

INTER-AMERICAN DEVELOPMENT BANK

DEVELOPMENT BANKS OF THE FUTURE

Not the what, but the how!

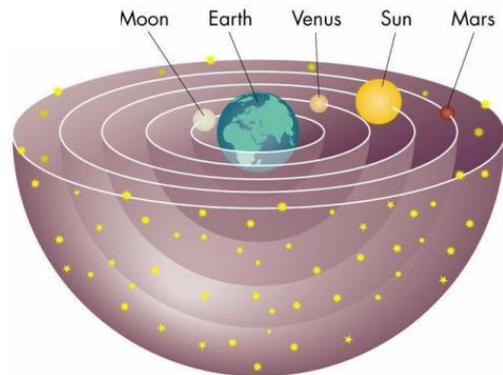
ALIDE, General Assembly
Lima, Perú

Juan A. Ketterer





Nicolaus Copernicus
(1473-1543)





COPERNICAN CHANGE



Before:
Direct financing

From now on:
**Make projects bankable to
attract private sector financing**



WHY NOW?



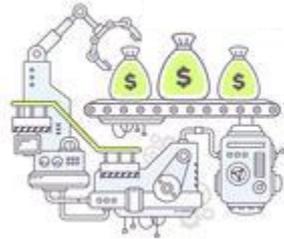
Direct Financing:
Was easier,

but we have
run out of money.

No choice but to
optimize



HOW WE DO IT?



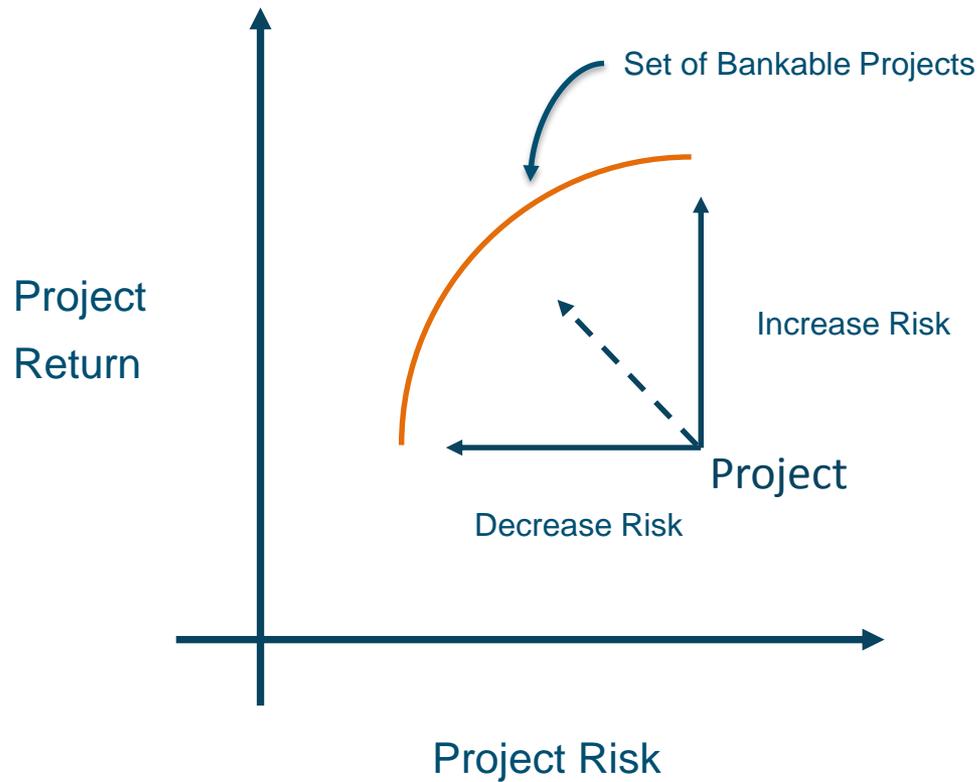
Improve expected
cash flows



Decrease
perceived risk



IN OTHER WORDS...



PUBLIC SECTOR FINANCIAL ENGINEERING



Guarantees



Transfers



Contingent Transfers



Credit Enhancements



Blended Financing



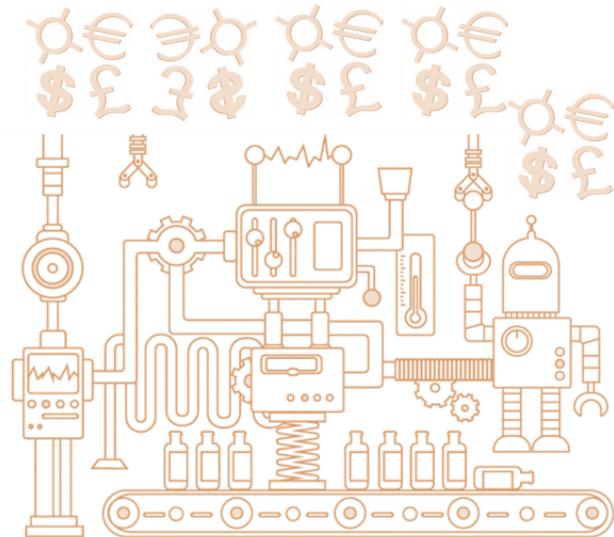
Off Balance Operations



Development of Smooth Project Pipeline



Regulations and Legal Frameworks (APP's)



DOES IT WORK?

...Not always, but more often than not...



THANK YOU!

