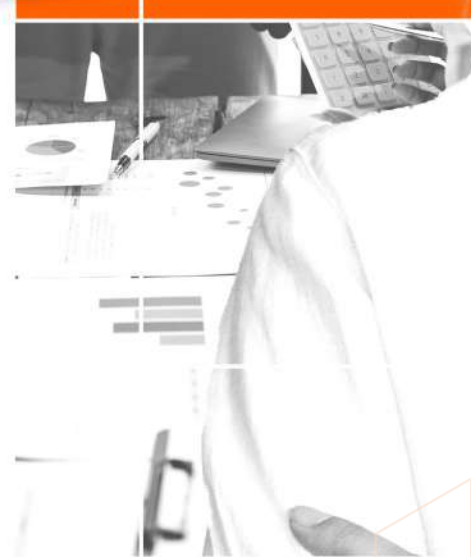
2024 Core mobilization **\$5.0B**

In 2024 core mobilization reached \$5.0 billion (including \$1.4 billion in short-term financing), surpassing the \$5.0 billion mark for the second consecutive year by tapping private investors worldwide.

We also made significant strides in portfolio management, capital recycling and secondary market activity, selling five transactions. By offering mature projects to investors, we efficiently freed up capital for redeployment into new projects.

Additionally, we announced a \$1.0 billion securitization deal, the first of its kind for private sector investors to buy multilateral development bank assets from Latin America and the Caribbean.

This innovative solution, which connected development assets to global investors, represents a milestone for IDB Invest's new business model.



Mobilization

BUSINESS ACTIVITY

IDB Invest by the numbers

Total
Activity
**\$9.8
billion**

Commitments (long-term)
\$2.4 billion

Commitments (short-term)
\$4.0 billion

Core Mobilization
\$5.0 billion

Median
DELTA
Score*
8.8

*The DELTA is a rigorous, fact-based scoring system that assesses the impact potential of each investment, assigning a score from zero to 10, which is tracked and updated throughout implementation.
See: <https://www.idbinvest.org/en/impact-management-framework>.

INFRASTRUCTURE AND ENERGY

Total activity in the infrastructure and energy segment reached \$2.9 billion in 2024, including \$2.3 billion in mobilization.

In the transportation sector, we advance the regional integration agenda by improving physical connectivity, generating efficiency spillovers across economic sectors, and creating capacity to support regional economic growth.

In Uruguay, for example, we financed [Terminal Cuenca del Plata](#), including the mobilization of resources from a commercial lender for the design, construction and operation of an expansion of the Port of Montevideo.

Update by
Industry





We provided local currency financing for the highway concessions of [Troncal del Magdalena I & II in Colombia](#). The transaction aligned with the [BID for the Americas Program](#) as it supports sponsors from outside Latin America and the Caribbean in their strategy to advance sustainable investments in the region.

In water and sanitation, we contributed to reducing water losses and improving energy efficiency for water utilities, expanding water and wastewater services coverage, as well as increasing new water production capacity.

For example, **in Brazil** we provided local currency financing to [Aguas de Manaus](#) for the construction, operation, and maintenance of water distribution, sewage collection, and treatment services in the city of Manaus in the Amazonas State.

In Jamaica, a partnership with Proparco, Sagicor, and the Development Bank of Jamaica finances the [Rio Cobre Water Treatment Plant](#), the first public-private partnership in the country's water sector. This project will improve access to reliable potable water for communities in the Kingston Metropolitan Area and parts of St. Catherine parish.

We also continued supporting decarbonization efforts from private-sector renewable energy investments and promoting diversification and ensure energy security in the region.

In this context, our activity in 2024 focused on accelerating the adoption of renewable sources,



expanding distribution networks, and promoting diversification.

Examples of those efforts include the financing to Yinson Renewables for the [Matarani Solar project](#), the first non-subsidized solar plant to begin operations **in Peru**, done through a project finance facility. In the Dominican Republic, together with FMO and Findev, we provided a facility to [Enertur S.A.](#) to support the development of a [greenfield photovoltaic power plant](#) along with a battery energy storage system.

Investments in social infrastructure, encompassing projects in health and education as well as innovations that enhance results, were also part of our activities in 2024.

For example, we provided financing to [Promedon Group](#), a leading Argentine medical devices company with a strong presence across Latin America and Europe, to acquire equipment for a new assembly facility in Brazil, propelling the development of cutting-edge medical products, instruments, and equipment.

We also supplied financing for Corporación Educativa Montesquieu for the construction of the [San Cristóbal Educational and Sports Complex in Guatemala](#), which will provide quality education at an affordable price to students in the elementary, middle, high school, and university levels.

CORPORATES

Total activity with corporate clients reached \$3.2 billion, including mobilization of \$900 million.

The real sector is a key source of economic activity and employment. We support projects with potential to drive the adoption of new technologies, create jobs, strengthen value chains, and enable regional integration.

For example, in **El Salvador**, we provided financing for the modernization of [American Industrial Park's](#) current facilities to attract new industries, the development of phase II of the Orion Industrial Park, the development of a new free trade zone adjacent to San Salvador's international airport, the installation of photovoltaic panels on factory roofs for renewable energy generation, and the use of batteries for power storage.

In Brazil, we financed UCB Industria de Componentes Eletrônicos e Informática to [increase the battery production capacity](#) at its facilities in Manaus, Amazonas, and Extrema, Minas Gerais.

As food insecurity remains an issue in the region, promoting agribusiness continues to be a focus for us, promoting innovation, productivity and efficiency, sustainable farming practices and mitigating the effects of extreme weather and climate disasters.

For example, we provided financing to Naturasol, [Mexico's largest honey exporter](#), to expand its production capacity, introduce more sustainable operations, and strengthen local supply chains, as well as to [Negocio Agrícola San Enrique](#) to support the growth of exports, productivity, employment, and contribute to food availability and stability.

In tourism, we supported investments linked to climate resiliency, energy efficiency, and new destination development, as well as innovation through debt capital market solutions, especially given the sector's high potential for job creation.

We also supported the expansion of [Inkaterra](#), a Peruvian hotel group operating in the eco-tourism segment with a strong commitment to preserving local culture and biodiversity conservation.

We provided financing to [Quasar Expeditions](#), a leading tourism exploration company that offers maritime excursions in **the Galapagos Islands**, to support its growth plan and social sustainability agenda.

Investments in the digital economy ecosystem financed technology and digital transformation across industries for increased productivity and innovation as well as for expanding internet connectivity and enhancing speed, latency, and reliability.

For example, a financial package will support [Metrotel](#) to accelerate its fiber optic network in homes, expanding access to high-quality internet **in Argentina**.

In Panama, the creation of a [master receivables purchase facility](#) with Cable and Wireless Panama, a leading telecommunications operator, strengthened its ability to provide state-of-the-art technology solutions to customers and close the digital divide.

FINANCIAL INSTITUTIONS

Total commitments with financial institutions reached \$3.7 billion, including mobilization of \$1.6 billion.

We partner with financial institutions to support MSMEs, expand equal opportunities, increase climate resilience, support access to affordable housing, and promote digitalization.

For example, with Banco Nacional de **Costa Rica** we launched [the country's first blue bond](#), the proceeds of which will increase financing for blue economy projects supporting marine and coastal conservation, sustainable water and sewage management, plastic waste management, and circular economy projects.

With BBVA **Colombia** we supported the first thematic bond with an [exclusive focus on biodiversity projects](#). This landmark bond will channel resources to combat biodiversity loss in the country, while promoting local job creation.

In Brazil, we provided financing to Cresol, [Brazil's third-largest credit cooperative](#), to expand credit for low-income individuals and MSMEs, with a strong focus on sustainable agriculture.

In Bolivia, we supported BancoSol with a partial credit guarantee for [the first social bond in the country](#), with proceeds going towards financing microenterprises and small businesses led by women.

In Paraguay, we provided a loan to ueno bank, [the country's first 100% digital bank](#), to support the growth of its MSMEs credit portfolio.

Regionally, we partnered with Mundi Ventures - LATAM Insurtech Fund to enhance access to [inclusive and innovative insurance products and services](#) across various countries **in Latin America and the Caribbean**.

We also continued supporting financial institutions' integration of ESG criteria into their investment and lending decisions, participating in and leading initiatives such as the enlaces network, which promotes joint actions to share good practices among its members and position the region as a leader in ESG matters to attract sustainable investments.

The Amazonia Finance Network, an initiative sponsored by *IDB Invest* and the International Finance Corporation, doubled its size to 53 members who launched innovative investment projects to drive private sector-led economic activity and job creation, as well as to catalyze forest conservation and restoration across the Amazon regions of seven countries.

Synergies with *IDB* and *IDB Lab* in projects with financial intermediaries strengthened the launch of the FINLAC platform, a one-stop shop for supporting governments, accompanying firms, and igniting innovation in developing and implementing effective policies, reforms and business practices to create inclusive financial markets in the region.

Also, with *IDB Lab* we organized a new edition of the *IDB Group* Fund Managers Meeting in New York, bringing together over 120 clients who manage investment funds with the goal of advancing the private capital ecosystem in Latin America and the Caribbean.

Thematic Bonds are valuable instruments supporting access to long-term financing in capital markets and help diversify financing sources.

We continued playing an essential role in developing the thematic bond market, **supporting the issuance of 52 thematic bonds in 14 countries, of which 10 were green bonds, 21 social bonds, 16 sustainable bonds, and 5 sustainability-linked bonds.**

In the Dominican Republic, we supported Banco de Ahorro y Crédito Adopem through [the first bond with incentives linked to achieving results](#). The local currency proceeds of the deal will help Banco Adopem grow its credit portfolios for women-owned or -led MSMEs.

In Brazil, we participated in Natura's [sustainability-linked bond](#) to support sustainable supply chains of agroforestry systems, contributing to the Amazonian bioeconomy and forest conservation.

To support the development of knowledge and capacity building around thematic bonds in the region, we released an update of our practitioner's guide and toolkit for thematic bonds, providing a practical roadmap for issuers.

Finally, markets recognized our efforts to support pioneer projects. Bonds and Loans awarded us the Sovereign, Supra & Agency Bond House of the Year award for our efforts in connecting development assets with capital markets through innovative solutions.



Products and Services

######

We manage financial and non-financial risks related to financing with more than 500 clients in 25 countries, with a wide range of sectors, products, and currencies. The Development Related Assets portfolio consists of loans, guarantees, and bonds booked at *IDB Invest* and IDB Non-Sovereign Guaranteed, B-loans under management, aggregating \$22 billion. We also worked on the building blocks to implement a bolder risk approach, which is paramount for the **originate-to-share** business model, as it will enable the achievement of our new vision of heightened impact while preserving financial sustainability.

The bolder risk approach means taking greater risks and reaching new untapped frontiers, simultaneously managing and mitigating financial and non-financial risks at different levels.



Risk Management

This spans from individual projects to active portfolio management that accounts for non-diversifiable risk factors and capital optimization, as well as risk management with external parties such as donors, peer development financial institutions, and private sector counterparties, enabling increased risk-taking capacity and higher impact achievement.

The enhanced drive of the new risk approach underpins our leading position in adopting and advancing [G20 Capital Adequacy Framework](#) panel recommendations, which are also aimed at increasing development while optimizing capital deployed.

To continue optimizing the capital base, we implemented risk management strategies to boost capital efficiencies aligned with the framework's recommendations.

These efforts include launching the first securitization of its kind in Latin America and the Caribbean for private sector investors, as mentioned in [Scaling 4 Impact](#), a key milestone demonstrating the viability of the new originate-to-share model.

We also strove to consolidate MDBs as an asset class through our leadership role in the Global Emerging Markets (GEMs) Risk Database Consortium steering committee as well as through its data and methodological contributions. This allowed GEMs to publish more detailed and disaggregated data by sector and country in 2024.

In addition, we issued our default statistics with the publication of IDB Group's [non-sovereign guaranteed default and recovery report](#).

Rating agencies have recognized our portfolio's quality as well as our sound risk and financial management. In 2024, S&P revised our rating outlook to positive and reaffirmed the AA+ rating, while Fitch and Moody's ratings remain stable at AAA and Aa1, respectively.





We also strengthened internal controls and business processes together with all areas of the organization, resulting in many improvements to workflow processes and controls, including enhanced security and cyber controls and strengthened anti-money laundering processes.

S&P **AA+**
Fitch **AAA**
Moody's **Aa1**



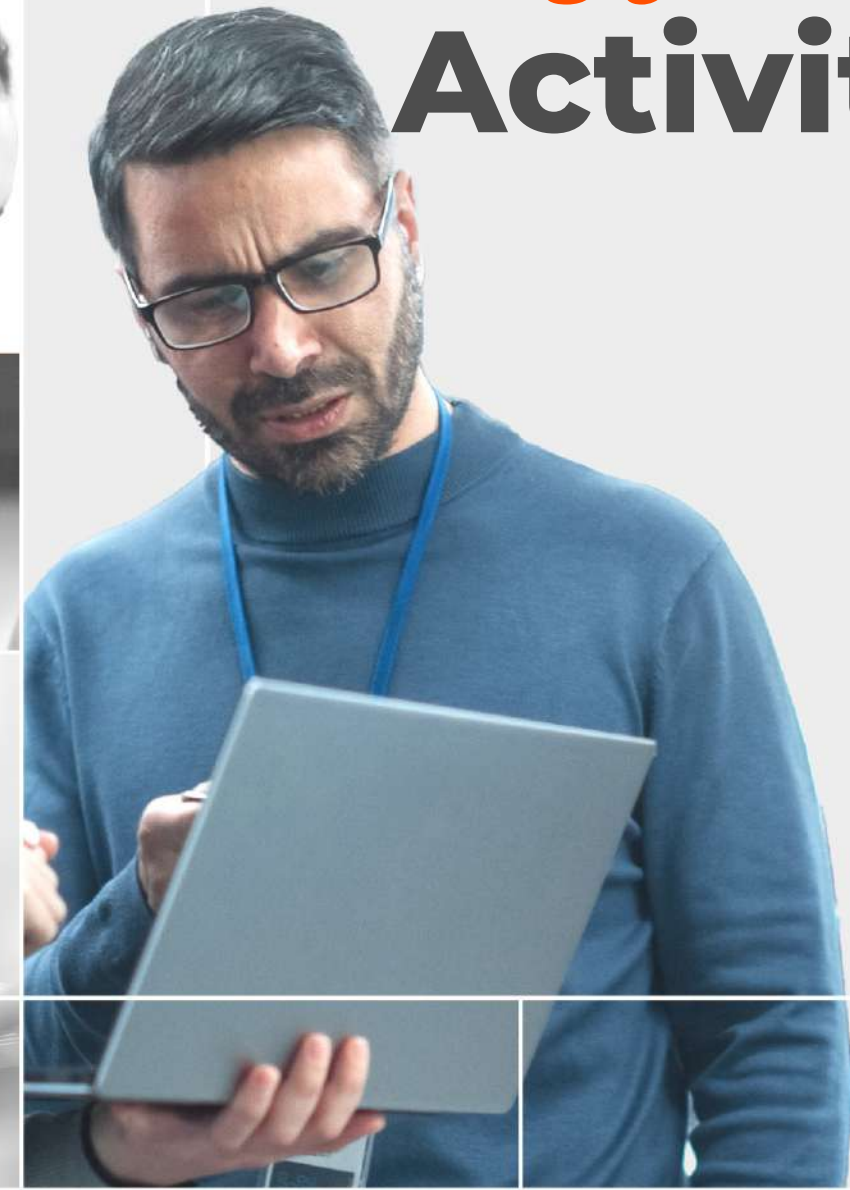
We finance operations primarily through the issuance of bonds in international capital markets. We diversify our funding sources and optimize our cost of funding by borrowing in different markets and currencies.

We also promote the development of capital markets in Latin America and the Caribbean by operating in domestic markets and by issuing bonds in the region's local currencies. As of year-end 2024, our borrowings portfolio included debt denominated in eight currencies. Highlights of last year include:

1.  Crossing of the \$5.0 billion milestone of sustainable bonds issued to date.
2.  The issuances of our double-first private sector bond in Brazilian reais to finance green and social projects in the Amazon region.
3.  A 5-year, A\$600 million (about \$455 million) green bond which became our largest issuance in Australian dollars to date and was subsequently upsized to A\$700 million.
4.  A \$1.0 billion, 5-year bond issued in October for which investor demand reached over \$2.0 billion, marking the second-largest order book for an IDB Invest bond.



Treasury funding Activities





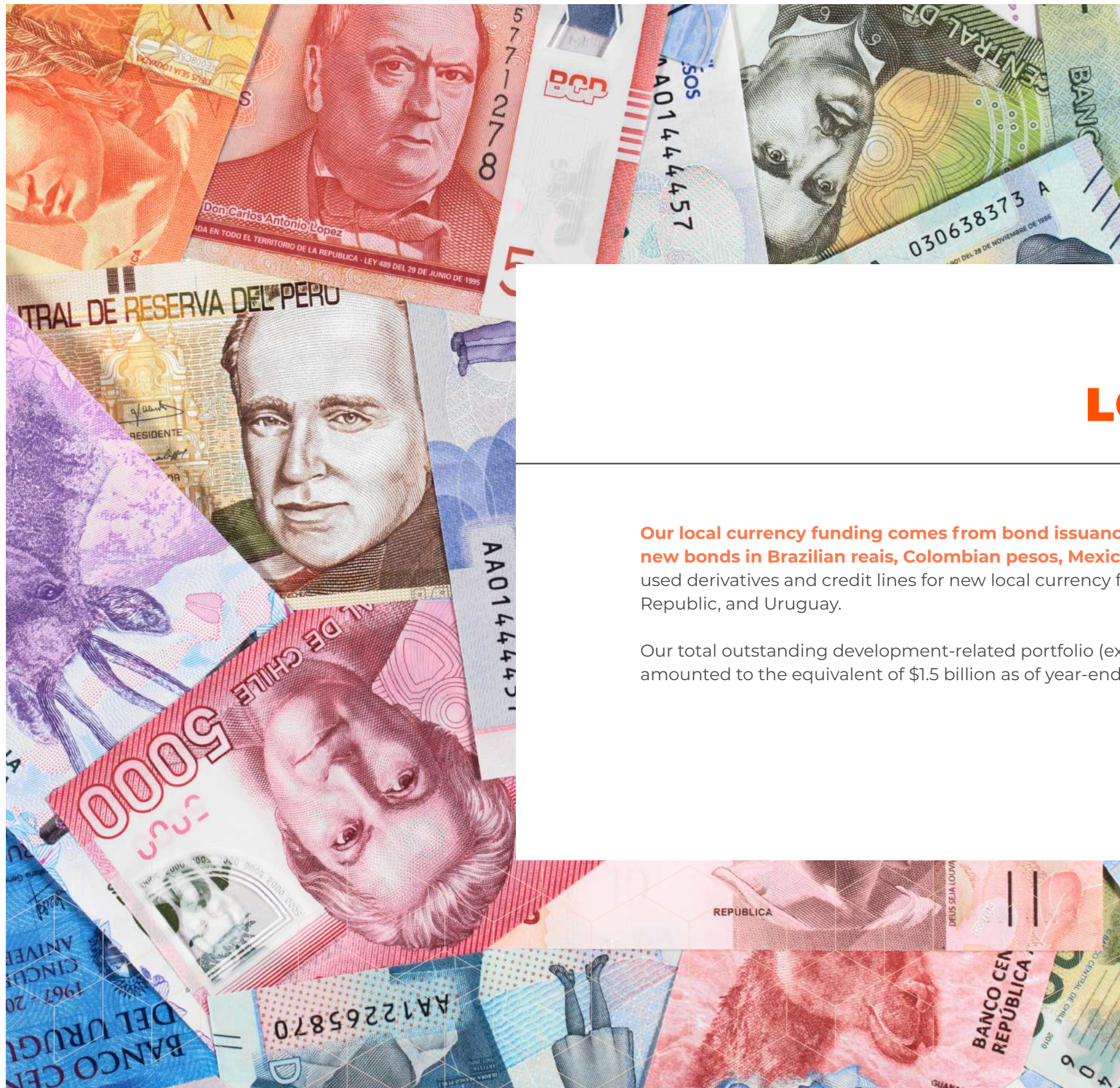
SUSTAINABLE DEBT ISSUANCES

We issue green, social, and sustainability bonds under the Sustainable Debt Framework, aligned with the Green Bond and Social Bond Principles published by the International Capital Markets Association (ICMA).

Vigeo Eiris, part of Moody's Environmental, Social, and Governance (ESG) Solutions, issued a second party opinion confirming the framework's alignment with the ICMA principles, awarding it the highest score for its contribution to sustainability.

In 2024 we increased the amount outstanding sustainable bonds to \$5.5 billion, or 63% of our total outstanding borrowings, including our first private sector bond to finance green and social projects in the Amazon region, a A\$700 million green bond, and a MXN\$2.5 billion social bond.

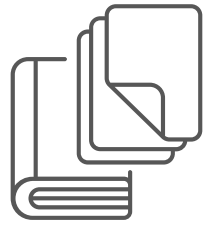
Out of the regional currencies, to date we have issued sustainable bonds in Brazilian reais, Colombian pesos and Mexican pesos.



LOCAL CURRENCY FUNDING

Our local currency funding comes from bond issuances, derivatives and credit lines. In 2024 we issued new bonds in Brazilian reais, Colombian pesos, Mexican pesos and Paraguayan guaranies. We also used derivatives and credit lines for new local currency funding in Brazil, Chile, Colombia, the Dominican Republic, and Uruguay.

Our total outstanding development-related portfolio (excluding equity investments) in local currency amounted to the equivalent of \$1.5 billion as of year-end 2024.



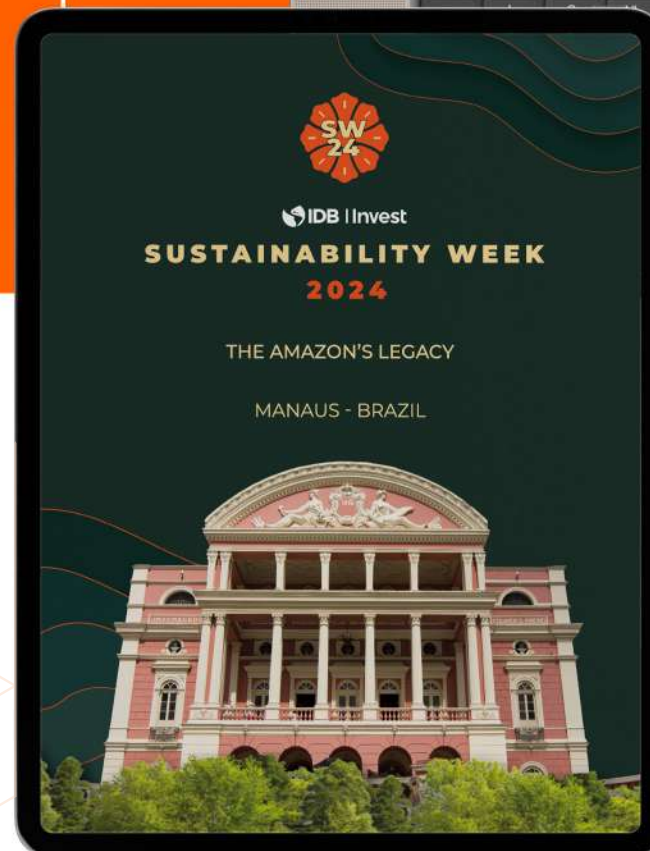
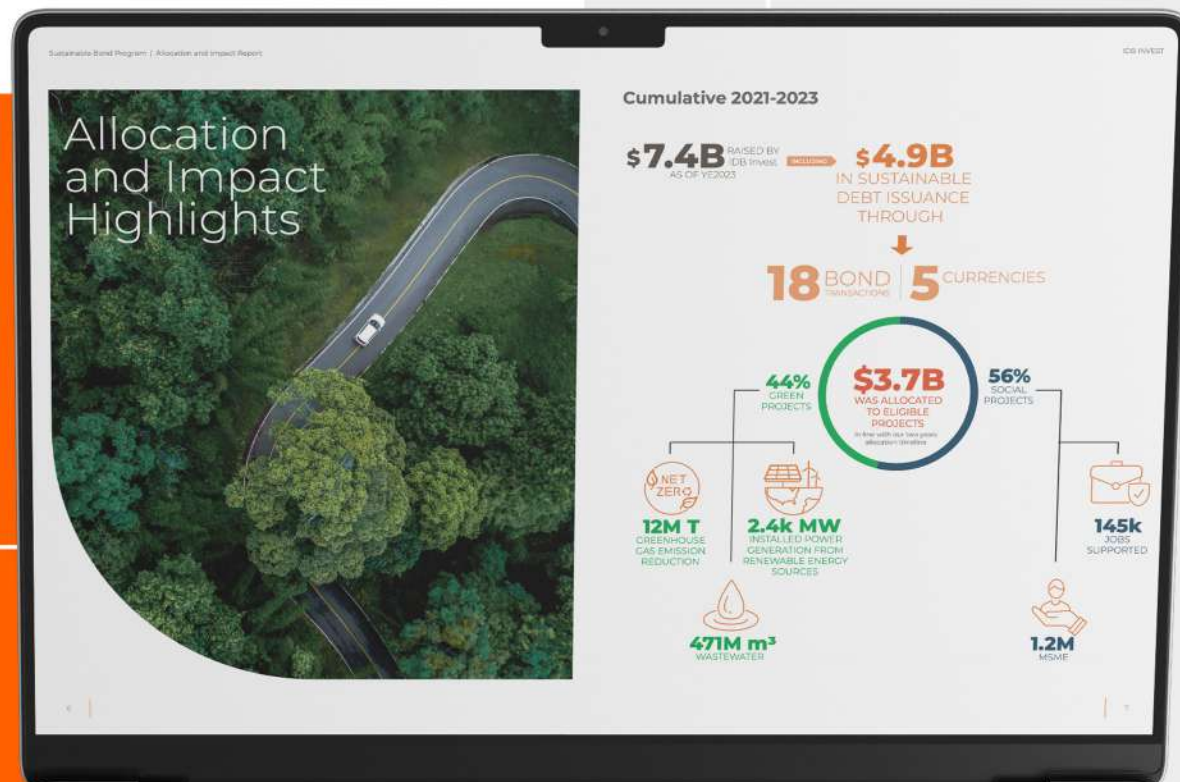
46 publications were produced during 2024, including:

- **Financing Sustainability Through Capital Markets: A Practitioner's Guide and Toolkit for Thematic Bonds**
- **Sustainable Debt Allocation and Impact Report 2023**
- **Legacy of the Amazon: Insights from Sustainability Week 2024.**

We also deepened knowledge partnerships. For instance, in coordination with the IDB, we partnered with the Women Entrepreneurs Finance Initiative (We-Fi) to generate research-driven insights to boost women's economic empowerment.

One highlight was the Annual We-Fi Research Conference on [Accelerating Growth for Women-led SMEs](#), hosted by the IDB and IDB Invest together with various multilateral and academic partners.

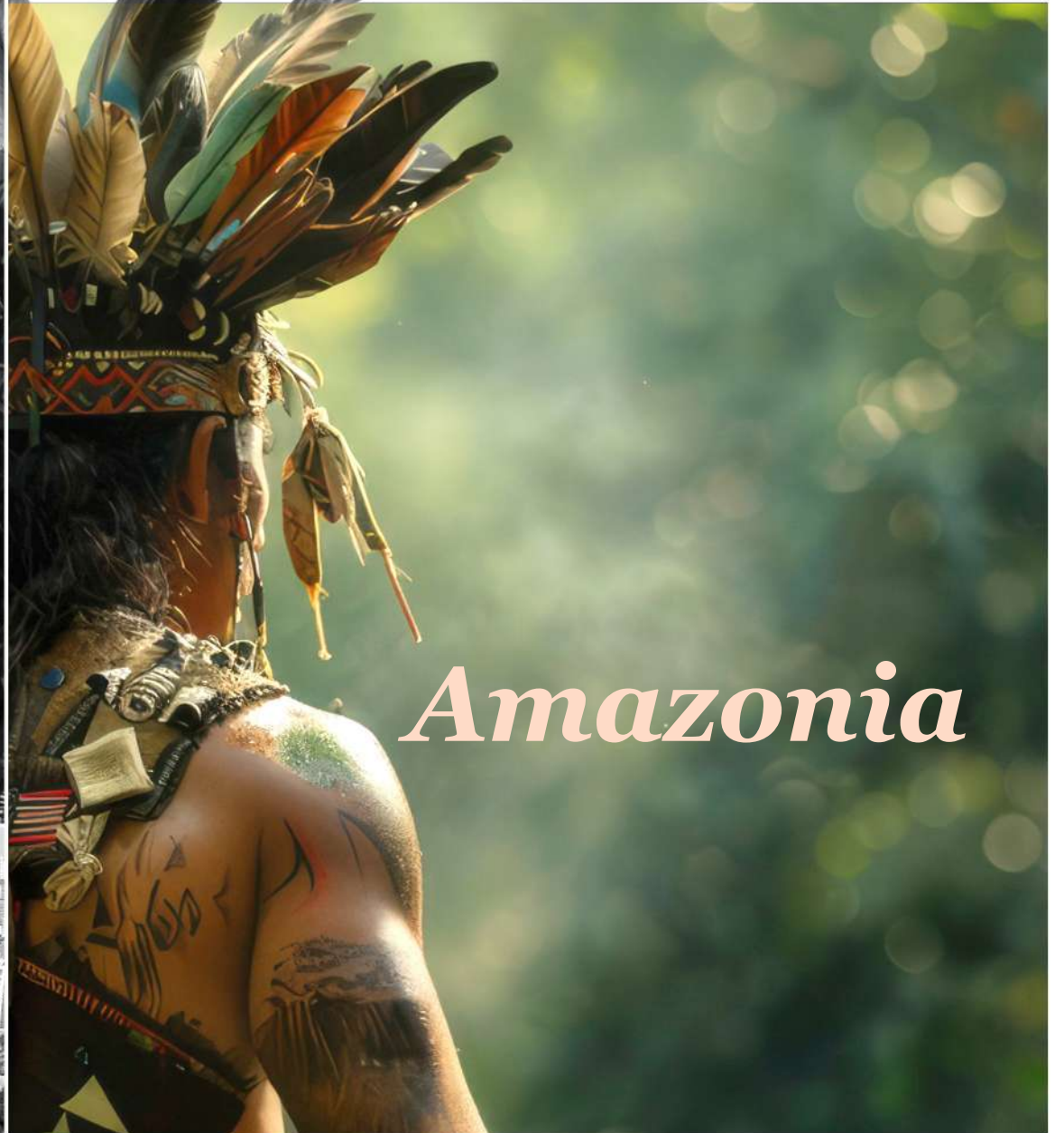
Other initiatives stemming from this partnership include working with Confecamaras, the national network of municipal chambers of commerce in Colombia, to create a Business Mobility Observatory to generate knowledge about women-led MSMEs, and with the *Red de Instituciones Financieras de Desarrollo in Ecuador* to measure bias in lending.



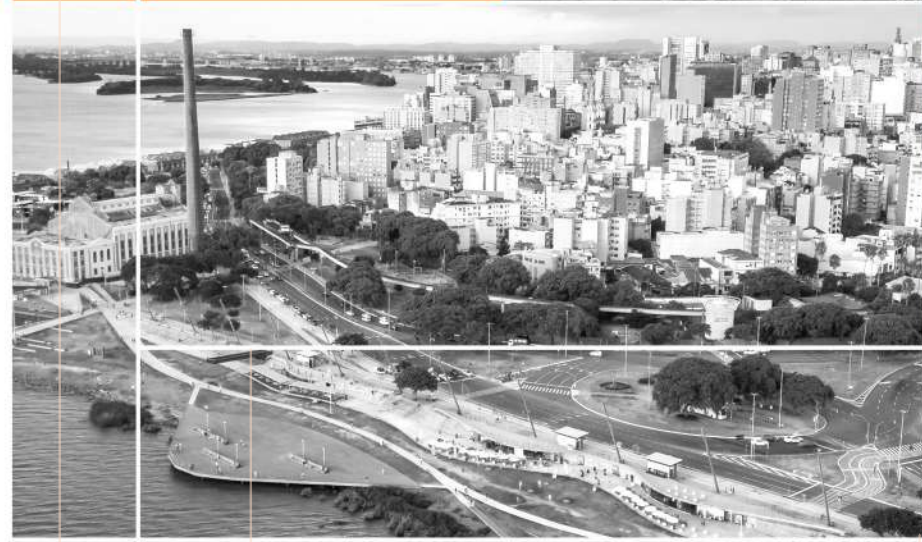
Knowledge Generation

Amazonia Forever, a comprehensive program to accelerate sustainable development in the Amazon region, was launched in 2023.

Recognizing the crucial role the private sector plays in that region, in 2024 we developed an Amazonia Roadmap to bring a private sector perspective to this initiative. We also created an Amazonia Task Force to concentrate expertise and facilitate prompt decision-making.



Amazonia





To scale up financing in alignment with the Amazonia Roadmap's main lines of action, a more diversified pipeline was created in terms of sectors and geographical areas. This includes prioritizing projects in sectors and themes aligning with our expertise while starting an early exploration of new areas such as carbon credits and nature-based solutions that may be in the pipeline of bankable projects in the coming years.

Key projects include supporting [Natura Cosméticos](#) in increasing the use of Amazonian bio-products, expanding eco-friendly tourism with [On-Vacation in Colombia](#), improving water and sanitation services in Brazil with [BRK Ambiental](#) and [Aguas de Manaus](#), supporting the growth of battery [energy storage solutions with UCB](#), and expanding SME credit portfolios in the Brazilian and Colombian Amazon with [Cresol](#) and [Banco W.](#)

As part of a Memorandum of Understanding between the World Bank and the *IDB*, *IDB Invest* and the IFC convened the [Amazonia Finance Network](#), an alliance of more than 50 financial institutions seeking to increase investment flows to achieve sustainable impact across the Amazonia region.

We also developed investment guidelines for Amazonia Bonds with the *IDB* and the World Bank Group and issued the first private sector bond to finance green and social initiatives in the Amazonia region.

To work with CEOs in the region to develop a vision for the private sector's role in Amazonia, we launched the [Amazonia Forever](#) Private Sector Task Force.

As part of a strategy to enhance our presence and understanding of Amazon-related opportunities for collaboration, we [held IDB Invest Sustainability Week 2024](#) in Manaus, Brazil.

We significantly advanced our support for Small and Island (S&I) countries, achieving \$989 million in total activity (13.2% of overall financing), with 18 long-term transactions committed in 2024.

Key sectors included regional funds, commercial banks, non-bank financial institutions, tourism, agribusiness, renewable energy, utilities, water and sanitation, social infrastructure, and real estate.

Country-specific activities spanned all nine S&I countries: Bahamas, Barbados, Belize, Dominican Republic, Guyana, Haiti, Jamaica, Suriname, and Trinidad and Tobago; demonstrating a comprehensive and tailored approach to fostering sustainable development across the region.

In addition, a MOU with CIBC advanced a joint training program with *IDB Lab* (Caribequity) in the Caribbean. These initiatives aim to strengthen partnerships, enhance local capacities, and promote sustainable development.

The Caribbean Series, held in the Bahamas and Barbados, focused on resilient infrastructure and disaster risk management. Another event in Trinidad and Tobago focused on digitalization of the economies.

Upstream activities included MOUs with the CARICOM Development Fund and the Barbados Chamber of Commerce, advisory services for The Bahamas International Securities Exchange, and strategic alignment with the Caribbean Alternative Investment Association (CARAIA).

We look forward to becoming the first bank to mobilize at scale in S&I countries, improve access to clean water, build a reputation for financing impactful deals, and drive deeper financial markets.

Through targeted investments, robust project pipelines, and strategic partnerships, we are proving our commitment to fostering sustainable development and addressing the unique challenges faced by S&I countries.

Small & Island Countries

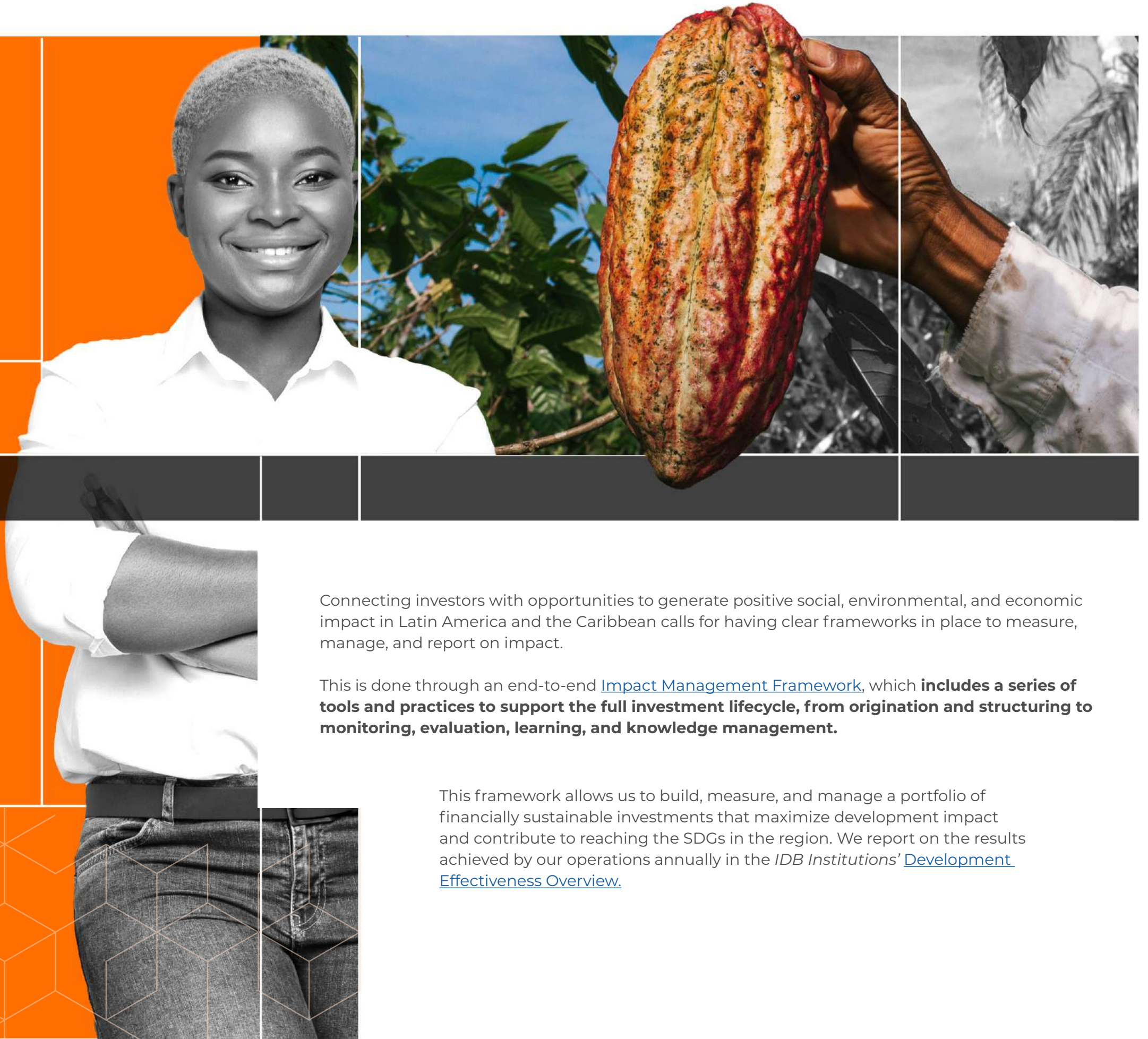


04



PILLARS OF IMPACT





Connecting investors with opportunities to generate positive social, environmental, and economic impact in Latin America and the Caribbean calls for having clear frameworks in place to measure, manage, and report on impact.

This is done through an end-to-end [Impact Management Framework](#), which **includes a series of tools and practices to support the full investment lifecycle, from origination and structuring to monitoring, evaluation, learning, and knowledge management.**

This framework allows us to build, measure, and manage a portfolio of financially sustainable investments that maximize development impact and contribute to reaching the SDGs in the region. We report on the results achieved by our operations annually in the *IDB Institutions'* [Development Effectiveness Overview](#).

Development Impact Snapshot 2016-2023*



MSMEs
Financed
4.9M



Jobs
Supported
764,000



Women
Beneficiaries
1.4M



Training
Beneficiaries
185,000



Reduction of
emissions
(tons of CO₂eq)
67M



Installed power from
renewable energy sources
7,100MW

*The annual impact results reporting cycle concludes in mid-2025. IDB Invest reports the latest results available, which capture 2016 to 2023.

Sustainable **Growth**



MICRO, SMALL AND MEDIUM ENTERPRISES

MSMEs represent a vast majority of businesses in our region, generating a large portion of jobs and income opportunities. We work with financial institutions, corporate and infrastructure clients, and governments to better serve MSMEs through financial services tailored to their needs, expand their participation in supply and value chains, and boost their productivity.



Financial inclusion

- **Caja Arequipa.** We supported Peru's leading municipal lender in designing and implementing a new strategy to deepen financial inclusion for MSEs operating within productive value chains. This initiative has facilitated the development of integrated financial solutions, including lending services, savings, insurance, and transfers, complemented by a comprehensive suite of non-financial services focused on enhancing financial literacy and technical knowledge.

- **Financing MSME transition to a Circular Economy in Peru:** In partnership with the Peruvian Federation of Municipal Financial Institutions (FEPCMAC) we developed a circular economy categorization system, recognizing and seeking to address the key role MSMEs play in the transition to circularity. As a result of this work, FEPCMAC is developing an innovative solution tailored to small businesses adopting circular practices and bridging the circular finance gap within this segment.



Trade and Supply Chain

- **Eurocapital:** We supported this non-bank financial institution in the growth of its SME factoring portfolios in Chile, Peru, and Colombia, as well as its SME financial leasing portfolio in Chile. This is the first regional, multi-product, and multi-currency transaction with a Non-banking Financial Institution (NBFI). A technical assistance component will help Eurocapital strengthen the sustainability strategy for its SME portfolio, and assist the client in training its female workforce in leadership skills.

- **Namu:** This transaction with a premier travel agency in Central America and the Caribbean is our first trade and supply chain finance operation in the tourism sector. With *IDB Invest's* financing, Namu pre-purchases room-nights and tourism-related services from local suppliers, mostly MSMEs, providing them with liquidity to finance their working capital and CAPEX needs. The financing includes an economic incentive to develop sustainable providers.



Value Chains

- **BRK Ambiental:** We supported the client to increase the participation of MSMEs in the value chain of water and sanitation projects in Amazonas, Brazil. This project includes a partnership with SEBRAE, the Brazilian small business promotion agency, to identify gaps between MSMEs' current capabilities and BRKs requirements, to design and implement a training and mentorship program tailored to the needs of local businesses, intentionally targeting women- and Afro-Brazilian-owned or led MSMEs.

POSITIVE IMPACT

As part of our comprehensive, value-driven strategy, we support our clients in addressing sustainability challenges, helping them maximize their positive impact. This includes improving their inclusive and responsible business practices while staying ahead of key global trends.

During the past year we introduced several tools and initiatives:

- The **Sustainable Finance Scorecard** evaluates financial institutions' maturity in sustainable finance by analyzing strategy, governance, risk management, and product offerings.
- We unveiled an updated **Corporate Governance Assessment** Tool and integrated it into our digital platforms as the primary repository for client governance information, which enhances our ability to deliver advisory services and technical support.
- We also developed **Agriadapt**, an innovative climate risk assessment tool that combines climate hazard projections with agricultural vulnerability data, enabling us to evaluate investment exposure and resilience.
- We supported the creation of the **Human Rights Thermometer**, a self-assessment tool that analyzes over 400 data points based on global standards and regulations to identify strengths, areas needing improvement, and progress achieved.

Poverty and Vulnerability



We made significant strides in promoting employment, entrepreneurship, and access to financing, while fostering sustainable value chains.



Skills for The Future

- In the Bahamas, the [Lucayas photovoltaic project](#) held job fairs specifically inviting women, resulting in 20% female participation, with 79% in non-traditional roles such as quality control, security, and mechanics. Thirteen women were hired. The Enertur project replicated this approach in the Dominican Republic.
-



Sustainable Housing

- IDB Invest and Vinte began working together to support Mexico's housing sector with a Sustainable Bond. We invested \$43 million in Vinte's \$87 million sustainable bond to promote affordable housing in Mexico. The project will finance 3,700 homes, benefiting low- and medium-income families.

Climate



In 2024, we totaled \$2.3 billion in climate finance. In addition, 7.8% of all transactions included a climate component.

This figure is also evidence of a broader integration of climate considerations across various sectors and transaction types through innovative approaches. For instance, during 2024 *IDB Invest* supported pharmaceutical distributor DIFARE in the issuance of Ecuador's first sustainability-linked bond and the first in the pharmaceutical sector in the country.



In line with market needs and global trending topics, *IDB Invest* also increased its focus on adaptation finance and nature-positive investments. **For the first time, nearly a third of all its climate finance transactions included an adaptation component, up from 13% in 2020.**

One example is the financing of Xochi, a 31-km toll road in **Guatemala**, which is the first in the region to incorporate forward-looking climate exposure and vulnerability analysis in its planning, design, and capital investment plan.

In terms of nature finance, in 2024, *IDB Invest* and the *IDB* piloted nature finance tracking and, in the context of COP16 in Cali, **Colombia**, announced over \$2.0 billion in approvals for 2023. This included \$765 million for the private sector and reflected a series of approaches towards mainstreaming biodiversity into *IDB Invest*'s transactions aiming to support private sector clients in Latin America and the Caribbean to conserve and restore nature and meet biodiversity commitments and targets. Similarly, in 2024, *IDB Invest* recorded \$223 million toward new areas of green finance, such as biodiversity and pollution prevention.

Finally, IDB Invest plays a pivotal role in green thought leadership for the region, collaborating with sector associations, stock exchanges and other market players to develop sustainable finance protocols, taxonomies, Green, Social and Sustainable (GSS+) bond guides+, green building guides and other tools. In 2024, *IDB Invest* supported the development of the GSS+ bond guides, a valuable resource designed to support issuers, investors and other stakeholders in navigating the recently launched Jamaican green bond market.

IMPACT STORIES

05





University of the West Indies

BUILDING A DEVELOPMENT KNOWLEDGE POWERHOUSE

The University of the West Indies (UWI), a strategic partner in the Caribbean for *IDB Invest*, was established in 1948 as a university college of London with 33 medical students. As the region's oldest and most prestigious higher education institution, UWI currently has more than 50,000 students and offers over 1,000 certificate, diploma, undergraduate, and postgraduate degree programs.

In August 2024, the UWI Indies in Barbados launched the International School for Development Justice (ISDJ). This initiative is the world's first global business school dedicated exclusively to online graduate programs that focus on leadership.

ISDJ, a new business school within the Global Campus, will provide qualification in a suite of programs ranging from one-year master's level courses to shorter for-credit offerings at the certificate and diploma levels. This new product offering by the Caribbean's leading university opens alternative pathways to individuals who do not have the opportunity to attend a traditional university to pursue a higher education.

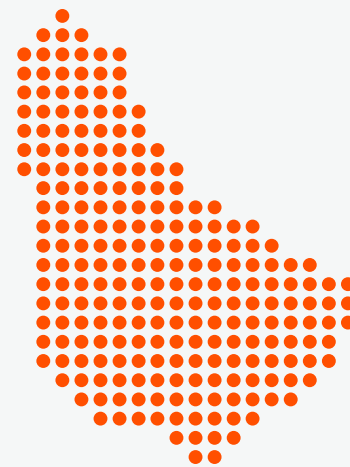
UWI's vice-chancellor, Professor Sir Hilary Beckles, explained that this initiative is a vital part of the university's revenue generation strategy outlined in its current plan.

IDB Invest provided significant support to UWI to materialize this project, including upstream advisory work for the assessment on the financial structure, bankability, and market viability. The result was the structuring of a long-term facility, including funds not only from IDB Invest but also the mobilization of funds of an independent party, Blue Like an Orange, that focuses on sustainable investments. *IDB Invest* will continue to support the company through an additional advisory by an independent consultant for the implementation of a corporate governance action plan that incorporates best practices. Trinidad and Tobago's Education Minister, Dr. Nyan Gadsby-Dolly, stated that the new business school represents a bold action, signaling the Caribbean's intention to engage actively in all sectors.



“This unique partnership exemplifies the power of collaboration and represents a groundbreaking initiative in global education. We believe in the transformative potential of strategic alliances. Our collaboration with The University of the West Indies and the establishment of the International School for Development Justice is a prime example of this belief in action.”

Cristina Simón, Director, Social Infrastructure.



The ISDJ serves as a strategic response to both historical contexts and future challenges. The school aims to create a new economic sector focused on the production and export of intellectual knowledge, research, and development. This initiative allows the UWI's Global Campus to provide educational services to a larger audience, eliminating geographic limitations.

Students worldwide will benefit from this expansion, especially those keen to explore the proposed programs focusing on SDGs which are currently not available in the market.

The school will be managed by a CEO appointed by the UWI who will cooperate closely with its five campuses. This project aims to export Caribbean knowledge globally and create a new economic sector for regional development. It will address significant global challenges.

The launch of this international school represents a significant and transformative event for the potential sustainability of the UWI. It impacts both society and its people deeply. The steadfast and unwavering support from the governments in the region for The UWI has been truly remarkable, and this commitment should be both preserved and celebrated.

Caja Huancayo

INVESTING IN FINANCIAL INCLUSION IN PERU

Caja Huancayo, a prominent microfinance institution in Peru, fosters access to services and sustainability, particularly in rural areas.

As a key player among Peru's municipal financial institutions (CMACs), Caja Huancayo serves MSMEs and low-income populations in peri-urban and rural areas through its network of 237 offices, reaching more than 2.9 million clients.

Caja Huancayo has

 **237**
OFFICES
throughout the country

 **2.9M**
CLIENTS

Our relationship with Caja Huancayo began with the disbursement of a convertible subordinated loan in 2020 to support its growth and consolidation in the Peruvian microfinance industry and increase access to credit for MSMEs.



Results to date have surpassed expectations:

From 2020 to 2023



+60%

of Caja Huancayo's clients are from high-poverty areas

Microcredit portfolio grew

by **12%**



reaching

345,000
Clients

Since the modification of the Municipal Cajas Law in 2017, private shareholders can invest in these entities, fostering growth and enhancing governance. *IDB Invest* became the first multilateral and the first private-focused investor to invest equity in the CMAC system, with a [\\$16 million capital investment](#) in Caja Huancayo.

This investment seeks to strengthen Caja Huancayo's capital base, boost its microfinance lending growth, implement best corporate governance practices in the organization, improve access to financing MSMEs, and benefit customers from vulnerable populations.

We provided technical assistance to align Caja Huancayo's governance practices with international standards. This partnership has enhanced board dynamics, increased transparency, improved policies, and strengthened compliance and ethics programs, positioning Caja Huancayo as a model for other municipal microfinance institutions.

A recent [case study](#) highlights how Caja Huancayo, with our support, has been pivotal in promoting sustainable finance projects tailored to rural MSME needs.



“Caja Huancayo's journey exemplifies how strategic initiatives and a commitment to best practices can drive impactful change. As it continues to innovate and thrive in the microfinance sector, its dedication to rural development and sustainability sets a benchmark for others.”

Ana Vera, Team Leader

We will also collaborate with Caja Huancayo to create a value proposition in the SME segment with a focus on women-led businesses and the Amazon region, while also strengthening its management and impact capabilities as part of the Amazonia Financing Network.



SOFOMs

GROWING CREDIT FOR SMALL-HOLDER FARMERS AND MSMES IN RURAL MEXICO

One of the big challenges smallholder farmers face in Mexico is their limited access to credit. Barely 2.5% of all commercial loans go to agribusinesses. Banks and other lenders often overlook potential rural borrowers due to their modest-scale operations and perceived high risks.

A groundbreaking project led by *IDB Invest* in Mexico involves the first-ever joint-issuance of a sustainable bond to increase access to financing for green and social projects, particularly in the agribusiness sector. It also paves the way for smaller non-bank lenders known as SOFOMs to access domestic capital markets and institutional funding.



By channeling funds through the four SOFOMs that participated in the issuance —Cresca, Proaktiva, SFI, and Sefia— the project provides much needed financing to small farmers, enabling them to invest in their farms, purchase equipment, and adopt sustainable practices.

“This transaction shows that financial innovation serves many purposes: it fosters financial inclusion, encourages green lending and catalyzes institutional funding for smaller financial intermediaries. In short, it supports sustainable development and modernization in underserved sectors.”

Armando Simón Múgica,
Team Leader

The bond focuses on projects including environmentally sustainable agriculture and ranching, biodiversity conservation, and efficient energy and water use. The emphasis on financial inclusion means that even small-scale farmers in remote areas or those who have never had access to formal credit can now secure loans. For example, farmers can invest in drip irrigation systems that save water or adopt organic farming methods that reduce the use of chemicals, leading to healthier crops and soils.

By addressing both the financial and environmental challenges faced by small farmers and the funding hurdles faced by SOFOMs, this project paves the way for a more sustainable and prosperous future for rural Mexico.





BRK Ambiental Maranhão

A CLEANER AND FRESHER START IN
THE AMAZON

Brazil has long faced significant challenges in providing adequate water and sanitation services, particularly in its northern and northeastern regions.

In the two municipalities of the Amazonian state of Maranhão affected by this project, 91% of the population has clean water, but a mere 40% benefit from sewage treatment.

The [BRK Ambiental Maranhão](#) project seeks to change this by achieving universal water and sewerage coverage for 370,000 people by 2032 in the communities of Paço do Lumiar and São José do Ribamar.

sewage coverage for

370,000

people by 2032



Supported by IDB Invest and Proparco through a local currency long-term financing, the project's first cycle (2015-2028) focuses on regularizing water supply and expanding sewage treatment.

The second cycle (2029-2032) will seek to achieve universal sewage collection and treatment, while the final cycle (2033-2049) will push to maintain service quality and coverage.

“The BRK Ambiental Maranhão project exemplifies how targeted investments in water and sanitation can drive sustainable development. The project enhances public health and environmental sustainability and supports economic growth and social inclusion by improving access to clean water and effective sewage treatment.”

Mario Camargo, Team Leader



The total investment for the first cycle alone is 790 million reais funded through a combination of loans and grants from IDB Invest, Proparco, the UK Sustainable Infrastructure Programme, and the Canadian Net-Zero and Climate Resilience Accelerator Fund.

One primary goal is to improve water quality by eliminating high nitrate levels. BRK Ambiental aims to provide safe, potable water to all residents by constructing new wells and expanding wastewater treatment facilities. The project will add an average of 5,500 new water connections and 4,600 new sewerage connections per year, significantly enhancing access to these essential services.

5,500

new water connections

Reducing water losses



86% 2015

4,600

new sewerage connections

25% 2031

By reducing water losses from 86% in 2015 to an expected 25% by 2031, the initiative will improve energy efficiency and reduce pressure on local aquifers.

Beyond infrastructure improvements in these two communities, the initiative focuses especially on women and Afro-Brazilian-owned or -led SMEs, encouraging local procurement and boosting the regional economy.

As the project progresses, it promises to transform the lives of thousands of residents in Maranhão, setting a benchmark for similar initiatives across Brazil.



Xochi

THE FLOWER CORRIDOR OF GUATEMALA

The Xochi Toll Road, also known as the “the Flower Corridor,” is a transformative infrastructure project in Guatemala designed to alleviate traffic congestion on the CA-2 highway.

This 31-kilometer toll road significantly reduces travel time from 3 hours to just 25 minutes, enhancing connectivity between Guatemala and Mexico to the west, and El Salvador to the east.





The Xochi project will drive real estate development, generate jobs and spur local economic activity, creating a ripple effect of growth and prosperity, boosting productivity and living standards in the region.

It also stands out for its innovative approach to democratizing infrastructure ownership: landowners along the route have become shareholders, earning long-term dividends and royalties. In addition, the project issued convertible bonds that enable local investors to participate in its financing with as little as \$1,000.

Project total cost

\$257.9M

IDB Invest contributed \$55 million

The project has a total cost of \$257.9 million, to which we contributed \$55 million, alongside Banco Industrial's \$90 million. Blended finance from the Canadian Climate Fund (C2F2) added \$10 million to support traffic risk mitigation and climate resilience.

The project incorporates features that make it the first climate-adaptive infrastructure asset in Guatemala. These features are based on forward-looking, localized climate risk scenarios, which required changes to the original design at additional costs that were subsidized by C2F2.

“The Xochi Toll Road is a landmark project that improves connectivity, reduces travel time, and sets a new standard for sustainable and inclusive infrastructure development in Guatemala.”

Joana Pascual, Team Leader



The financing structure includes performance-based incentives such as:

- Additional or enhanced resilience and mitigation investments during the operational phase.
- Employment targets for local women and Indigenous populations during construction and operation phases.
- Obtaining Envision certification, which promotes sustainable performance and resilience of physical infrastructure.

The Xochi toll road would be the first Envision-certified infrastructure asset in the region, marking a significant milestone in sustainable infrastructure development.



Prize

SUSTAINABLE HORTICULTURE BEARS FRUIT FOR LATIN AMERICAN AGRIBUSINESS

Latin America faces a unique dilemma: balancing its role as a major food exporter while satisfying the nutritional needs of its population. Over the past two decades, the region has seen a significant increase in agrifood exports, which now constitute 42% of total exports.

Countries like Peru and Mexico have become global leaders in blueberry production, contributing to rural job creation and poverty reduction. However, the region's agribusiness sector must continue to innovate and increase climate resilience to maintain its competitive edge.

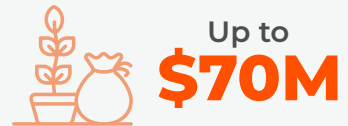
The “Prize – Sustainable Horticulture Regional Expansion” project focuses on cultivating and exporting patented blueberries which are more climate resilient, reducing productivity volatility.

With our support, this initiative aims to enhance food output, create jobs, and strengthen market linkages with the international economy, while 20% of total production will be earmarked for domestic markets.

The project involves a comprehensive financing solution to support the expansion of Prize Holding Chile SpA and its subsidiaries in Chile, Peru, and Mexico. The company plans to increase the cultivated area and agricultural productivity by financing land acquisition, irrigation systems, and agricultural inputs.



Up to
\$35M



Up to
\$70M



Up to
\$30M

The total project cost is approximately \$195 million, with IDB Invest providing up to \$135 million and an additional \$60 million expected to be mobilized through B loans.

The financing structure includes a term loan of up to \$35 million for industrial and agricultural capital expenditures and debt refinancing, a CAPEX A loan of up to \$70 million for capital expenditures and a working capital loan of up to \$30 million to support incremental working capital needs of previously financed capital expenditures.

Prize sees its output growing from 4,552 million kilograms in 2023 to 43,834 million kilograms by 2031, with the number of full-time equivalent jobs rising from 1,001 to 2,095. The substantial increase in food production will boost exports, with the volume of fruit exported expected to rise from 33,524 million kilograms in 2023 to 51,433 million kilograms by 2031.

The project includes an environmental and social action plan focused on sustainable water management and labor practices.



The project includes an environmental and social action plan that focuses on sustainable water management, women entrepreneurship, and labor practices. In addition, a corporate governance action plan will also formalize the borrower's governance structures, enhancing decision-making processes and risk management.

This initiative exemplifies how strategic investments in agribusiness can drive positive social, economic, and environmental outcomes.

“By supporting food production, creating jobs, and strengthening market linkages, the ‘Prize – Sustainable Horticulture Regional Expansion’ project will contribute to Latin America’s economic growth and food security while promoting healthier diets and sustainable practices.”

Carina Pasut, Team Leader

Feature Stories

SCALING 4 IMPACT: A SECURITIZATION DEBUT

In today's dynamic financial landscape, investors are constantly seeking opportunities that offer stability and growth, and multilateral development banks are evolving to provide these opportunities with additional positive impacts.

Scaling 4 Impact, our first securitization transaction under our originate-to-share business model, is a compelling example combining innovative financial structuring with a commitment to sustainable development.

Securitization involves pooling various cash-flow-generating assets, such as car loans or accounts receivable, repackaging them and selling the credit risk on to investors.

This process allows *IDB Invest* to reallocate credit risk among various investor classes, thereby widening our investor base and increasing our lending capacity. Investors, in turn, have a chance to diversify their portfolios and gain access to pools of high-quality assets.

A SMART CHOICE

In Scaling 4 Impact, we identified a portfolio of approximately \$1.0 billion in assets consisting of assets in 20 countries and across 10 sectors and industries such as corporates, infrastructure, energy and financial institutions. This structure provides a distribution channel for investors with specific risk appetites who may be hesitant to venture into new regions without a reliable partner. **The deal offers several advantages:**

1.



• **Portfolio Diversification:** Investors may prefer investing in a portfolio with assets in several countries and across different sectors and industries rather than taking single issuer risk.

2.



• **Trusted partner in the Region:** *IDB Invest* has deep market knowledge, an active on-the-ground presence throughout the region, with strong portfolio and environmental management processes.

3.



• **Positive Development Impact:** *IDB Invest* focuses on financing initiatives with a positive development impact. The capital freed up as a result of the securitization finances projects that align with the SDGs.

4.



• **Access to Capital:** For *IDB Invest*, securitization provides access to capital that might not be available through traditional lending channels. This is particularly valuable in regions like Latin America and the Caribbean, where financing can be scarce and costly.

5.



• **Standardization and Transparency:** Securitization can provide standardization and transparency, helping to improve the overall functioning of financial markets. This allows investors to make more informed decisions.



6.

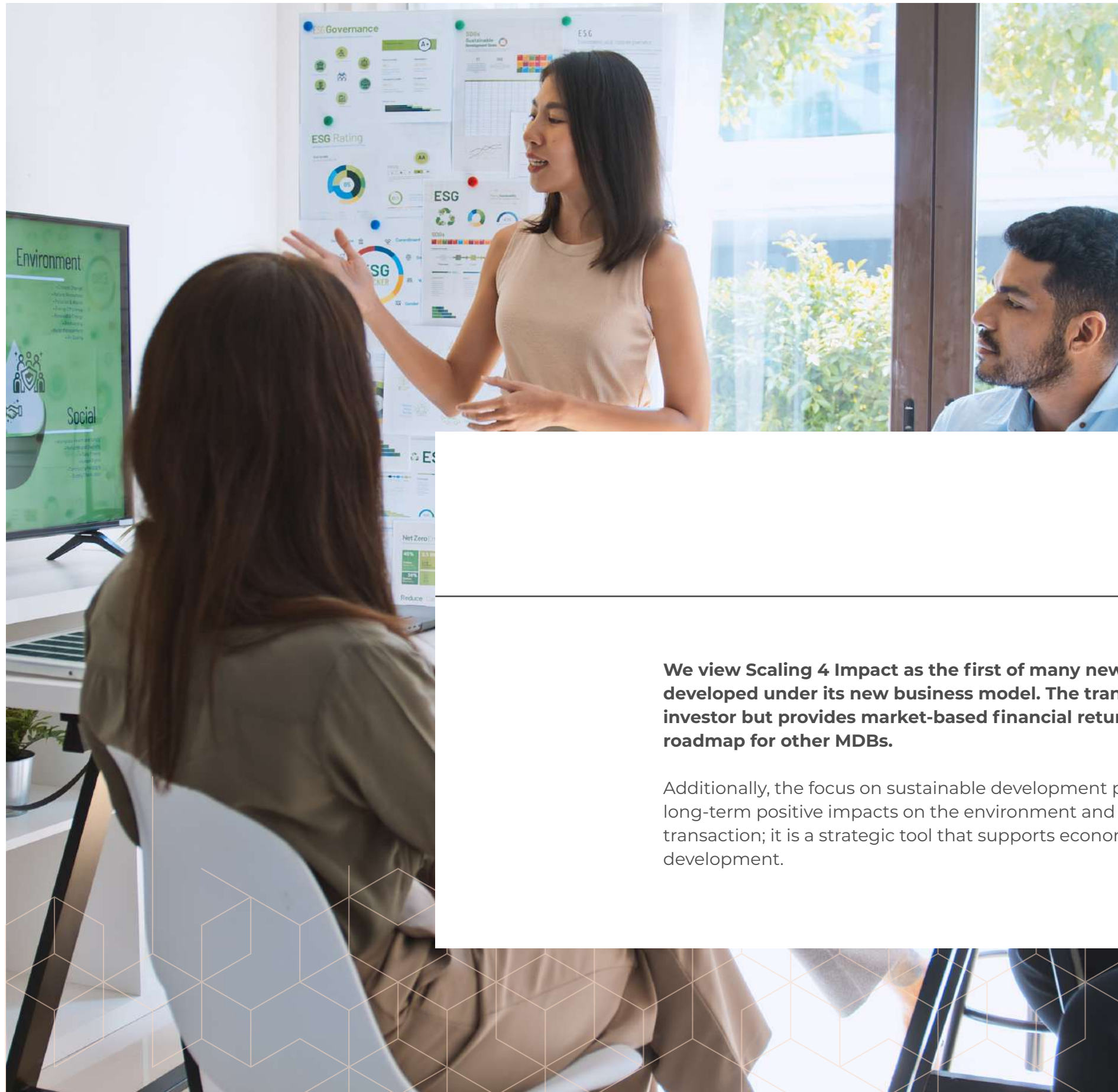


• **Adaptability to Investor Needs:** Securitization structures are highly adaptable to the features of the underlying assets and the specific needs of investors with different risk-reward appetites.

THE ROLE OF TRANCHING

An interesting aspect of securitization is the ability to tranche the debt, dividing the portfolio into different risk categories, thereby appealing to a more diverse group of investors. Among its benefits are:

- **1. • Customized Risk and Return:** Investors can select tranches that match their desired risk and return profiles, helping them better manage their portfolio risk.
- **2. • Higher Potential Returns:** Higher-risk tranches may offer higher potential returns, providing opportunities for greater earnings for certain investors.
- **3. • Improved Liquidity:** When packaged as securities, tranches can be sold in the secondary market, enhancing the liquidity of the securities.
- **4. • Credit Risk Management:** Senior tranches often have a lower risk of default due to structuring techniques, offering a safer investment option.



GROWTH AND DEVELOPMENT

We view Scaling 4 Impact as the first of many new distribution channels and products to be developed under its new business model. The transaction not only appeals to a new type of investor but provides market-based financial returns for impact investments. It also offers a roadmap for other MDBs.

Additionally, the focus on sustainable development projects ensures that investments contribute to long-term positive impacts on the environment and society. In that sense, this is more than a financial transaction; it is a strategic tool that supports economic growth, risk management, and sustainable development.

FIRST PRIVATE SECTOR BOND FOR THE AMAZON REGION

The Amazon region is at a critical crossroads as the world faces multiple challenges. The basin, which contains more than half of the planet's remaining rainforests, is shared by nine member countries of the *IDB*.

To promote sustainable development in this unique and vital biome, we issued the first private sector bond focused on financing sustainable development projects in the Amazon region. The 5-year, 50 million reais deal aims to create economic opportunities for the private sector while protecting the rainforest.

The proceeds of the issuance, our first one denominated in the Brazilian currency, will finance projects aligned with Amazonia Forever, the *IDB Group's* holistic umbrella program to promote sustainable development of the Amazon region.

In our view, private capital will play a critical role in the Amazon's transition toward a bioeconomy that promotes decarbonization, makes sustainable use of biological resources and incorporates both technology and ancestral knowledge.

The bond issuance was purchased by Record Emerging Market Sustainable Finance Fund and arranged by J.P. Morgan. This bond is part of the *IDB Group's* strategy to attract private capital to help finance sustainable development of the Amazon region.

“The successful placement of this private sector bond shows an emerging investor appetite to support sustainable development in the Amazon, which is essential to regulating the global climate. To attract more capital, we are developing a solid pipeline of bankable projects in areas such as clean energy, water and sanitation, digital connectivity, bioeconomy, and financial inclusion. We will continue testing investor demand and pave the way for full-fledged Amazonia Bonds.”

James P. Scriven, CEO of IDB Invest

As part of the MoU between the *IDB* and World Bank Groups, we developed investment guidelines for Amazonia Bonds an innovative group of financial instruments that will provide funding for a broad range of development goals that may also include public sector projects. These guidelines will govern the use of proceeds, performance indicators, and sustainability performance targets, and will be vetted by national governments, public development banks, and local communities.

SUSTAINABILITY WEEK: GLOBAL LEADERS CO-CREATING A NEW FUTURE

Our flagship event *IDB Invest Sustainability Week* took place in June in Manaus, Brazil, in the heart of the Amazon forest. Over 900 people attended in person and 15,000 more followed it online, representing more than 12,000 companies from around the globe. Participants discussed the private sector's leading role in scaling impact in Latin America and the Caribbean.

Under the main theme of "Co-Creating Impact," the event provided a high-level forum for CEOs, government officials, international development practitioners, and ESG specialists to network and share best practices in sustainable business across key topics: Impact Investing, Amazonia, Inclusion, and Bioeconomy, among others.

By fostering a community of sustainability champions, the event enabled collaboration, forged strategic alliances, promoted knowledge transfer, highlighted transactions ready for financing, and attracted investors to inclusive and sustainable development opportunities across the region.

The event, which featured keynote speeches, plenary sessions, fireside chats, and networking opportunities, focused on the Amazon basin, which covers nearly 40% of South America. This unique ecosystem, which plays a key role in absorbing CO2 emissions and stabilizing rain cycles, is the world's most biodiverse land biome and home to some 50 million people. A growing scientific consensus considers the basin to be close to an ecological tipping point requiring urgent action.

“Latin America and the Caribbean are the world leaders in nature and biodiversity, playing a pivotal role in the global climate balance. Through our new originate-to-share business model, IDB Invest aims to be a catalyst to scale up sustainable business solutions and mobilize impact investors to the region.”

Leonardo Mazzei, Principal Officer ESG, IDB Invest

06

ABOUT IDB INVEST

Mandate

IDB Invest aims to promote the economic development of its member countries by encouraging the establishment, expansion, and modernization of private sector projects in Latin America and the Caribbean that do not benefit from a sovereign guarantee and aim to bolster competitiveness, inclusive economic growth and sustainable practices.

Member Countries

Argentina, Austria, The Bahamas, Barbados, Belgium, Belize, Bolivia, Brazil, Canada, Chile, the People's Republic of China, Colombia, Costa Rica, Croatia, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, France, Germany, Guatemala, Guyana, Haiti, Honduras, Israel, Italy, Jamaica, Japan, Republic of Korea, Mexico, the Netherlands, Nicaragua, Norway, Panama, Paraguay, Peru, Portugal, Slovenia, Spain, Suriname, Sweden, Switzerland, Trinidad and Tobago, the United Kingdom, the United States of America, Uruguay, and the Bolivarian Republic of Venezuela.

Board of Governors

IDB Invest's powers are vested in its Board of Governors, consisting of one governor and one alternate governor appointed by each member country.

Among the powers of the Board of Governors that cannot be delegated to the Board of Executive Directors are:

- The admission of new member countries
- The engagement of external auditors
- The approval of *IDB Invest's* financial statements
- The amendment of the Agreement Establishing the Inter-American Investment Corporation.

The Board of Governors meets at least once a year in conjunction with the IDB Board of Governors' meeting.

Executive Directors

The Board of Executive Directors oversees the operations of *IDB Invest*. It exercises all the powers granted under the Agreement Establishing the Inter-American Investment Corporation or delegated to it by the Board of Governors.

The 14 executive directors and their alternate executive directors serve three-year terms, representing one or more member countries. The Board of Executive Directors establishes the basic organizational structure of *IDB Invest* and approves the institution's budget and all loans and investments with certain exceptions where this authority has been delegated to management.

Leadership

Inter-American Development Bank President Ilan Goldfajn serves as ex-officio Chairperson of the Board of Executive Directors of *IDB Invest*. As General Manager and CEO of *IDB Invest*, James P. Scriven handles the day-to-day business, establishes its operational structure and appoints its senior management and staff.

Senior Management

Our senior management is a balanced team of professionals from both regional developing member countries and other member countries of the *IDB Group*.

They draw from a wealth of experience in international development, national government, commercial and investment banking, risk management, and the law. During 2024, there was one change in the senior management team: Marisela Alvarenga, Managing Director of the Financial Institutions Division, was appointed Chief Investment Officer (a.i.), replacing Aitor Ezcurra Unda, who took an external advising role within our CEO Office.

Staff

To fulfill its development mission, as of December 31, 2024, IDB Invest has **455 employees distributed in five departments. 34% of employees work from 24 of the IDB Group’s offices in Latin America and the Caribbean:** Argentina, The Bahamas, Barbados, Belize, Brazil, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Haiti, Jamaica, Mexico, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago and Uruguay. The rest of the staff are at IDB Invest headquarters in Washington, D.C.

Grade	Representative Job Titles	Salary Range Minimum	Salary Range Maximum	Staff at Grade Level (%)	Average Salary	Average Benefits Budgeted ^a
EA	Chief Executive Officer IDB Invest	327,300	463,300	0.3%	463,300	185,320
EB	Chief Officers / General Counsel	229,500	434,300	1.0%	380,310	152,124
A	Managing Director	185,400	333,300	5.4%	272,450	108,981
B	Director	161,100	289,500	14.0%	219,774	87,910
C	Lead / Principal Officer	133,800	240,800	29.1%	170,838	68,336
D	Officer / Sr. Officer / Sr. Associate	99,800	199,100	42.1%	124,271	49,709
E	Associate / Analyst	82,200	131,700	4.7%	93,822	37,530
F	Sr. Admin Assistant	59,100	88,300	3.3%	66,866	26,747

a - Represents average budgeted amount per grade; including medical, life and disability insurance, accrued termination benefits, and other non-salary benefits.

IDB Invest Merit, Variable Pay and Promotions International Staff

Annual Report 2024				
International Staff	Executives	Leadership	Technical	Business Support
TOTAL				
Merit Pay Amount	70,783	199,082	1,715,643	32,989
% of Aggregate Salary	4.6 %	5.0 %	4.7 %	5.6 %
Promotion & Progression Pay Amount			372,081	11,884
% of Aggregate Salary			5.5 %	7.0 %
Total Variable Pay	76,647	293,751	1,881,835	
% of Aggregate Salary	5.2%	7.3%	4.7%	
MEN (50%)				
Merit Pay Amount	38,530	132,637	912,058	
% of Aggregate Salary	4.6%	5.0%	4.6%	
Promotion & Progression Pay Amount			179,010	
% of Aggregate Salary			5.5%	
Total Variable Pay	33,117	193,005	1,137,718	
% of Aggregate Salary	4.3%	7.2%	5.4%	
WOMEN (50%)				
Merit Pay Amount	32,253	66,445	803,585	32,989
% of Aggregate Salary	4.6%	5.0%	4.7%	5.6%
Promotion & Progression Pay Amount			193,071	11,884
% of Aggregate Salary			5.5%	7.0%
Total Variable Pay	43,530	100,746	744,117	
% of Aggregate Salary	6.2%	7.6%	4.0%	

All amounts refer to sums paid in 2024 for 2023 performance review cycle
Amounts for International Staff, expressed in USD

Remuneration Executive Management				
GRADE	Name	Position	Annual Net Salary	Benefits Budgeted ^a
EA	Scriven,James Peter	Chief Executive Officer, IDB Invest	463,300	185,320



ANNEXES

TRANSPARENCY AND ACCESS TO INFORMATION

IDB Invest continued to make progress on implementing the Access to Information Policy, engaging different internal teams, reaffirming our institutional commitment to improve transparency in our activities and strengthen the institution's governance.

Proactive Disclosure

IDB Invest maintained its proactive disclosure commitment as outlined in its Access to Information Policy, enhancing both the quantity and quality of information available on our website. At the project level, efforts continue to improve data completeness, including the provision of contact information for *IDB Invest* and its clients.

Aligned with the Access to Information requirements, *IDB Invest* disclosed environmental and social information for 89 projects throughout the year.

IDB Invest improved the publication of project information in open data formats (csv and xml), aiming to boost accessibility and transparency.

Continuing its commitment to transparency, *IDB Invest* proactively disclosed monthly data under the International Aid Transparency Initiative (IATI) standard.

IDB Invest was assessed by Publish What You Fund's Aid Transparency Index and ranked near the top of the "fair" category, achieving the largest score improvement from the previous edition among the MDBs included in the sample.

Information Requests

Under the Policy, the public can request information from *IDB Invest* through the Transparency Center. When the institution denies a request, requesters have the right to a review, first by the Administration Committee, and then by the External Panel.



• Transparency Center

In 2024, the Transparency Center received 592 information requests, up 8% from 2023. Of these, 284 had a significant level of complexity, requiring internal actions to search, disclose, or deny information in accordance with the exceptions to the Policy.

In 98% of the requests, the information was provided and only in 12 cases (2% of the information requests) was the information fully or partially denied because it fell under one or more of the exceptions to disclosure in the Policy. The average response time was improved by almost 30% compared to the previous year, reaching an average of 17 days.

Most of the requests came from Latin America and the Caribbean (68%). The most requested topic was information on projects (46%), followed by institutional information (42%), and environmental and social information (6%). Inquiries came from the private sector (50%), individuals (22%) and academia (13%).

• Review Requests

IDB Invest denied 12 requests for information based on exceptions provided in the Policy. Eight of these were partial denials and four were full denials. None of the denials were appealed, hence there were no requests for review by the Administration Committee, nor for intervention of the External Panel.

Technology and Training

The [Access to Information External Review Panel](#) underwent a refresher training session, focusing on recent progress in transparency strategies and institutional changes. Additionally, *IDB Invest* continued to incorporate improvements and lessons learned into its policy implementation systems.

MANAGEMENT GRIEVANCE MECHANISM

The [Management Grievance Mechanism \(MGM\)](#) is integral to our commitment to transparency and accountability. It provides a structured process for addressing grievances, ensuring that all complaints are handled with due consideration and care.

This mechanism's design complements our broader agenda of fostering sustainable and responsible project development.

Key Benefits

- **Problem Solving:** It acts as a direct communication channel between communities and project stakeholders. By focusing on dialogue and trust-building, it seeks timely and effective solutions to the concerns raised. This often involves coordinating with clients and finding creative alternatives to address issues, ensuring that communities remain at the heart of the solution process.
- **Risk Management:** As an early warning tool, the mechanism helps identify and mitigate risks before they escalate. This proactive approach strengthens projects' environmental and social performance, consolidating clients' in-house grievance mechanisms and enhancing risk awareness throughout the project cycle.

- **Continuous Learning:** The mechanism also provides a platform for continuous learning by listening to project stakeholders. This helps in understanding the experiences of project beneficiaries and identifying broader trends and systemic issues. The insights gained are integrated back into the project cycle and higher-level decision-making, fostering ongoing improvement.

Number of grievances and topics in 2024

- In 2024 the MGM received 27 grievances, compared to 17 in 2023, an increase of 58%. In total, the MGM handled 33 cases, as six were carried over from the previous year.
- Ten of the grievances were not eligible and three others were dropped or cancelled due to limited response by the claimants.
- Out of 14 eligible grievances, seven were closed satisfactorily, meaning a response was given to the claimants, two grievances were not actionable, as no concrete action was feasible, and one had no resolution.
- At the end of 2024, 10 cases remained active.
- Increased number of grievances requesting confidentiality.
- Recurring topics were project-level grievance mechanism and stakeholder engagement.

For more information, you can download the most recent [MGM Annual Report](#) or visit the [IDB Invest](#) website.



TCFD REPORT

IDB Invest announced its support for the Task Force for Climate-related Financial Disclosures (TCFD) recommendations in November 2019, acknowledging the risk that the changing climate poses to investment portfolios and to the global financial system at large. Since then, the recommendations have provided a framework to guide IDB Invest's advancement to future proof the institution. Below there is a timeline of progress of the institution. For more information on the four areas of the report (Governance, Strategy, Risk management and Metrics and Target) see [\(link to be added\)](#).

2019



- Support of **TCFD recommendations** and creation of TCFD Working Group.
- Development of first physical location-specific CRA (Climate Risk Assessment) screening using a Geographical Information System.

2020



- First **TCFD Report**.
- Adoption of new **Sustainability Policy** with commitment to conduct CRAs.
- Publication of new and enhanced CRA methodology.

2021



- Pilot of tool assessing project exposure to low carbon transition risk.
- Series of knowledge products to socialize concepts and emerging standards within CRA.

2022



- The Board of Executive Directors' Audit Committee becomes the **Audit and Risk Committee (ARC)**, expanding its oversight of financial and non-financial risks.
- Incorporated additional staff dedicated to climate-related risk management and awareness.
- IDB Invest Management approves Paris Agreement Alignment Implementation Approach.
- Assessment of external tools to incorporate environmental, social and governance (ESG) risks explicitly into internal credit risk models.

2023



- Board of Directors and staff trained on Paris alignment.
- Development of a climate risk roadmap, aimed at guiding the enhancement of climate-related financial risk management practices.
- IDB Invest convenes a Blue-Ribbon Panel to help shape its climate change strategy.
- Pilot of credit scorecard for corporate loans that incorporates an assessment of both climate-related physical and transition risks.

2024



- **\$3.5 billion capital increase**, with a 60% climate finance target, including mobilization.
- Pilot scorecard for project finance.
- Process begun to update the Risk Appetite Policy (RAP) and evaluate the integration of ESG and climate-related risks.
- Pilot of approach to assess physical and transition risk concentrations at the portfolio level.
- Update of CRA methodology, including new physical climate and disaster risk assessment tools.

Top Row
Alt EXD Alex Alonso Contreras Miranda, Peru
Alt EXD Nicolas Camauer, Argentina
EXD Santiago Cat Ruprecht, Uruguay
Alt EXD Mario Alberto Guillen Suarez, Bolivia
Alt EXD Takashi Hanajiri, Japan

Middle Row
Gerardo Corrochano, Secretary of the Bank
EXD Carlos Eduardo Álvarez Voullieme, Chile
EXD Caroline Leclerc, Canada
EXD Adolfo Di Carluccio, Italy
EXD Eddy Roberto Carpio Sam, Guatemala
EXD Gustavo Tarre Briceno, Venezuela
Alt EXD Quinton Charles Lamont Lightbourne, Bahamas
Alt EXD Juan Francisco Aleman, Panama

Front Row
Alt EXD Peter Ellehøj, Denmark
Alt EXD Huafeng Liao, China, People's Republic of
Alt EXD Marta Viegas, Brazil
EXD Navita Anganu, Guyana
Alt EXD María Fabiana Jorge, United States
EXD Hyung Chul Lee, Korea, Republic of



Countries	Executive Director and Alternate Executive Director as of December 31, 2024	
Argentina and Haiti	Miguel Braun (Argentina)	Nicolás Camauer (Argentina)
Austria, Belgium, People's Republic of China, Germany, Italy, and The Netherlands	Adolfo Di Carluccio (Italy)	Huafeng Liao (People’s Republic of China)
The Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago	Navita Anganu (Guyana)	Quinton Charles Lamont Lightbourne (Bahamas)
Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua	Eddy Roberto Carpio Sam (Guatemala)	Karen Cis Rosales (Honduras)
Bolivia, Paraguay, and Uruguay	Santiago Cat Ruprecht (Uruguay)	Mario Alberto Guillén Suárez (Bolivia)
Brazil and Suriname	Paulo Guilherme Farah Correa (Brazil)	Marta Viegas (Brazil)
Canada, Denmark, Finland, France, Norway, Sweden, Switzerland, and the United Kingdom	Caroline Leclerc (Canada)	Peter Ellehøj (Denmark)
Chile and Ecuador	Carlos Eduardo Álvarez Voullieme (Chile)	Roberto Izurieta (Ecuador)
Colombia and Peru	Roy Alejandro Barreras Cortés (Colombia)	Alex Alonso Contreras Miranda (Peru)
Croatia, Israel, Japan, Republic of Korea, Portugal and Slovenia	Hyung Chul Lee (Republic of Korea)	Takashi Hanajiri (Japan)
Dominican Republic and Mexico	Mario Alejandro Gaytán González (Mexico)	Ernesto Alejandro Selman Mejía (Dominican Republic)
France, Portugal and Spain	Renaud Marc Christian Lassus (France)	Alberto Nadal Belda (Spain)
Panama and Bolivarian Republic of Venezuela	Gustavo Tarre Briceño (Bolivarian Republic of Venezuela)	Juan Francisco Aleman (Panama)
United States of America	Vacant	Maria Fabiana Jorge (United States of America)

Missing from this photo: Miguel Braun, Paulo Guilherme Farah Correa, Karen Cis Rosales, Roberto Izurieta, Roy Alejandro Barreras Cortés, Mario Alejandro Gaytán González, Ernesto Alejandro Selman Mejía, Renaud Marc Christian Lassus and Alberto Nadal Belda. Also included in the photo is the Secretary, Gerardo M. Corrochano.



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