



Introduction of IDB as a member of MDB Trust Funds

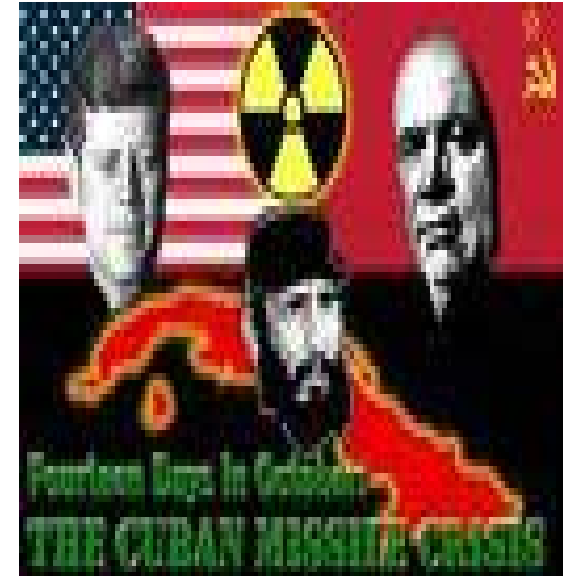
Minho Yoon Ph.D.
Outreach & Partnerships Specialist
Inter-American Development Bank
Office in Asia,

Seoul, Korea
August 24, 2011
Korea Eximbank Seminar



IDB is a stable source of external financing for Latin America and the Caribbean (LAC) Region

- IDB was founded in **1959**.



- The IDB is the main source of multilateral financing and expertise for sustainable economic, social and institutional development in **LAC**.
- **26 borrowing** and **22 non-borrowing** member countries

The IDB Group at a Glance



**Inter-American
Development Bank**

**Large companies,
Banks and governments**



- World's oldest Development Bank. Founded in 1959
- Public sector loans with sovereign guarantee; policy-based and emergency loans; grants.
- Private sector loans and guarantees (up to 20% of IDB equity through 2012), primarily for infrastructure and capital markets projects



**Inter-American
Investment Corporation**

SMEs and small banks



- Founded in 1989
- Only multilateral Institution that provides direct financial support to SMEs in Latin America and the Caribbean (LAC) region



**Multilateral
Investment Fund**

**Micro and small
enterprises/private sector
development**



- Founded in 1992
- Promote development of SMEs in LAC by providing grants for microfinance, training, business environment; loans; and equity funds Remittances.



IDB Member Countries

IDB

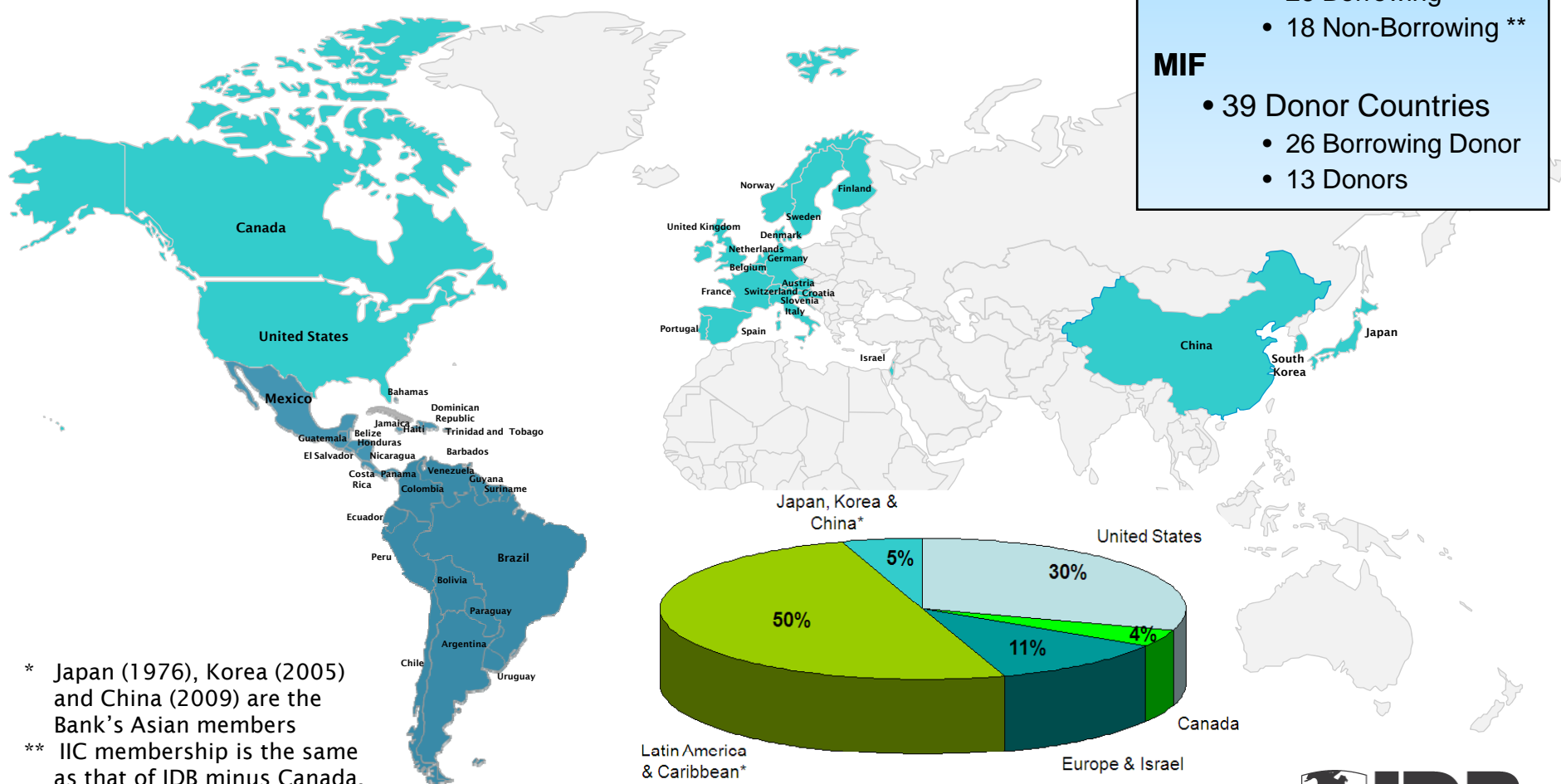
- 48 Member Countries
 - 26 Borrowing
 - 22 Non-Borrowing*

IIC

- 44 Member Countries
 - 26 Borrowing
 - 18 Non-Borrowing **

MIF

- 39 Donor Countries
 - 26 Borrowing Donor
 - 13 Donors



* Japan (1976), Korea (2005) and China (2009) are the Bank's Asian members

** IIC membership is the same as that of IDB minus Canada, Croatia, UK. and Slovenia.



48 Members

Borrowing

Member Countries (26)

Argentina	Guyana
Bahamas	Haiti
Barbados	Honduras
Belize	Jamaica
Bolivia	Mexico
Brazil	Nicaragua
Chile	Panama
Colombia	Paraguay
Costa Rica	Peru
Dominican Republic	Suriname
Ecuador	Trinidad & Tobago
El Salvador	Uruguay
Guatemala	Venezuela

Non-Borrowing

Member Countries (22)

Austria	Korea:2005
Belgium	Netherlands
Canada	Norway
China:2009	Portugal
Croatia	Spain
Denmark	Slovenia
Finland	Sweden
France	Switzerland
Germany	UK
Israel	USA
Italy	
Japan:1976	

Financial Strength of IDB

- ▶ Net outstanding debt backed by the callable capital of the highly rated non-borrowing member countries;
- ▶ Strong membership support;
- ▶ Preferred creditor status;
- ▶ Cooperative institution in which the borrowing countries are co-owners;
- ▶ Conservative risk management and financial policies.

Non-Borrowing Shareholders	Ratings ²	% of Total Shares
United States	Aaa/AAA	30.01
Japan	Aa2/AA	5.00
Canada	Aaa/AAA	4.00
Germany	Aaa/AAA	1.90
France	Aaa/AAA	1.90
Italy	Aa2/A+	1.90
Spain	Aaa/AA+	1.90
United Kingdom	Aaa/AAA	0.96
Other ¹		2.43
Total		50.00

* The S&P credit rating of US was downgraded to AA+ as of Aug. 2011

Borrowing Shareholders	Ratings ²	% of Total Shares
Argentina	B3/B-	10.75
Brazil	Baa3/BBB-	10.75
Mexico	Baa1/BBB	6.91
Venezuela	B2/BB-	5.76
Chile	A1/A+	2.95
Colombia	Ba1/BBB-	2.95
Peru	Baa3/BBB-	1.44
Uruguay	Ba3/BB	1.15
Other		7.34
Total		50.00

12/31/2009			
Paid-in Capital	USD	4.3 billion	
Callable Capital ^{3/}	USD	100.6 billion	
Total Subscribed Capital	USD	104.9 billion	
<hr/>			
Total Equity (Retained earnings + Paid in capital)	USD	20.7 billion	

Recent development: In March 2010, IADB Governors agreed to increase IADB's capital by \$70 billion of which \$1.7 billion will be paid in over a five-year period.

¹ The People's Republic of China became the IADB's 48th member in January 2009.

² Foreign currency long-term debt ratings by Moody's/Standard & Poor's as of February 19, 2010

³ On August 17, 2009, Canada increased temporarily its callable capital by \$4.0 billion bringing the Bank's callable capital to \$100.6 billion from \$96.6 billion.



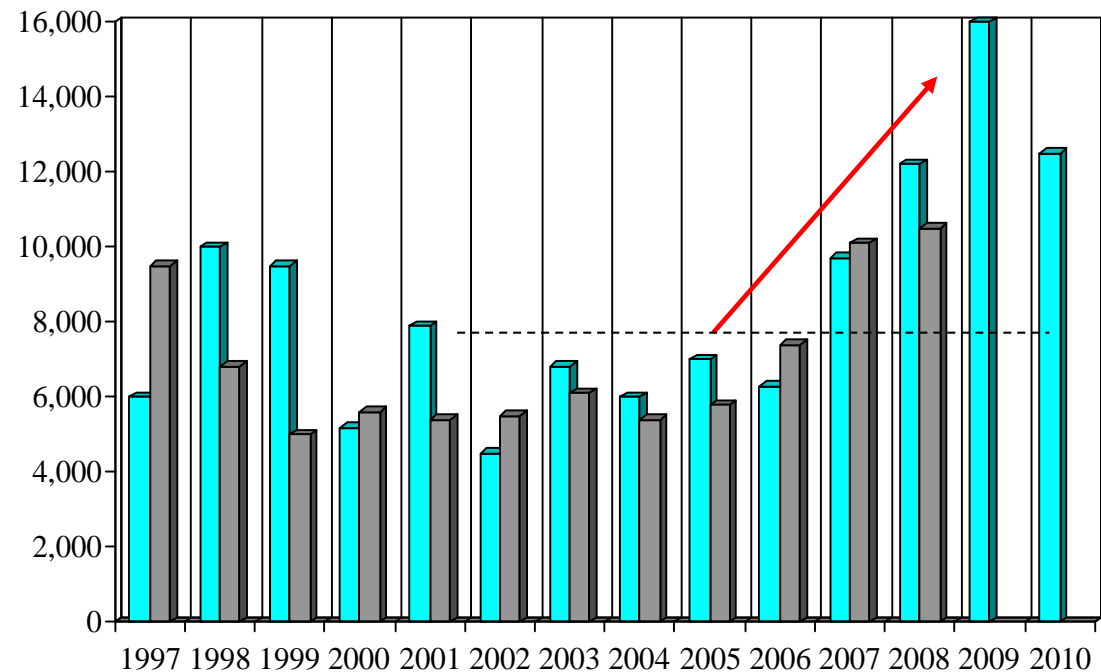
The IDB Group Financing to LAC

- **IDB Loan Approvals for 2010**


- \$12.7 billion (of which \$843 mill.to private sector) (\$15.8 bil. in 2009)

- **Group Members Approvals 2010**

- IIC approved \$375 mill. (Loans / Investments / cofinancing operations) (\$300 mill. in 2009)
- MIF approved \$116 mill. (\$166 mill. in 2009) Grants and Investments.



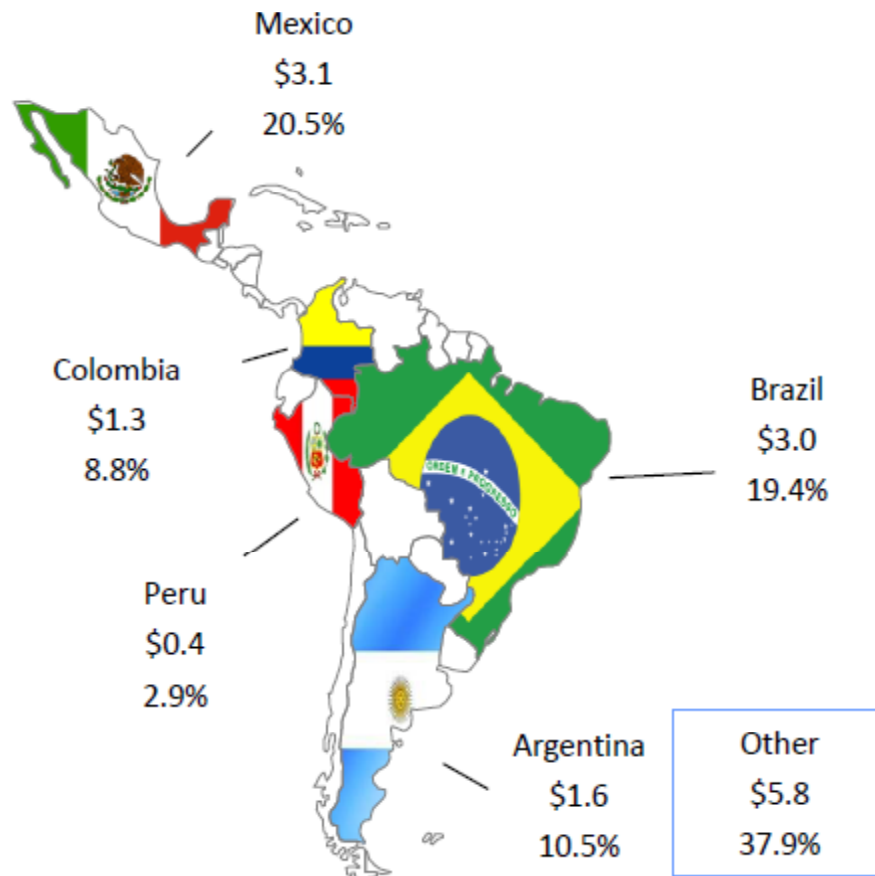
Unit: Million dollars

 Inter-American Development Bank

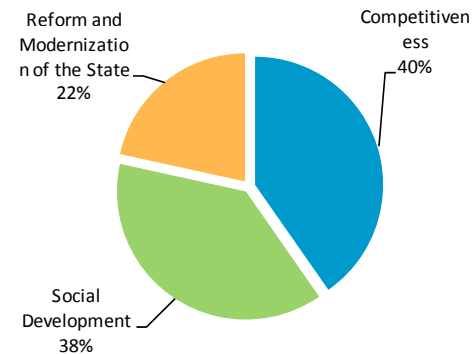
 Asian Development Bank

loans and guarantees in 2010: US\$12.7 billion in approved.

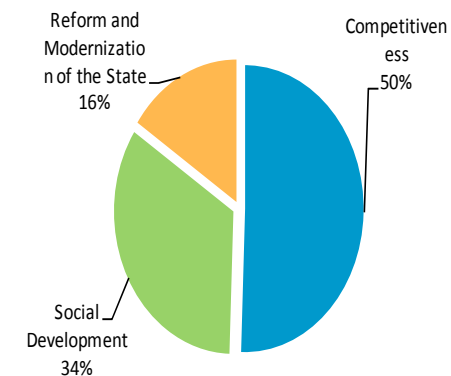
Loan by country, 2010
(US\$Billion)



Loan by sector, 2010



Loan by sector, 1961-2010



The IDB vis-à-vis other MDBs

Organization	Founded	Jointment Period of Korea	Member Countries	Capital
World Bank (IBRD)	1945.12	1955.8	187	\$276 Billion
Inter-American Development Bank (IDB)	1959.12	2005.3	48	\$170 Billion
Asian Development Bank (ADB)	1966.8	1966.8	67	\$ 165 Billion
Africa Development Bank (AfDB)	1964.9	1982.2	78	\$ 100 Billion
European Bank (EBRD)	1991.3	1991.3	63	€ 20 Billion

The
Oldest
Regional
Bank

Supporting Roles of IDB

- ▶ Public Sector Loans and Guarantees (with sovereign guarantee)
 - ▶ Investment Loans
 - ▶ Policy Based Loans
 - ▶ Emergency Loans
- ▶ Private Sector Loans and Guarantees through the Structured and Corporate Finance Department (up to 20% of IDB Equity through 2012)
- ▶ Non-Sovereign Guaranteed loans to public subnational entities.
- ▶ Inter-American Investment Corporation (IIC)
- ▶ Multilateral Investment Fund (MIF)
- ▶ KCPs (Knowledge & Capacity Building Products)
- ▶ Technical Cooperation: technical studies & project preparation:
Operational Support/Client Support/Research & Dissemination
 - ▶ Infra Fund; FIRII Fund; Aqua Fund; SECCI Funding
 - ▶ Donor Trust Funds (e.g. Korea Trust Fund)

Organization Chart of IDB :

Close relationship with Countries office and Sectors & knowledge

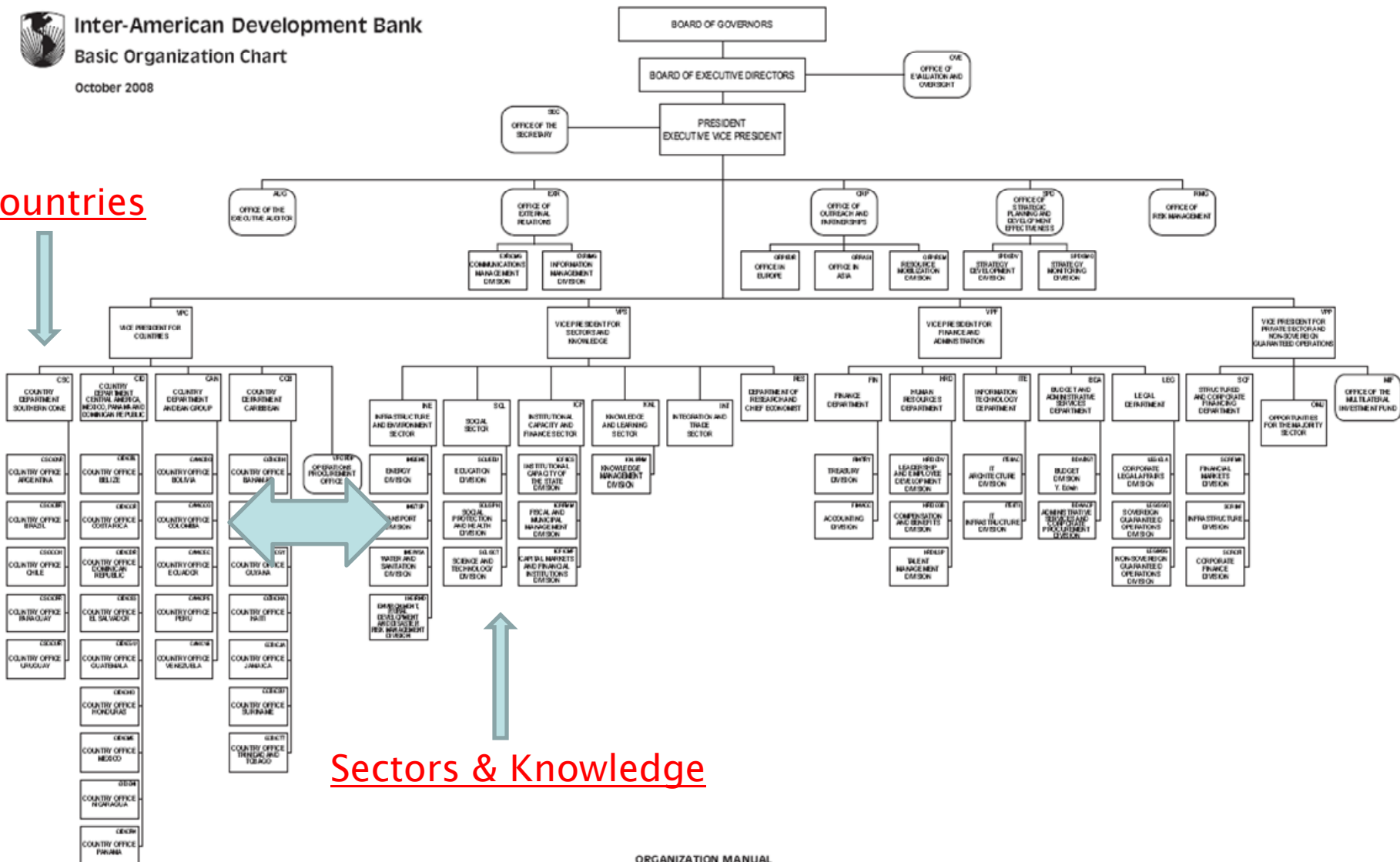


Inter-American Development Bank

Basic Organization Chart

October 2008

Countries



Sectors & Knowledge

ORGANIZATION MANUAL



Office in Asia Established in 1995

- **Cover the three members of the Bank in Asia: Japan, Korea and China**
- **Support Activities of members of IDB Group in Asia**
 - Promote trade and investment from Asia to LAC,
 - Identify financing opportunities for IDB Group,
 - Support resource mobilization
 - Disseminate opportunities in IDB-financed projects,
 - Strengthen strategic alliances between the IDB Group and Asian member countries and key partners,
 - Support the implementation of institutional commitments particularly with respect to aid alignment, harmonization and development effectiveness,
 - Disseminate IDB group-produced knowledge and priorities.



IDB-Korea-LAC and Trust Fund



Welcoming a New Member Country: The Republic of Korea in 2005

- The Republic of **Korea** formally joined the IDB group **on March 16, 2005** as the Bank's **47th member country** and its second Asian member **since Japan joined in 1976**.
- **Korea's entry brings** the IDB not only **new resources** but new ideas on how to approach development issues, based on the **Asian experience** of investment in **education, science and technology and small business** promotions.
- Commitment of **\$200 mil.** from Korea in a name of Korea Trust Fund
- In November, 2007: 1st IDB-Korea LAC Business Forum
- **In October, 2011**: 2nd IDB-Korea LAC Business Forum (**Scheduled**)
- **2015**: IDB Annual Meeting (**Scheduled**)

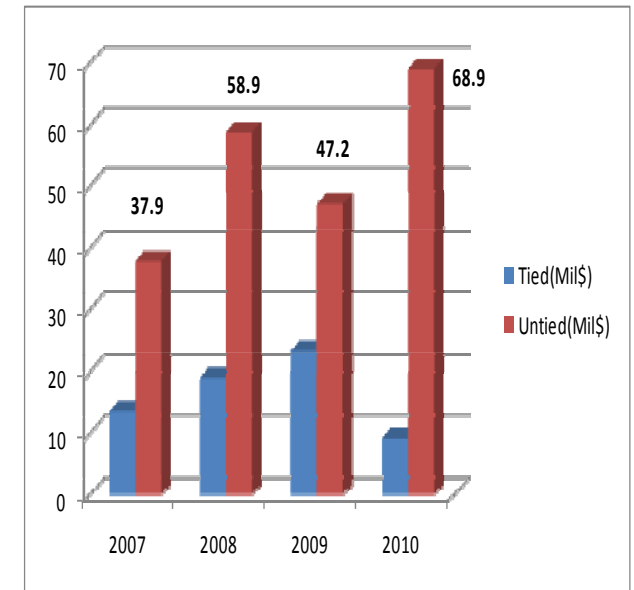


Korea Trust Funds at The IDB

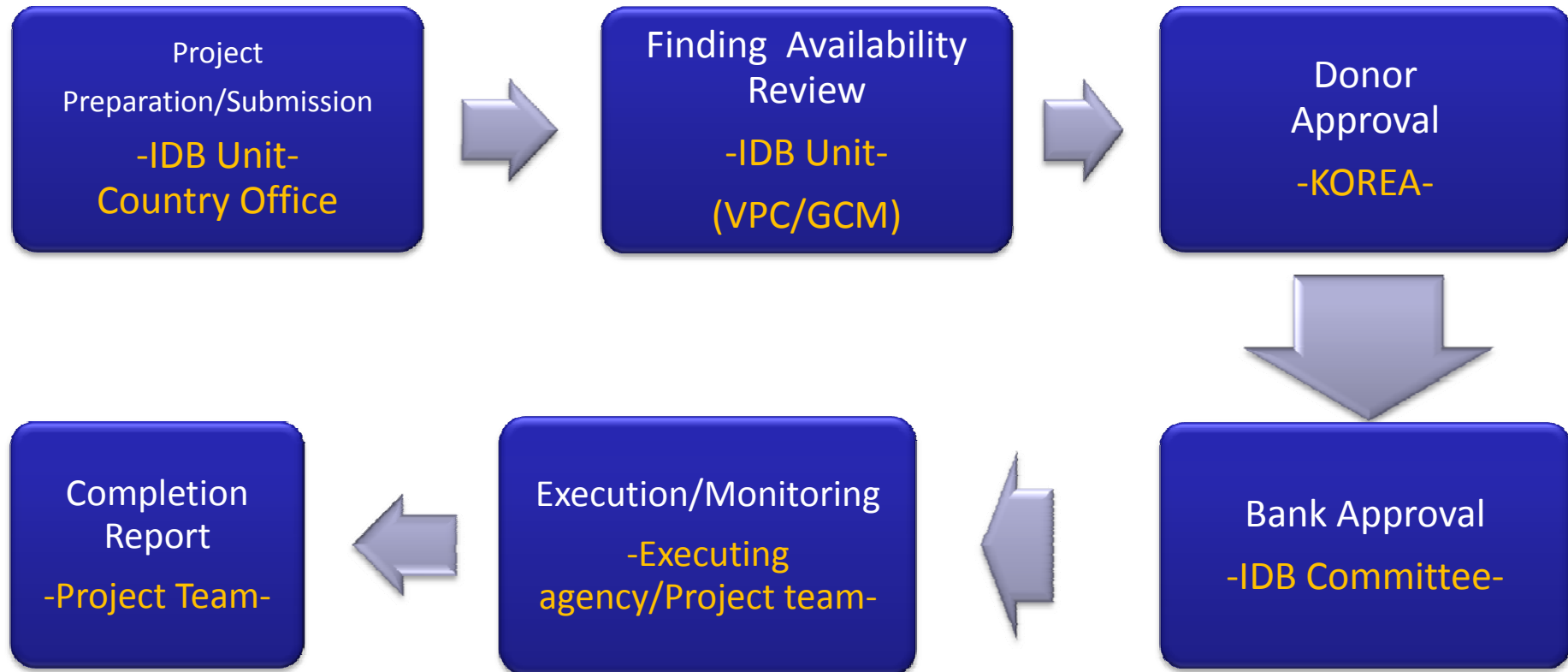
- Korea Poverty Reduction Fund (KPR)
- Knowledge Partnership Korea Fund for Technology and Innovation (KPK)
- Korea IIC-SME Development Trust Fund (FINPYME)
 - Poverty Reduction Fund – US\$50 million
 - Technology and Innovation Fund – US\$ 50 million
 - IIC SME Fund – US\$ 40 million
 - MIF contribution – US\$ 60 million

Characteristics

- Non-reimbursable Technical Cooperation (TC) Projects
- Fully untied trust funds. Nationals of all IDB member countries are eligible to become consultants
- All IDB borrowing member countries are eligible as beneficiaries
- Resources to support TC at the IDB
Ordinary Capital (OC)/ Fund for Special Operations (FSO)/
Single Donor Trust Funds/ Multi Donor Trust Funds



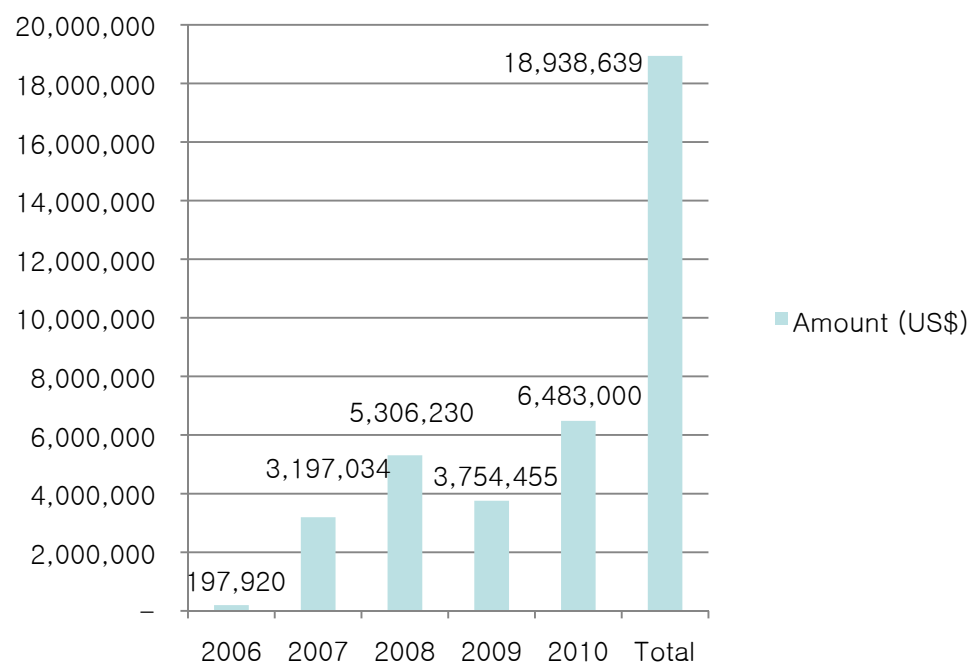
Standard Procedures of Trust Funds



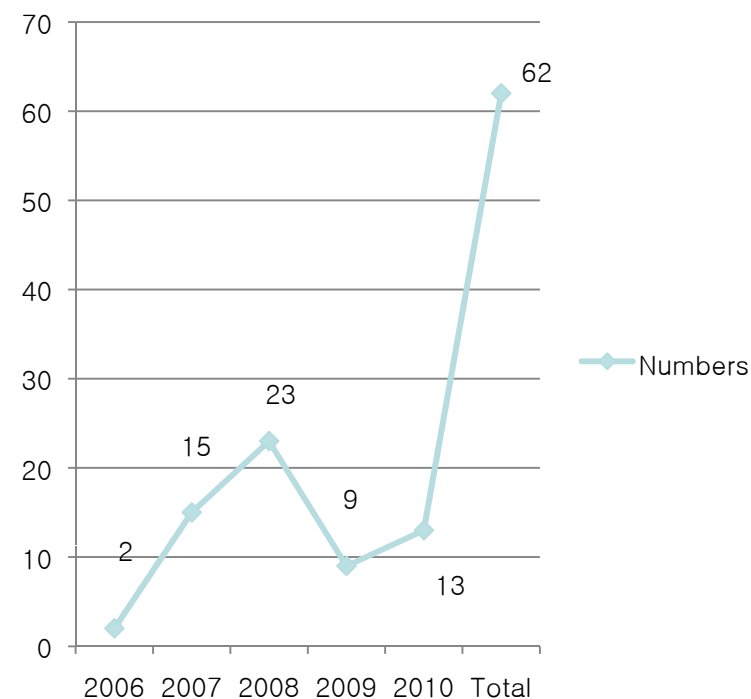
KPK Project Approvals, Project Numbers and Values in US\$(2006-2010)

Year	2006	2007	2008	2009	2010	Total
Amount (US\$)	197,920	3,197,034	5,306,230	3,754,455	6,483,000	18,938,639
Numbers	2	15	23	9	13	62

Amount (US\$)



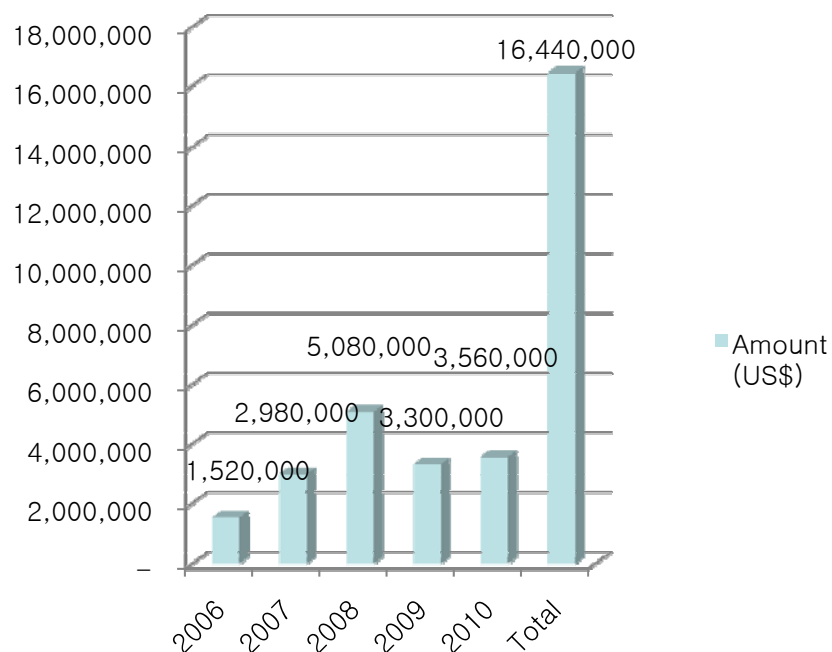
Numbers



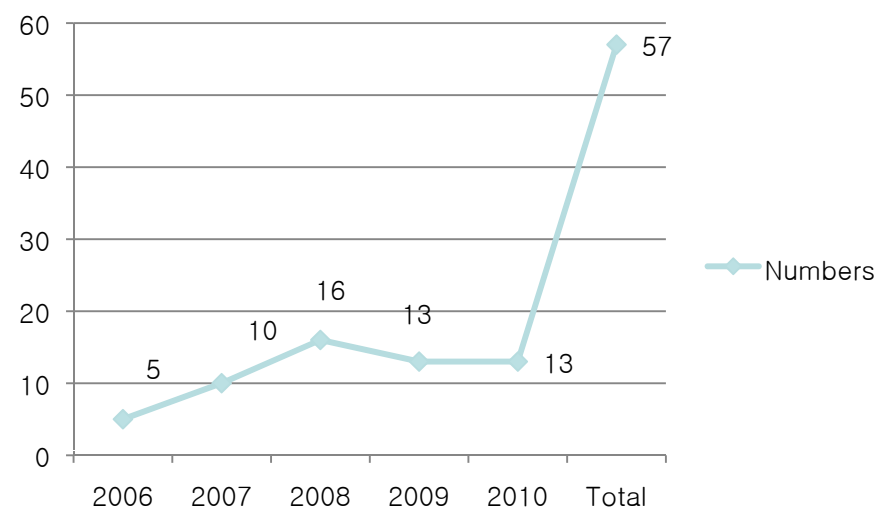
KPR Project Approvals, Project Numbers and Values in US\$(2006-2010)

Year	2006	2007	2008	2009	2010	Total
Amount (US\$)	1,520,000	2,980,000	5,080,000	3,300,000	3,560,000	16,440,000
Numbers	5	10	16	13	13	57

Amount (US\$)

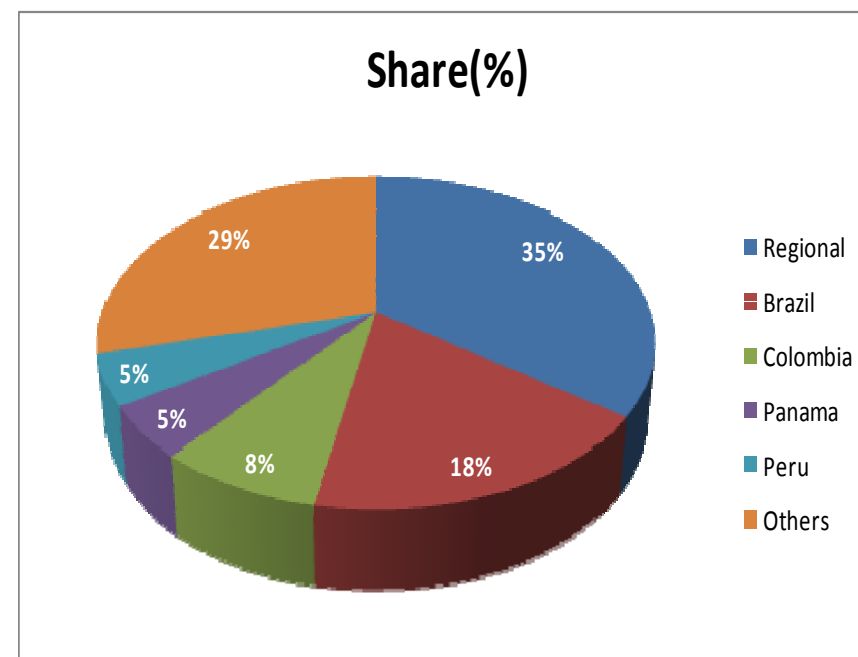
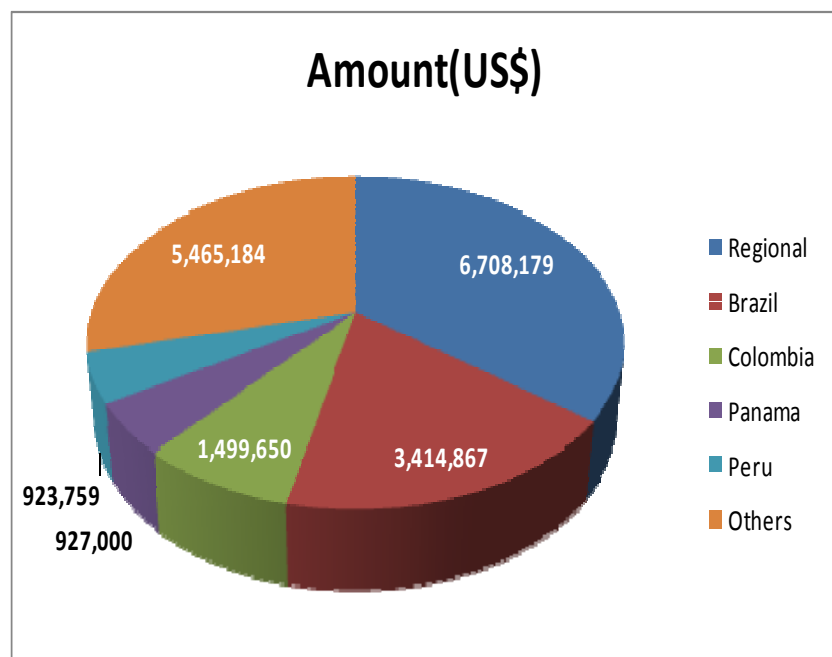


Numbers



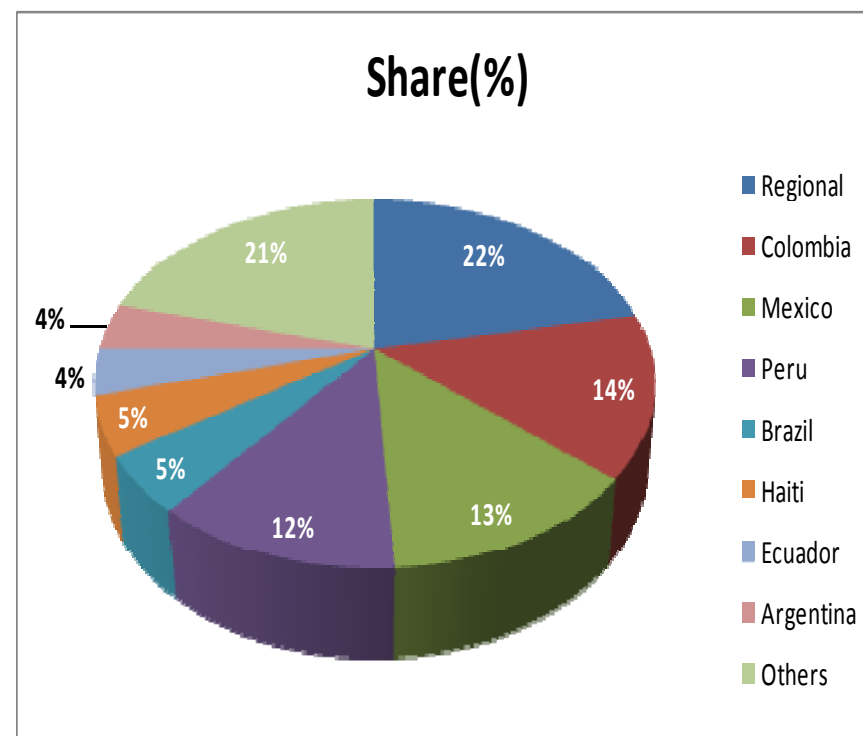
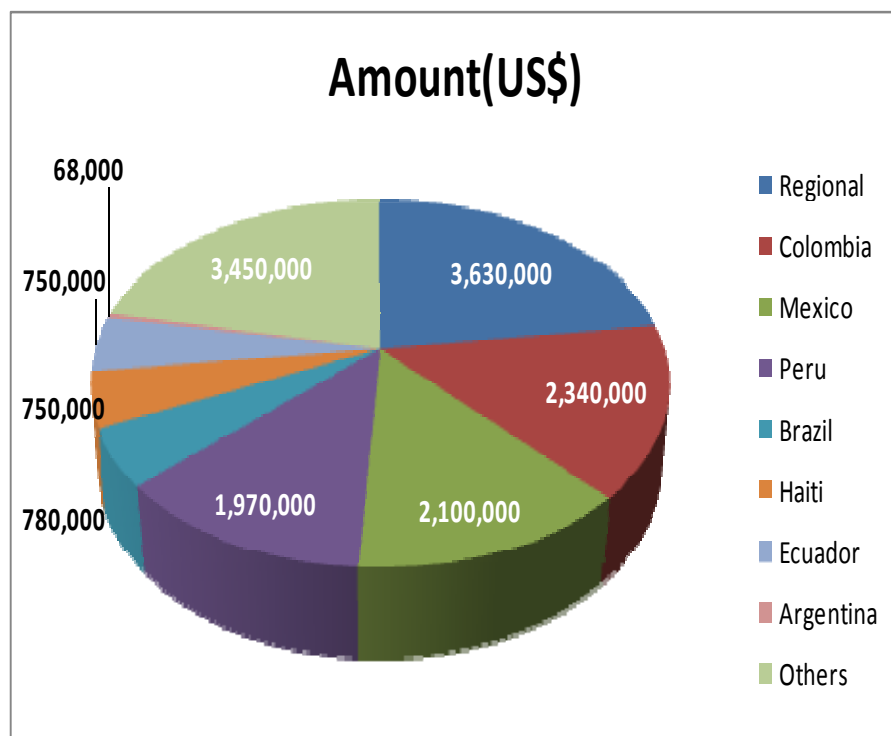
KPK Project Approved by Country Categories in US\$(2006-2010)

Country	Regional	Brazil	Colombia	Panama	Peru	Others	Total
Amount(US\$)	6,708,179	3,414,867	1,499,650	927,000	923,759	5,465,184	18,938,639
Share(%)	35	18	8	5	5	29	100



KPR Project Approved by Country Categories in US\$(2006-2010)

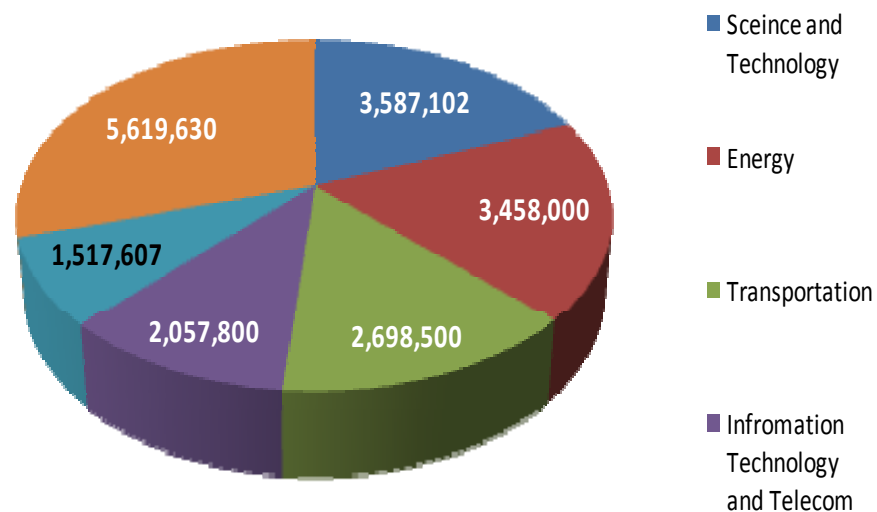
Country	Regional	Colombia	Mexico	Peru	Brazil	Haiti	Ecuador	Argentina	Others	Total
Amount(US\$)	3,630,000	2,340,000	2,100,000	1,970,000	780,000	750,000	750,000	68,000	3,450,000	15,838,000
Share(%)	22	14	13	12	5	5	4	4	21	100



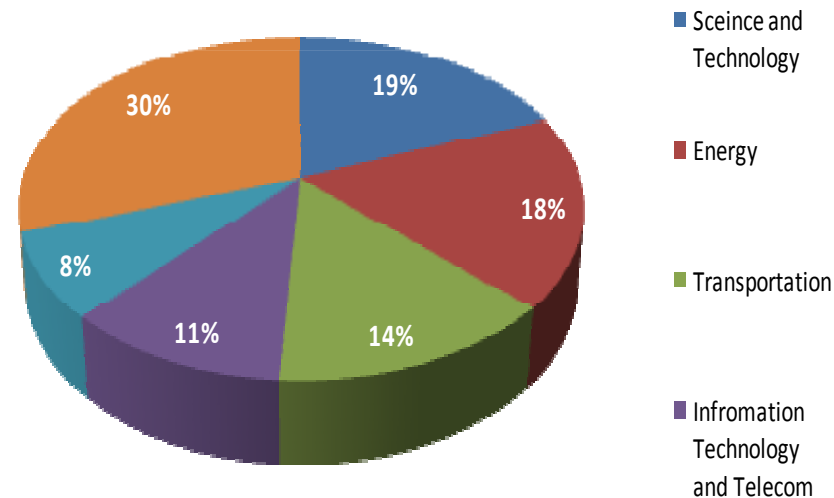
KPK Project Approved by sector Categories in US\$(2006-2010)

Sector	Sceince and Technology	Energy	Transportatio	Infromation Technology and Telecom	Education	Others	Total
Amount (US\$)	3,587,102	3,458,000	2,698,500	2,057,800	1,517,607	5,619,630	18,938,639
Share (%)	19	18	14	11	8	30	100

Amount(US\$)



Share (%)

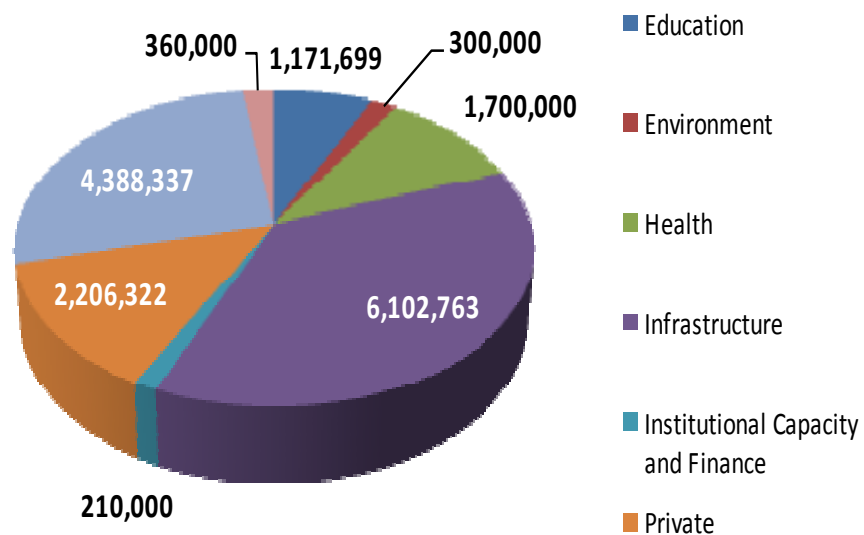


KPR Project Approved by sector Categories

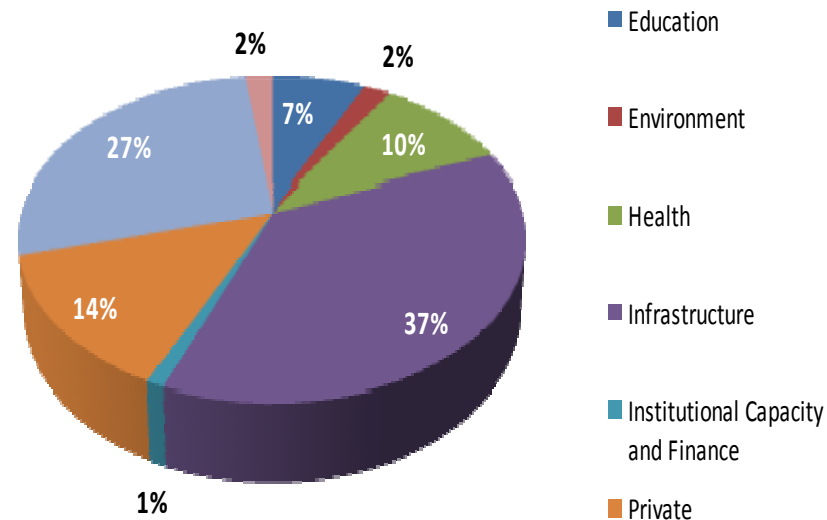
in US\$(2006-2010)

Sector	Education	Environment	Health	Infrastructure	Institutional Capacity and Finance	Private	Social	Water and Sanitation
Amount(US\$)	1,171,699	300,000	1,700,000	6,102,763	210,000	2,206,322	4,388,337	360,000
Share(%)	7	2	10	37	1	14	27	2

Amount(US\$)



Share(%)



Consulting Services by Borrowing country

(Individual consultants, consulting firms)

Contract Date	Cotractor (Nationality)	Amount (US\$)	Name	Major Service	Special Sector	Borrower	Start Date	End Date
2008.8.1	Korea	14,000	Individual	Miscellaneous	Tourism and Cultural Heritage	Argentina	2008.8.1	2008.9.30
2009.5.6	korea	3,032	Individual	Miscellaneous	Private sector development Small & Medium	Argentina	2009.5.6	2009.7.14
2009.7.29	korea	155,000	Korea Advanced Institution of Science and Technology	Education	Science and Technology	Dominican Repulic	2009.7.30	2011.2.28
2010.2.8	korea	2,000	Individual	Health	Microenterprise Development	Peru	2010.2.1	2010.2.12
2010.2.8	korea	2,000	Individual	Health	Microenterprise Development	Peru	2010.2.1	2010.2.12
2011.2	korea	500,000	LS Cable	Communication		Haiti		

Goods and Works by Firm Nationality

Contract Date	Cotractor (Nationality)	Amount (US\$)	Name	Major Service	Special Sector	Borrower
2010.11.29	Korea	3,196,608	Iljin Electric CO LTD	Promer Programa de desarrollo Sector Ele	Electrical Equipment,supplies	Costarica
2010.11.30	korea	500,000	Iljin Electric CO LTD	Promer Programa de desarrollo Sector Ele	MISC Electrical Equipment,supplies	Costarica
2011.5.16	korea	18,753,726	Korea Electric Power Corp	Proyecto de Rehabilitacion de redes de D	Electric work	Dominican Repulic
2011.5.16	korea	15,639,854	Korea Electric Power Corp	Proyecto de Rehabilitacion de redes de D	Electric work	Dominican Repulic
2011.5.16	korea	11,904,943	Korea Electric Power Corp	Proyecto de Rehabilitacion de redes de D	Electric work	Dominican Repulic

Japan Trust Fund :Consulting Services by Borrowing country

(Individual consultants, consulting firms)

Fund Name			Since	Total Contribution US\$ Million Until Year 2010	Approved By the Bank Projects Numbers	Type (% tied to Donor)	Sector		
Japan Special Fund(JSF)			1988	235.0	342	Untied	All		
Japan Poverty Reduction Program			2001	28.5	114	Untied	Poverty Reduction		
Japanese Trust Fund for Consultancy Service(JCF)			1995	38.8	56	50%	All		
Japan Program			1999	29.7		Untied	N/A		
Japan-IDB Scholarship Program			1991	31.0		N/A	Scholarship for LAC students to pursue graduate studies		

Contract Date	Cotractor (Nationality)	Amount (US\$)	Name	Major Service	Special Sector	Borrower	Start Date	End Date
2006.5.12	Japan	4,180	International Press Japan	Industry	Microenterprises	Peru	2006.5.13	2007.1.13
2006.5.13	Japan	1,920	Aelucorp Yugen Gaisha	Industry	Microenterprises	Peru	2006.6.12	2007.1.31
2006.5.29	Japan	5,000	Unidos Ltd	Industry	Capital Markets	Peru	2006.5.29	2006.6.19
2006.6.1	Japan	24,000	Personal	Industry	Microenterprises	Peru	2006.6.1	2007.5.31
2007.3.14	Japan	1,043,764	Nippon Koei Co.,Ltd	Water Supply & Sanitation	Sanitation-Sewerage	Panama	2007.3.16	2010.6.15
2007.11.27	Japan	374,566	Nippon Koei Co.,Ltd	Water Supply & Sanitation	Sanitation-Sewerage	Panama	2007.2.24	2008.1.7
2007.4.4	Japan	50,639	Asociacion Pasco-Finnmap	Agriculture and Rural Development	Agriculture and Rural Development Land	Panama	2007.4.5	2010.6.4
2007.4.16	Japan	15,750	Unidos Ltd	Industry	Capital Markets	Peru	2007.4.16	2007.6.16
2008.4.17	Japan	15,500	Personal	Population	Environment and Natural Disasters	Uruguay	2008.5.31	2008.6.30
2008.6.26	Japan	1,522,474	Nippon Koei Co.,Ltd	Industry	Agriculture and Rural Development	Peru	2008.6.26	2009.6.26



Video Conference for Japan Trust Fund for Consulting Service; Short List
IDB HQ(Washington D.C) <-> IDB ASI Office (Tokyo) <-> IDB Representative Office(LAC)



Nippon Koei Latin-American and Caribbean Co., Ltd

- Establishment of NKLAC : July 1st, 2003
- Purpose of Establishment : NKLAC has been established to enhance Nippon Koei's operation in Latin America and Caribbean and provides consulting engineering and technical services for various development sectors in the region
- Main office for operation : **Panama**
- Branch Office : **Peru, Brazil, El Salvador, Paraguay, Colombia**
- Number of Staff : 200 staff



Status of JICA and its Contracted Companies

◆ Companies with *Over One Billion JPY* of Contract Amount in 2009 (Total: 301 companies)

	Company Name	Number of Projects	Amount of Contract (Billion Yen)	Employees	e-mail Address
1	Nippon Koei	30	5.9	1,723	www.n-koei.co.jp
2	Oriental Consultants	80	4.4	947	www.oriconsul.com
3	IC NET Limited	86	2.9	121	www.icnet.co.jp
4	Kokusai kogyo Group	47	2.5	1,178	www.kk-grp.jp
5	Yachiyo Engineering Co.,Ltd	52	2.0	852	www.yachiyo-eng.co.jp
6	Sanyu Consultants Inc	40	2.0	300	http://sanyu.tcp.jp
7	International Development Center of Japan	36	1.6	18	www.idcj.or.jp
8	CTI Engineering International Co.,Ltd	30	1.6	105	www.ctii.co.jp
9	System Science Consultants Inc	14	1.5	56	www.ssc-tokyo.co.jp
10	Koei Research Institute International Corporation	31	1.5	62	www.kri-inter.co.jp
11	PADECO	37	1.5	88	www.padeco.co.jp
12	PASCO Corporation	3	1.5	1,900	www.pasco.co.jp
13	UNICO International Corporation	26	1.4	50	www.unico-intl.co.jp
14	Network of Technology and Confidence	22	1.2	79	www.ntc-i.co.jp
15	NJS Consulting Services	19	1.2	70	www.njs.co.jp
16	Japan Development Service Co.,Ltd	69	1.1		www.jds21.com

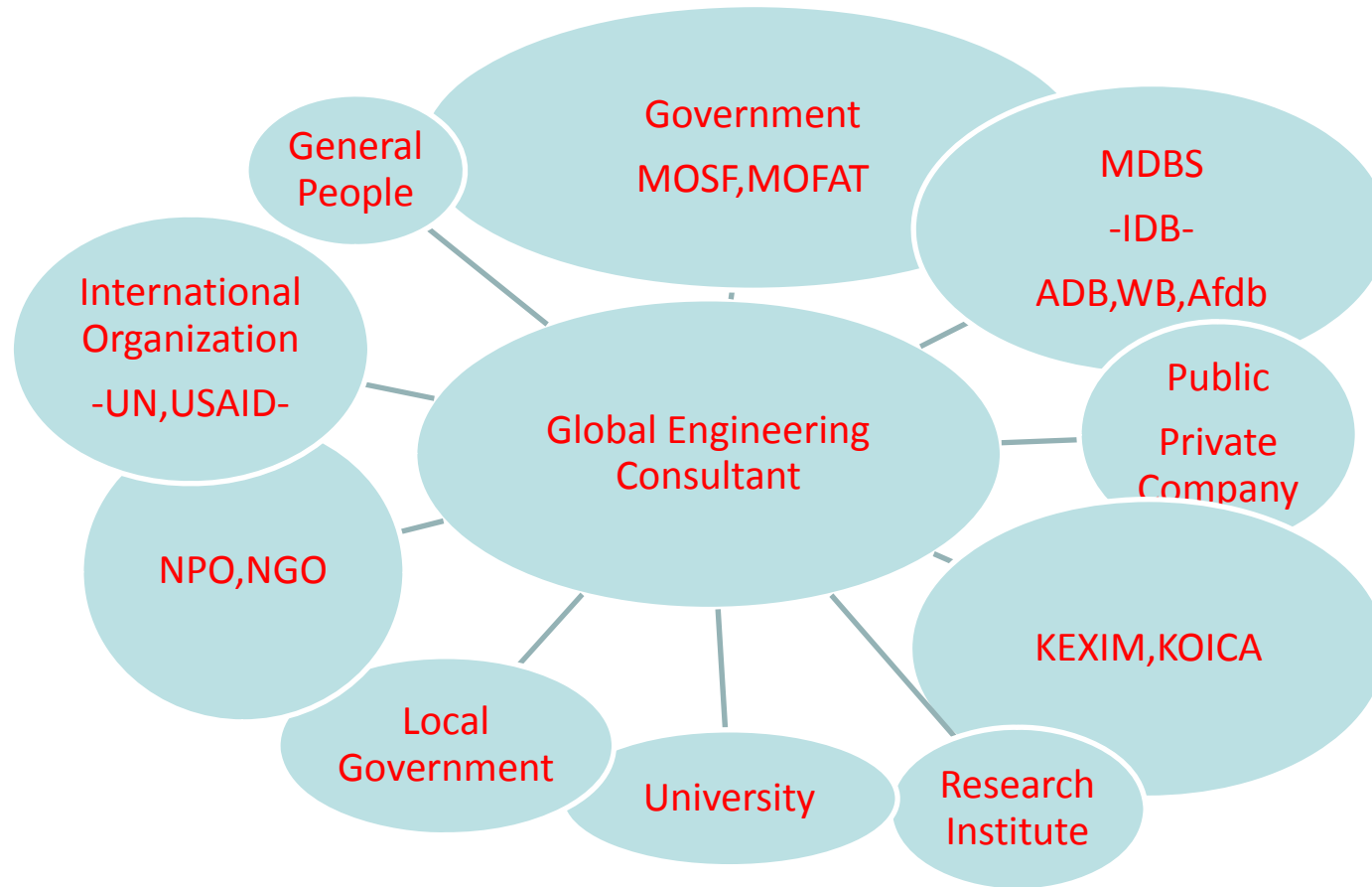
◆ Number of Registered and Contracted Companies with JICA

	2005	2006	2007	2008	2009
Registered	699	699	719	746	782
Contracted	211	236	226	273	301

Current Status and Future Implications of Korea Trust Funds

- After becoming a member of IDB in 2005, Korea has begun to see small yet valuable results now.
- Korea needs to keep in mind about the nature of **untied fund**, which means Korea need to *actively* gain information on procurement, *actively* engage in bidding, and about the length of time (6~12 months) it requires to complete the contract process.
- Korea also needs to overcome the geographical distance to LAC and the cultural and language barriers in order to bring success to the projects.
 - Develop close working relationships with Korean embassies in LAC, KOTRA and other local experts to hear their first-hand opinions and/or insights
 - Merge or form a bond with companies (Local/Spanish) that have good understandings of LAC
 - Monitor on the focus and future direction of MDBs
 - Self Advertisement to MDBs

Ideal Network Structure



감사 합니다;Muchas gracias.

