

# VISION 2025

REINVEST IN THE AMERICAS REINVERTIR EN LAS AMÉRICAS

The IDB Group's blueprint for achieving economic and social development in Latin America and the Caribbean, 2021-2025



*THE REGION AT A  
CROSSROADS*



## *NEARLY 1/3*

The proportion of global COVID-19 deaths in our region, which contains just 8% of the world's population – underscoring weak healthcare systems and struggling institutions.

## *44 MILLION*

The number of people estimated to have fallen into poverty in 2020 – bringing the total to 31% of the region's population and threatening the future of an entire generation.



## **52 MILLION**

The number of people estimated to have dropped out of the middle class in 2020 – eroding years of work to grow this segment and worsening already-historic inequality.

## **39 MILLION**

The number of full-time jobs estimated to have been lost in 2020 – worsening pre-pandemic stagnation and tearing at the social fabric.



**80%**

The average debt-to-GDP ratio expected to reach by the end of 2022, a pandemic-driven spike of 22% - restricting access to financing and the space for urgently needed spending.

***\$100 BILLION***

The estimated annual cost of climate-induced damage in the region by 2050 if warming is not kept below 2°C - threatening development gains after the pandemic and into the distant future.



62%

The estimated level of labor informality after a pandemic-driven jump – limiting families' access to the social safety net and governments' ability to support recovery.

Most countries will not return to pre-pandemic levels of GDP until 2023 or real income per capita levels until 2025.





*OPPORTUNITIES  
FOR RECOVERY  
AND GROWTH*



## *THREE MEDIUM-TERM STRATEGIC GOALS:*

- 1** Reactivate the productive sector.
- 2** Promote social progress.
- 3** Strengthen good governance and institutions.







*FIVE PRIORITIES  
FOR INVESTMENT*

Vision 2025 focuses on 5 opportunities for lending and technical assistance that can most effectively spur recovery and bring lasting structural benefits.

- 1 Regional integration
- 2 The digital economy
- 3 Support for SMEs
- 4 Gender and diversity
- 5 Climate-change action



1

*REGIONAL  
INTEGRATION*

***IDB investment in activities that strengthen value chains, improve processes and support regionalization could lead to a \$70 billion shot in the arm for the region.***

- “Nearshoring” value chains can be a powerful driver of recovery, growth and development.
- Help countries boost FDI and become more competitive exporters.
- Streamline and unify logistical and administrative procedures to make trade more efficient and cost-effective.
- Invest in regional projects, ranging from port modernization to digital connectivity, to help close the trade-infrastructure gap.





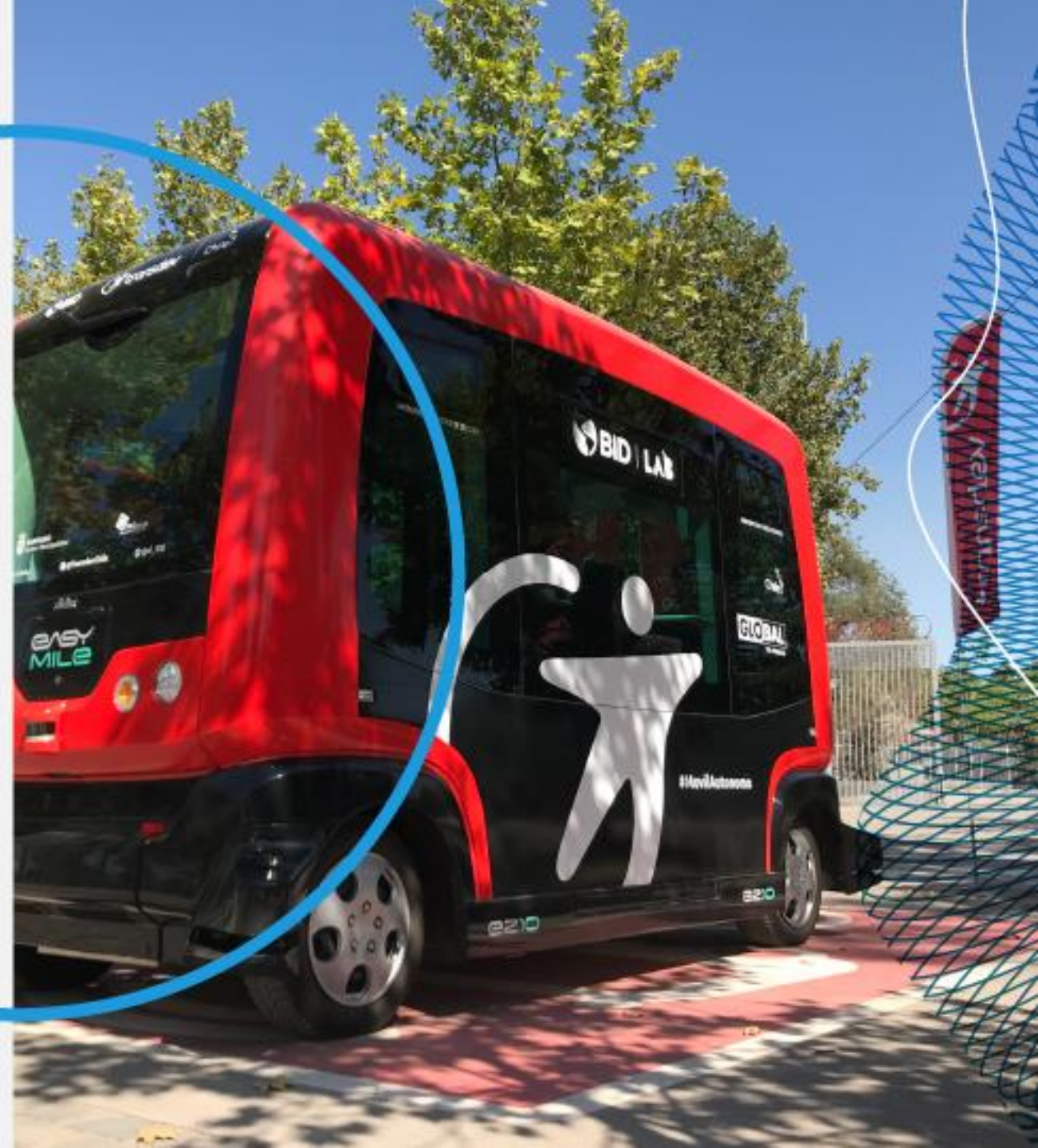
**2**

*THE DIGITAL  
ECONOMY*



***The IDB is ready to support policies, finance initiatives and catalyze public- and private-sector investments to improve connectivity and deploy cross-cutting digital tools.***

- Public and private sectors must accelerate digital transformation.
- Doing so can mean better, more equal opportunities for citizens, more responsive governments, and a more competitive, innovative private sector.
- Up to 540 million people could benefit from online job-intermediation platforms by 2025.
- A 10% increase in broadband penetration is associated with a 3% increase in GDP per capita.





**3**

*SUPPORT  
FOR SMEs*

***The IDB will support policies and regulatory frameworks that promote productive financing for SMEs and financial inclusion.***

- Small and medium-sized enterprises are the backbone of the region's economy, representing 99% of all businesses and 61% of formal jobs.
- Bridging the enormous SME financing gap, which stands at more than \$1 trillion; promoting entrepreneurship; and unleashing innovation are critical goals.
- Key to support new business models, incubators, accelerators; seed venture capital; and upgrade value chains.
- Promote reforms to improve the business climate and strengthen the capacity of public institutions to promote entrepreneurship, competition and innovation.







**4** *GENDER AND  
DIVERSITY*

***The IDB is committed to mainstreaming gender-based business and to being a leader in ensuring financial access and opportunities for all marginalized group.***

- Empowering women and other marginalized populations who bear most of the burden of the health and economic crisis will result in a faster, more lasting recovery and fairer societies.
- Promote gender equality and women's empowerment by co-financing women-based initiatives, increase financing for women-led businesses.
- Support innovative and inclusive projects that strike the economic empowerment of all marginalized groups, including indigenous peoples, Afro-descendants, persons with disabilities, LGBTQ+ individuals, and migrants.



The background is a solid blue color. A large, thin white circle is centered in the upper half of the image. In the top right corner, there is a decorative pattern of fine, overlapping white lines. In the bottom left corner, there is a thin, white, wavy line.

**5** *CLIMATE-CHANGE  
ACTION*

***The IDB will continue to design and use innovative financing tools to leverage private-sector investment and promote climate-resilient development.***

- Investing in the region's future means confronting the stark reality of climate change.
- Adaptation, mitigation, and low-carbon growth means both safeguarding and spurring economic and social development.
- Ramp up financing for countries' efforts to reach net-zero emissions and comply with Paris Agreement commitments, including through regulatory support and investments in areas such as clean energy, and biodiversity.
- Help the region build resilience to worsening climate-change impacts and be ready as a first responder through the contingent credit facility.





*MAKE IT HAPPEN:  
EXPANDING OUR  
FINANCIAL CAPACITY*

***The IDB must scale up its financial capacity to effectively address the historic development needs of the region.***

- Optimizing our balance sheet, such as through portfolio first-loss guarantees and exchanges, can make maximum use of funds.
- Increased, more efficient mobilization of resources, including through innovative financial instruments and private co-financing, can make investments go farther.
- Better coordination with financial institutions and partners, such as via Country Platforms, means new synergies and possibilities.
- Reviewing our capital adequacy limits will be critical to right-sizing capital needs.
- A 10th capital increase will empower the Bank to respond to unprecedented demand, securing the building blocks of recovery and transformative growth.





*MAKE IT HAPPEN:  
STRENGTHENING  
OUR  
VALUE PROPOSITION*

***The IDB should modernize its approach to upgrade offerings and increase efficiency – getting the most from every dollar loaned or leveraged.***

- Updated financial offerings can increase our market competitiveness, boost our flexibility and expand our liquidity.
- More efficient use of resources in technical cooperations, project preparation and project management will be enabled by a digitalized, more agile IDB.
- Developing a Group-wide knowledge agenda can maximize our effectiveness and improve our competitiveness.
- Systematizing public-private synergies at the strategic level will ensure a comprehensive response to development needs.
- Better monitoring and measuring results means a clearer focus on real-life impact.







*VISION 2025  
REINVEST IN THE  
AMERICAS*



The implementation of this Vision will allow the IDB Group to play a key role in:

- The provision of a sound COVID-19 response, to include equitable access to vaccines.
- Restored and increased levels of economic growth, which could lead to lower poverty rates and a more resilient middle class.
- Higher levels of formal employment.
- Better integration into international markets in goods and capital.
- Stronger innovation and entrepreneurial ecosystems.
- Climate-change resilience.
- Greater access for women to financial markets.

**Recovery** ➡ **Jobs** ➡ **Growth**





*VISION 2025*

**THANK YOU**

