



GLOBAL TOOLBOX:

Instruments Available from Multilateral Development Banks to Support Private Investment in Latin America and the Caribbean

The Global Toolbox provides an interactive inventory of instruments available from multilateral development banks to support and enhance private investments in emerging and developing markets across the globe.

The interactive toolbox is grouped by region: Asia, Africa, Europe, and Latin America and the Caribbean. Within each region, instruments are categorized by those available to governments, to investors, and to firms and other private sector entities.

The instruments in each regional Toolbox may not be available to all countries in the region, but will depend on the mandate and policies of the relevant development banks. For information on country coverage, refer to the provided links for the instruments.

These regional toolboxes reflect an initial joint effort (version 1.0) by Multilateral Development Banks to provide a comprehensive overview of instruments available to support private sector activities in emerging market and developing economies.

This version of the Toolbox outlines instruments to scale up private investments in Latin America and the Caribbean.

For each sub-category, the following structure is applied as instrument types:

1. Project preparation and advisory facilities
2. Risk mitigation vehicles and guarantees
3. Co-investment platforms
4. Project financial instruments
5. [Blended finance](#) project instruments

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LIST OF ABBREVIATIONS:

- EIB** European Investment Bank
- ICD** Islamic Corporation for the Development of the Private Sector (Islamic Development Bank)
- IDB** Inter-American Development Bank
- IDBG** Inter-American Development Bank Group (Inter-American Development Bank and IDB Invest)
- IDB Invest** Inter-American Investment Corporation
- IFC** International Finance Corporation
- IsDB** Islamic Development Bank
- NDCs** Nationally Determined Contributions
- PPP** Public-Private Partnership
- SME** Small and Medium-Sized Enterprises
- WBG** World Bank Group

1. GOVERNMENTS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	IDB	Project Preparation Facilities	Supports project preparation through Project Preparation Facility (PPF), Project Preparation and Execution Facility (PROPEF), Infrastructure Fund (InfraFund), Fund for Integration Infrastructure (FIRII), and Fund for Financing Disaster Prevention (FDP).	IDB Project Preparation Facilities
Project Prep and Advisory Facilities	IDBG	NDC Invest: <ul style="list-style-type: none"> NDC Programmer NDC Pipeline Accelerator 	NDC Invest is a “One-stop-shop” approach to integrate low-carbon and climate-resilient activities in a single framework and match countries’ requests with the best possible expertise and resources of the IDB Group. <ul style="list-style-type: none"> The NDC Programmer focuses on the construction of investment plans and the creation of policy/regulatory enabling environments The NDC Pipeline Accelerator supports pre-investment activities required to plan and design bankable investments clearly linked to and suited to support countries’ NDCs and sustainable development objectives 	NDC Invest
Project Prep and Advisory Facilities	ICD	Sukuk Program	As the private sector arm of the Islamic Development Bank Group, ICD helps its member countries mobilize resources from the market through Islamic finance facilities (sukuk). Sukuk advises member governments on issuing short and long term sukuks which will provide the banking sector with the needed liquid instruments to invest surplus capital.	Sukuk Program
Project Prep and Advisory Facilities	IFC	InfraVentures	Assumes the risks and associated costs of early-stage project development, preparing projects for investment by the private sector. Projects must be related to core infrastructure such as power, water, roads, ports, and airports.	InfraVentures Homepage Overview of InfraVentures
Project Prep and Advisory Facilities	IFC A multi-donor facility	Infrastructure Development Collaboration Partnership Fund (DevCo)	Advisory services on privatization transactions and public-private partnerships (PPPs) in infrastructure, health, and education sectors. Technical assistance to perform due diligence and provide inputs to the development of strategic options and policy choices regarding the structuring of transactions for client governments.	DevCo DevCo Operating Principles
Project Prep and Advisory Facilities/ Project Financial Instruments	WBG	Investment Project Financing (IPF)	Supports capital-intensive investments, agricultural development, service delivery, credit and grant delivery, and institution building. Used in all sectors; focused on the long term (5-10 years).	IPF

GOVERNMENTS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	WBG	Advisory Services and Analytics (ASA)	Helping governments adopt better policies, programs, and reforms that lead to greater economic growth and stability. Consisting of economic and sector work and technical assistance.	ASA
Risk Mitigation Vehicles and Guarantees	IDB	Political Risk Guarantee (PRG) and Partial Credit Guarantee (PCG)	Guarantees aim to reduce the risk of repayment to private financiers by the sovereign government or public entities, and improves financial terms in project financing and capital market instruments.	IDB Guarantees
Project Financial Instruments	IDB	Flexible Financing	Advances borrower's risk management capabilities in projects, lending programs and asset-liability management strategies (flexible financing facilities, local currency financing, and management of legacy financial products)	Flexible Financing
Project Financial Instruments	EIB	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	Advised by EIB Group, GEEREF is an innovative fund-of-funds that leverages public sector funds to catalyze private sector investment into clean energy in developing countries.	GEEREF
Project Financial Instruments	EIB	External Lending Mandate (ELM)	Project loans finance projects promoted by public sector companies or entities, or public-private partnerships. EIB lends to projects for which total investment cost exceeds EUR 25 million. The EIB gives priority to the following types of projects in these countries: 1) climate change mitigation and 2) development of social and economic infrastructure, including water and sanitation.	EIB Loans
Project Financial Instruments	IsDB	<ul style="list-style-type: none"> • Loans • Leasing • Istisna'a • Grants • Installment Sale • Equity • Mudarabah 	IsDB offers various Islamic finance products to support development projects in its Member Countries. Through these products, IsDB finances a variety of projects in the agriculture, industrial, infrastructure, and other sectors.	IsDB Financial Products
Project Financial Instruments	WBG	Development Policy Financing (DPF)	Provides rapidly-disbursing financing to help borrowers address actual or anticipated development financing requirements. Can be extended as loans, credits, or grants.	DPF

2. INVESTORS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	IDBG	NDC Pipeline Accelerator	The NDC Pipeline Accelerator supports pre-investment activities required to plan and design bankable investments clearly linked to, and suited to support, countries' NDCs and sustainable development objectives.	NDC Invest
Project Prep and Advisory Facilities	IDBG	UK Sustainable Infrastructure Program (SIP)	IDBG and the UK Government's financing program for sustainable infrastructure—Technical Assistance Window. It aims to support the identification, structuring and/or implementation of sustainable infrastructure pipelines by addressing know-how and capacity gaps, including by helping to integrate sustainability considerations.	UK Sustainable Infrastructure Program (SIP)
Project Prep and Advisory Facilities	IDBG	Climate Smart Agriculture Fund (CSAF)	Created in partnership with the Global Environment Facility (GEF), the Fund supports technical assistance activities with the aim of helping the development and origination of climate-smart agriculture investment and their implementation through market studies and capacity building.	CSAF CSAF Project Details
Risk Mitigation Vehicles and Guarantees	IDB	Political Risk Guarantee (PRG) and Partial Credit Guarantee (PCG)	Guarantees aim to reduce the risk of repayment to private financiers by the sovereign government or public entities, and improve financial terms in project financing and capital market instruments.	IDB Guarantees
Risk Mitigation Vehicles and Guarantees	IFC	PSW Local Currency Financing Facility (IDA 18)	Provides hedging solutions for local currency in markets without commercial hedging solutions.	PSW
Risk Mitigation Vehicles and Guarantees	WBG	Project-based guarantees (loan guarantees & payment guarantees)	Project-based guarantees that fall into two main categories: (i) Loan guarantees that cover defaults of debt service payments. (ii) Payment guarantees that cover payment defaults of non-loan-related government payment obligations to private entities. New Private Sector Window provides additional project-based guarantees with greater flexibility (e.g., does not require sovereign guarantee).	Overview World Bank Group guarantee products <i>This publication summarizes key features of the guarantee products offered by the World Bank Group.</i>
Co-Investment Platforms	EIB	Green Bonds	Green bonds, which finance a significant proportion of renewable energy and energy efficiency lending, alongside regular bonds.	Green Bonds
Co-Investment Platforms	EIB	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	Advised by EIB Group, GEEREF is an innovative fund-of-funds that leverages public sector funds to catalyze private sector investment into clean energy in developing countries.	GEEREF

INVESTORS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Co-Investment Platforms	ICD	Assets Management Services	SME, private equity, and income funds to mobilize resources for private sector development. Private equity funds include infrastructure, healthcare, and other sectorial thematic areas.	Assets Management Services
Co-Investment Platforms	IFC	Managed Co-Lending Portfolio Program (MCP)	IFC's newest syndicated loan platform, MCP provides a diversified portfolio of loans. Investors provide capital on a portfolio basis, which can be deployed by IFC in individual investments across all regions and sectors in accordance with IFC's strategy and processes.	MCP MCP Factsheet for Investors
Co-Investment Platforms	IFC	MCP Infrastructure	Extension of MCP specifically to infrastructure. This co-investment product enables institutional investors to leverage IFC's ability to originate and manage a portfolio of bankable infrastructure projects. Provides a credit enhancement through an IFC first-loss tranche.	MCP Infrastructure
Blended Finance Project Instruments	IDBG	UK Sustainable Infrastructure Program (SIP)	IDBG and the UK Government's financing program for sustainable infrastructure—Blended Finance Window. In projects co-financed with IDB Invest, it can provide concessional resources deployed in the form of debt instruments, guarantee and risk mitigation instruments, and/or equity investments, among other financial instruments. Co-financing may also be extended in the relevant local currency.	UK Sustainable Infrastructure Program (SIP)
Blended Finance Project Instruments	IDB Invest	Canadian Climate Fund for the Private Sector in the Americas (C2F)	C2F is a co-financing fund aimed at catalyzing private sector investment in climate change mitigation and/or adaptation in Latin America and the Caribbean. It co-finances loans for climate projects that need concessional financing to be viable.	C2F
Blended Finance Project Instruments	IDB Invest	Climate-Smart Agriculture Fund (CSAF)	Created in partnership with the Global Environment Facility (GEF), the Fund aims to catalyze private sector investment in sustainable agriculture, forestry and rangeland development across the LAC region. It does so by providing technical assistance as well as loan guarantees with differentiated terms and conditions.	CSAF CSAF Project Details
Blended Finance Project Instruments	IDB Invest	Climate and Clean Energy Facility (CCEF)	Financing facility designed to originate and structure scalable energy efficiency and distributed renewable energy generation projects that demonstrate innovative financing models. The facility focuses on projects with potential for strong financial returns, including increasingly economical technologies such as LEED lighting, solar power, and biomass.	IDB Group Blended Finance Programs

INVESTORS

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Blended Finance Project Instruments	IDB Invest	Energy Efficiency Guarantee Mechanism (EEGM)	<p>The EEGM is a guarantee fund designed to address the lack of access to competitive financing and other barriers that Energy Service Companies (ESCOs) face in providing energy efficient solutions to businesses.</p> <p>It aims to overcome financial and technical barriers for Brazilian businesses to adopt energy efficiency measures by focusing on energy efficient projects with potential to achieve high carbon-emission savings and high financial returns.</p>	EEGM
Blended Finance Project Instruments	IDB Invest	Blended Climate Finance	IDB Invest provides companies pioneering new climate investments with a set of climate finance sources that can provide the financial and technical assistance solutions needed to overcome market, risk, or capacity barriers. Such sources include the Canadian Climate Fund (C2F), the Nordic Development Fund (NDF), the Climate Investment Funds (CIF), the Global Environment Facility (GEF), and the Green Climate Fund (GCF), among other multilateral and bilateral funds.	Blended Climate Finance
Blended Finance Project Instruments	IFC	Global SME Finance Facility ¹	Blended finance is based on a combination of market loans and grants, which may take various forms, such as direct investment grants, interest rate subsidies, loan guarantees, technical assistance, risk mitigation, and equity instruments.	Global SME Finance Facility
Blended Finance Project Instruments	IFC (private sector window)	Global Agriculture and Food Security Program (GAFSP) ²	Provides competitive grant financing to support governments to implement their food and nutrition security priorities. It also provides concessional finance blended with commercial finance to stimulate private investment into agriculture, gender, nutrition, and climate change, and targeted support to fragile and conflict affected states.	GAFSP
Blended Finance Project Instruments	IFC	Blended Climate Finance (BCF)	<p>Addresses market barriers by using concessional financial instruments to undertake pioneering projects that directly combat climate change and have strong potential to transform markets.</p> <p>This can take the form of a variety of products and structures, including risk sharing products, lower interest rates, longer tenors, subordinated rank in loans, or lower returns for equity investments.</p>	Blended Climate Business
Blended Finance Project Instruments	IFC	IDA18: PSW Blended Finance Facility	Additional blended finance for sectors such as manufacturing, technology, and basic services.	PSW

¹Global SME Finance Facility is a platform to blend donor funding with funding from international development institutions to expand lending to small businesses in EMs to support high-impact projects with higher risk profiles, women-owned businesses, and those engaged in sustainable energy and climate-change activities

²GAFSP uses blended finance solutions and the IFC's expertise and knowledge to support projects in the agricultural sector which may not attract commercial funding due to perceived high risks in the sector. GAFSP funding is co-invested alongside IFC funding to address market failures by providing affordable funding with less demanding terms, which allows GAFSP to invest in early stage or riskier projects that hold high potential for development impact and financial sustainability.

3. FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Prep and Advisory Facilities	EIB	Africa, the Caribbean and the Pacific (ACP) Investment Facility IRS component	Technical assistance operations to enhance project quality and success rates, increase efficiency and sustainability, and complement other financial products.	ACP Investment Facility
Project Prep and Advisory Facilities	IDBG	Multilateral Investment Fund (MIF)	Provides technical assistance for the private sector in LAC by working with local, mostly private partners, to help fund and execute projects.	MIF
Project Prep and Advisory Facilities	IDBG	UK Sustainable Infrastructure Program (SIP)	IDBG and the UK Government’s financing program for sustainable infrastructure—Technical Assistance Window. It aims to support the identification, structuring, and/or implementation of sustainable infrastructure pipelines by addressing know-how and capacity gaps, including by helping to integrate sustainability considerations.	UK Sustainable Infrastructure Program (SIP)
Project Prep and Advisory Facilities	IDB Invest	Technical assistance program	Technical assistance program that provides small and medium-sized enterprises (SMEs) with expert advisory services including training and energy auditing to help them improve competitiveness and lower their energy costs.	GREENPYME
Risk Mitigation Vehicles and Guarantees	IDB	Political Risk Guarantee (PRG) and Partial Credit Guarantee (PCG)	Guarantees aim to reduce the risk of repayment to private financiers by the sovereign government or public entities, and to improve financial terms in project financing and capital market instruments.	IDB Guarantees
Risk Mitigation Vehicles and Guarantees	WBG	Project-based guarantees (loan guarantees and payment guarantees)	Project-based guarantees that fall into two categories: (i) Loan guarantees that cover defaults of debt service payments. (ii) Payment guarantees that cover payment defaults of non-loan-related government payment obligations to private entities. New Private Sector Window (PSW) provides additional project-based guarantees with greater flexibility (e.g., does not require sovereign guarantee).	Overview World Bank Group guarantee products
Project Financial Instruments	EIB	ACP Investment Facility	A revolving fund where revenue is reinvested in new operations, which makes it a financially sustainable facility. The Investment Facility meets the financing needs of investment projects in the region with a broad range of flexible risk-bearing instruments, and supports projects promoting the development of the private sector and commercially-run public enterprise. Local currency lending is available.	ACP Investment Facility

FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Financial Instruments	EIB	ACP Impact Financing Envelope	Investing in higher risk projects, the Impact Financing Envelope allows the EIB to go further than traditional operations and explore new sectors and new regions, supporting private sector initiatives.	Impact Financing Envelope
Project Financial Instruments	EIB	External Lending Mandate (ELM)	<p>Project loans finance projects promoted by private sector companies or entities, or public-private partnerships. EIB makes loans to local banks and other intermediaries which subsequently “on-lend” to final beneficiaries, SMEs or medium-sized companies, and public sector entities.</p> <p>The EIB gives priority to the following types of projects in these countries: 1) climate change mitigation and 2) development of social and economic infrastructure, including water and sanitation; 3) local private sector development, in particular support to SMEs.</p>	EIB Loans
Project Financial Instruments	EIB	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	Advised by EIB Group, GEEREF is an innovative fund-of-funds that leverages public sector funds to catalyze private sector investment into clean energy in developing countries.	GEEREF
Project Financial Instruments	IDB Invest	Financial Instruments for the Private Sector	<p>Encourages the establishment, expansion, and modernization of private and state-owned enterprises, and works closely with the private sector.</p> <p>Products include senior loans, mezzanine financing, subordinated loans, partial credit guarantees, risk sharing facilities, blended finance, local currency loans, securitization, warehousing lines, syndicated and co-loans, co-managed funds, B-bonds, and equity.</p>	IDB Invest Financial Instruments
Project Financial Instruments	IDB Invest	Trade and Supply Chain Finance: <ul style="list-style-type: none"> • TFFP (Trade Finance Facilitation Program) • SCF (Supply Chain Finance) 	Trade and Supply Chain Finance supports LAC customers through technical cooperation, knowledge creation, and financial products (loans and guarantees) with banks, as in TFFP; or by the use of financing and risk mitigation practices to optimize the management of the working capital and liquidity invested in supply chain processes and transactions.	Trade and Supply Chain Finance
Project Financial Instruments	ICD	<ul style="list-style-type: none"> • Term Finance • Project Finance • Line of Finance • Equity 	Equity capital, term finance, trade finance, and project finance for suitable greenfield and brownfield projects in its member countries. The typical duration for the loan maturity is 3 to 7 years while the Bank can go beyond 10 years on infrastructure and project finance transactions.	ICD Investment Facilities

FIRMS & OTHER PRIVATE SECTOR ENTITIES

Instrument	Managing Organization	Program	Product/Key Coverage	Link
Project Financial Instruments	IFC	Equity: <ul style="list-style-type: none"> • Structured finance • Equity • Private equity & investment funds 	Equity investments provide developmental support and long term growth capital that private enterprises need. IFC invest directly in companies' equity and through private-equity funds.	IFC Equity
Project Financial Instruments	IFC	Loans: <ul style="list-style-type: none"> • Senior loans • Subordinated loans • Syndicated loans • Blended loans 	IFC finances projects and companies through loans from its own account, typically for 7 to 12 years. IFC also makes loans to intermediary banks, leasing companies, and other financial institutions for on-lending.	IFC Loans
Blended Finance Project Instruments	IDBG	UK Sustainable Infrastructure Program (SIP)	IDBG and the UK Government's financing program for sustainable infrastructure – Blended Finance Window. In projects co-financed with IDB Invest, it can provide concessional resources deployed in the form of debt instruments, guarantee and risk mitigation instruments, and/or equity investments, among other financial instruments. Co-financing may also be extended in the relevant local currency.	UK Sustainable Infrastructure Program (SIP)
Blended Finance Project Instruments	IDB Invest	Canadian Climate Fund for the Private Sector in the Americas (C2F)	C2F is a co-financing fund aimed at catalyzing private sector investment in climate change mitigation and adaptation in Latin America and the Caribbean. It co-finances loans for climate projects that need concessional financing to be viable.	C2F
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Blended Finance Project Instruments	IDB Invest	Climate and Clean Energy Facility (CCEF)	Financing facility designed to originate and structure scalable energy efficiency and distributed renewable energy generation projects that demonstrate innovative financing models. The facility focuses on projects with potential for strong financial returns, including increasingly economical technologies such as LEED lighting, solar power, and biomass.	IDB Group Blended Finance Programs
Blended Finance Project Instruments	IDB Invest	Energy Efficiency Guarantee Mechanism (EEGM)	A guarantee fund designed to address the lack of access to competitive financing and overall barriers Energy Service Companies (ESCOs) face in providing energy efficient solutions to businesses.	EEGM

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Blended Finance Project Instruments	ICD	Global SMEs Program	The Global SMEs Program focuses on providing (1) access to finance, (2) capacity building, and (3) advisory services to SMEs to help them access capital and export markets, as well as take part in global value chains.	ICD SME Programs



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