

## PROJECT ABSTRACT

PROJECT NUMBER:  
PROJECT NAME: BDMG MUNICIPAL INFRASTRUCTURE AND  
SERVICES FINANCING PARTNERSHIP  
IDB PARTICIPATION: UP TO US \$ 100 MILLION  
CO-FINANCING: UP TO US \$ 50 MILLION  
DEPARTMENT: STRUCTURED AND CORPORATE FINANCE

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### Project Description

Infrastructure provides a foundation for economic growth, improving services and quality of life and generating direct and indirect jobs. To ensure the continued and sustainable long-term development of Minas Gerais and its inhabitants, the state government has developed the Plano Mineiro do Desenvolvimento Integrado 2011-2030 (“PMDI”). Infrastructure development and adequate provision of basic services is one of the strategic priority areas of the PMDI.

The proposed project consists of a partnership with Banco de Desenvolvimento de Minas Gerais (“BDMG”) to support financing for municipal infrastructure and basic services projects and equipment in the state of Minas Gerais. IDB’s participation in the project will consist of a senior A loan of up to US\$100 million with a tenor of up to 8 years expected to be complemented with an up to US\$50 million co-financing from the China Co-Financing Fund. The proposed financing would provide BDMG with long-term funding to further expand its municipal infrastructure and equipment lending activities in the State of Minas Gerais and promote and expand access to financing for projects that will result in direct socio-economic returns to the population. Through BDMG, IDB expects to reach a large number of municipalities and support them in financing highly developmental projects.

This Partnership entails an effective channel for pursuing the priorities of the Ninth General Capital Increase of the IDB (“GCI-9”) of improving infrastructure for competitiveness and social welfare, particularly helping to increase access to water and sanitation, and stepping investments in basic infrastructure (urban road modernization, road construction machinery, transport and logistics). Additionally, the proposed Partnership is consistent with IDB’s country strategy for Brazil which emphasizes on improving the condition of the country’s infrastructure, specially water and sanitation, transportation and energy and promoting the development of sustainable cities, by supporting the provision of municipal services/infrastructure. The proposed financing is also consistent with the strategy of the Structured and Corporate Finance Department and the Financial Markets Division to improve the living standards of 20 million people by 2015.