

**Inter-American Development Bank
Technical Cooperation Program (Trust Fund Financing)**

Technical Cooperation Project Brief

TC N°: RG-T1399

I. GENERAL INFORMATION

Project title	Enhancing the Pro-poor Impact of IDB's Regional Trade Finance Facilitation Program (TFFP) by Integrating Smaller Financial Institutions
Project team	Ulrike Aulestia Vargas (Team leader, SCF/FMK), Joao Viane da Silva (SCF/FMK), Jessica Luna (INT/INT), Dieter Wittkowski (MIF/MIF), George Rogers (LEG/NSG)
Trust Fund	Markets and Governance for Poverty Reduction Trust Fund (KMG)
Beneficiary Country	Regional
Executing Agency	IDB
Project budget (in USD)	US\$149,980
Trust fund contribution	US\$149,980
Local counterpart financing	n.a.
Other sources	n.a.
Financing Window	<input type="checkbox"/> Responsive and Accountable Public Sector Management and Political Systems <input checked="" type="checkbox"/> Pro-poor Access to Markets and International Trade
Execution and Disbursement period	18 months execution period, 21 months disbursement period

II. OBJECTIVES

2.1 General Objective: To increase the access to international markets for Micro, Small and Medium-Sized Enterprises (MSMEs) in Latin America and the Caribbean (LAC) and enable them to grow, create employment and wealth by taking advantage of opportunities arising from trade.

2.2 Specific Objectives:

- Expand the reach of TFFP to MSMEs and boost its pro-poor impact by increasing the supply of trade finance through their partner financial institutions;
- Integrate smaller financial institutions into the TFFP and enable them to expand their trade finance activities by adding to their sources of trade finance through the TFFP network of Confirming Banks;
- Support these smaller financial institutions to become and remain members of the TFFP financial institutions network by complying with TFFP covenants related to the regular provision of financial information, enhancing their general data collection and reporting skills;

III. BACKGROUND AND JUSTIFICATION

3.1 Background. The IDB considers trade activities to be crucial for the development and growth of local, national and regional economies in LAC. The role the TFFP plays in incrementing, diversifying and stabilizing the supply of trade finance in the region complements the IDB's broader strategy to support trade on all levels¹.

3.2 Under the TFFP, the IDB extends guarantees supporting LAC financial institutions in their trade financing and services activities by covering risk on instruments used in international trade transactions². Launched and rolled-out in 2005, the TFFP is an effective tool for the IDB to support economic growth through the expansion of financing available for international trade activities of financial institutions and their corporate clients in LAC countries. Initially approved for five years, the TFFP was made permanent in November 2006, and the maximum TFFP guarantee coverage level on individual transactions was raised from 90 to 100 percent. The TFFP currently comprises a network of over 97 Confirming Banks in 31 countries belonging to 48 different international banking groups, and 26 Issuing Banks in 13 LAC countries with over US\$480 million in approved credit lines (see Annex 2 for current list of TFFP Issuing and Confirming Banks). To date, the IDB has issued guarantees for over US\$129 million in support of 173 individual international trade transactions totaling more than US\$177 million.

3.3 The TFFP's effect of deepening and broadening the availability of trade finance allows exporting companies to build on, and further develop the competitive advantages of the LAC region, while seizing the opportunities of an increasingly global market - a role which in LAC is especially important given the emergence of numerous free-trade agreements, such as DR-CAFTA and various bilateral trade agreements (with EU, United States, etc.). Moreover, importing companies are being supported in their crucial and poverty-reducing role of supplying affordable goods, increasing private and public consumption and contributing to economic growth. The TFFP is of special significance to the import of capital goods needed for domestic production, as it can help stretch tenors of trade finance instruments beyond the usual short terms available in most LAC financial markets.

3.4 Potential and Limitations. MSME growth and development is crucial for employment, poverty reduction and social inclusion³. The importance of MSMEs in the LAC region is also highlighted by IDB's *Opportunities for the Majority* initiative. However, constrained access to credit is repeatedly cited by MSMEs as one of the major impediments to their growth⁴, limiting job and income creation and continuity. Whereas the scope of this proposal within TFFP cannot address all barriers MSMEs face in their access to credit, the Program can, through the measures proposed in this project, help alleviate constraints on the supply side in a very concrete and targeted way.

3.5 The typically smaller loan and deposit size of MSMEs make them natural clients for smaller financial institutions. While financial institutions of all sizes increasingly target the MSME

¹ For a comprehensive overview on IDB trade-related activities and expertise, see document WT/AFT/W/13/Corr.1 on <http://docsonline.wto.org>

² For rationale of, and background information on the TFFP, see initial project document RG-L1003, approved by the IDB Board of Directors in September 2004 (<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=351391>) and the TFFP Mid-Term Review and Proposal for Expansion, approved by the IDB Board of Directors in November 2006 (<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=839774>)

³ See, for example, Tambunan (2006): "Micro, Small and Medium Enterprises, Economic Growth and Poverty": http://www.gdnet.org/fulltext/Tambunan_MSMEs.pdf

⁴ see, for example, Inter-American Development Bank, IPES (2005): "Unlocking Credit - The Quest for Deep and Stable Bank Lending", Chapter 14 ("Access to Financing for Small and Medium Enterprises"): <http://www.iadb.org/res/ipes/2005/docs/Chapter14Eng.pdf>

segment, the client base of smaller financial institutions – due to size reasons – tends to be comprised to a much higher degree of MSMEs⁵.

3.6 Membership in the TFFP helps Issuing Banks access more trade finance and, at the same time, diversify their sources of trade finance by accessing the TFFP network of Confirming Banks. The TFFP can help Confirming Banks overcome certain initial barriers they might face in establishing trade finance lines to smaller and less known financial institutions in the LAC region, as: i) TFFP guarantees allow the Confirming Banks to share with IDB the risk they take on financial institutions in the LAC region and can help overcome country and/or individual bank exposure limits; and ii) the thorough credit analysis performed on each financial institution passing the IDB-internal credit committees to become TFFP Issuing Bank⁶ provides these financial institutions with a certain "seal of approval" which can lead TFFP Confirming Banks to consider providing financing to them – an advantage which weighs even heavier for smaller and less known financial institutions.

3.7 At the same time, an increase in the number of correspondent bank lines which smaller financial institutions are able to attract with the help of TFFP can lead to competition among Confirming Banks in providing funding, gradually lowering – through market forces - the financing costs of smaller financial institutions, which can then pass on these lower prices to their MSME exporting and importing clients, enhancing their competitiveness.

3.8 The TFFP has already proven to be successful in this regard, as shown at the example of the medium-sized Brazilian bank BicBanco (Banco Industrial e Comercial, S.A.). To a considerable extent helped by the TFFP and the access to international Confirming Banks provided by the Program, BicBanco has increased its export finance portfolio almost four-fold since joining the TFFP in 2005. This expansion has directly benefited many of BicBanco's SME exporting clients with a strong impact on local employment, such as sisal fiber exporter Hamilton Rios (see box in Annex 3).

3.9 The TFFP team has already been approached by numerous smaller financial institutions⁷ across the LAC region - especially also from lower-income countries (i.e. Guyana, Paraguay, Bolivia) - who are interested in joining the TFFP as Issuing Banks in order to be able to expand their trade finance activities, to the benefit of their MSME clients. The TFFP has great potential to effectively increase MSME's access to trade finance and improve their use of trade finance instruments by integrating smaller financial institutions predominantly catering to MSMEs. However, the TFFP's high fixed costs vs. the lower fee income from smaller trade transactions involving MSMEs and smaller financial institutions do not allow the TFFP to fully explore this potential without additional support. Funding from the Markets and Governance for Poverty Reduction Trust Fund (M&GPR TF) is thus being sought to overcome constraints in these areas.

3.10 Relevance. This proposal is in line with the IDB's policies and commitment to support the growth of MSMEs by further deepening, expanding and improving the reach of financial

⁵ This observation has also been made in a recent study on bank credit to Small and Medium-Sized Enterprises (SMEs) by the Inter-American Investment Corporation (IIC), the Multilateral Investment Fund (MIF) and the Federación Latinoamericana de Bancos (FELABAN): IIC/MIF/FELABAN/D'Alessio IROL, May 2007: "Tracking Study of the Willingness by Financial Institutions from Latin America and the Caribbean to Finance Small and Medium-Sized Enterprises", page 18: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=976329>

⁶ Due to its private-sector-oriented and market-based nature, the TFFP is meant to operate in a cost-efficient and risk-conscious way, requiring thorough assessment of the risks to be taken on TFFP Issuing Banks in the LAC region, as non-payment by Issuing Banks under TFFP-guaranteed transactions directly results in claims on the IDB.

⁷ i.e. Citizens Bank (Guyana), Demerara Bank (Guyana), Banco Economico (Bolivia), Sudameris Bank (Paraguay), Banco Regional (Paraguay), Banco Continental (Paraguay), Banco Impresa (Costa Rica), Banco de Comercio (Peru), Banco Union (Bolivia), Banco Santa Cruz (Dominican Republic)

institution credit to Micro, Small and Medium-Sized Enterprises (MSMEs) in LAC⁸. By improving the TFFP's outreach to smaller financial institutions than otherwise possible, it can help increase MSME's access to international markets and enable them to take advantage of opportunities arising from trade. The TFFP as a low-cost, efficient and fast-delivery vehicle is ideal for this purpose. Furthermore, due to the TFFP's market-based, complementary and facilitating nature, the Program contributes to organic and sustainable growth and development of MSMEs through the support provided by their partner financial institutions, without distorting or subsidizing the market.

3.11 This pilot project proposal is relevant to the Markets and Governance for Poverty Reduction Trust Fund, being fully in line with its second (pro-poor market access) and especially its third (trade and poverty) area of intervention of the TF program "Pro-poor Access to Markets and International Trade – LAMIT". Its objective is to better target the IDB TFFP towards the needs of poor people of the region by adding concrete value to the TFFP's activities, increasing its potential poverty-reducing impact significantly beyond its possible scope without funding for this project. This proposal is complementary to the trade finance capacity building proposal "Enhancing the Poverty-Reducing Impact of IDB's Regional Trade Finance Facilitation Program (TFFP) by providing Trade Finance Training to TFFP Issuing Banks and their MSME clients" presented to the Trade and Poverty Trust Fund.

IV. DESCRIPTION

4.1 This project is aiming at partially resolving two of the three main constraints for engaging smaller financial institutions into the TFFP: i) the high fixed cost of identifying and selecting the financial institutions, and conducting the initial thorough credit analysis needed to integrate them into TFFP; and ii) the fixed costs of the more intense monitoring efforts and the possible lack of routine reporting abilities needed to comply with TFFP requirements on the financial institutions' side. The third constraint – which cannot be addressed by this TC as it requires a solution on a more permanent basis – is the high fixed operational cost involved in assisting the financial institutions in the execution of all necessary legal documentation, as well as in coaching the financial institutions in the use of TFFP and processing the transactions in the case financial institutions have less experience in international trade transactions.

4.2 In order to overcome these constraints, the project will hire a consultant to first identify small financial institutions which would benefit from integration into the TFFP but which are outside the reach of TFFP on a stand-alone basis. The same consultant – based on the preliminary market and bank-specific knowledge collected in the market assessment and financial institution identification stage – would then immediately start conducting the necessary credit analysis on, and provide coaching to these small financial institutions to integrate them into the TFFP as Issuing Banks, for them to be able to expand their trade finance activities to the benefit of their mainly MSME clients.

4.3 The proposed project consists of three main components:

4.4. COMPONENT 1: ASSESSMENT (identify smaller potential TFFP Issuing Banks)

This component will include the following activities: i) Conduct research on Latin American and Caribbean financial markets to identify and pre-screen potential smaller (2nd or 3rd-tier financial institutions ("FIs") in larger national financial markets; broader focus in countries with smaller financial sector) TFFP Issuing Banks catering to exporting or importing Micro, Small and

⁸ see also in the Priority Area of *Financial Democracy* of the IDB's *Opportunities for the Majority* initiative: http://www.iadb.org/bop/Area1_text.cfm?language=En&parid=2&item1id=2&item2id=2

Medium-sized Enterprises (MSMEs) across the region; ii) Group the identified financial institutions into the following broader categories:

A) FIs with at least some activity in trade finance (thus likely to generate demand for TFFP operations) sound as to credit quality and other relevant risk components (goal: identify and select approximately 10 FIs);

B) FIs with sound credit standing and interest in expanding trade finance operations, but no or limited trade finance activity, experience and capacities; and

C) FIs interested in joining the TFFP, but with risk-related weaknesses other than substantial credit risk factors.

➤ **Timeframe:** approximately 1.5 months

➤ **Expected output/achievements:** Assessment report pre-screening, listing and classifying financial institutions per country according to the following criteria (tentative, to be agreed with the consultant):

- Size (assets, equity/capital, loan portfolio), capital adequacy/credit quality acceptable at first sight?
- Integrity issues, country risk or other relevant exogenous risk factors
- Trade finance activity/experience/interest?
- Serving currently or potentially importing/exporting MSME clients?
- Classification of each financial institution in either A, B, C (above); or not eligible (in case of major credit or integrity risk factors)
- The financial institutions in category A will be pre-selected for integration into TFFP as Issuing Banks (see component 2).
- For the financial institutions in category B, contact with other competent parts of the IDB group will be established to explore the possibility of providing these FIs with trade finance-related technical assistance and/or training, for them to become eligible as TFFP Ibs in the medium term.
- The FIs in group C will be pre-selected for integration into TFFP in the medium term, depending on adequate risk-mitigating mechanisms (i.e. donor risk-sharing funds, other risk-sharing agreements).

4.5 COMPONENT 2: INTEGRATION (integrate financial institutions into TFFP)

This component will facilitate the integration of selected financial institutions (group A of component 1) into the TFFP as Issuing Banks, by:

- i. Conducting off- and on-site due diligence and credit analysis (includes travel to each individual FI for each subsequent credit analysis);
- ii. Preparing TFFP IB guarantee line requests for selected financial institutions, including credit analysis and assessment of relevant macro environment, such as country risk factors, financial market structure and legal and regulatory environment;
- iii. Seeking approval from relevant IDB committees to integrate the selected FIs into the TFFP

➤ **Timeframe:** approximately 16.5 months

➤ **Expected output/achievements:** Integration of 10 new smaller Issuing Banks (supporting MSMEs) into the TFFP (for them and their MSME clients to quickly take advantage of the trade finance growth potential offered by TFFP membership), increasing by an estimated US\$60 million per year the volume of trade finance transactions supported by TFFP guarantees.

4.7 COMPONENT 3: CAPACITY BUILDING (coach financial institutions on reporting)

- i. Coach staff of new Issuing Banks (integrated within component 2) on how to accurately (format, content, frequency, etc.) comply with all reporting requirements and covenants of the TFFP Issuing Bank Agreement, to help the IB become and remain a TFFP Issuing Bank, and to generally improve the IB's financial information collection and reporting capacity

- ii. Highlight to IBs importance of, and preliminarily explore specific opportunities of especially supporting, through the TFFP, transactions involving MSMEs and/or other clients with significant local employment and poverty-reducing impact; coach IB staff on reporting these transactions to IDB
- **Timeframe:** approximately 16.5 months (parallel to, and after integration of new IBs)
- **Expected output/achievements:**
 - Build and improve capacity of new smaller Issuing Banks (group A of component 1) to be and remain TFFP Issuing Banks (compliance with TFFP financial information and reporting requirements) while at the same time strengthening their overall financial information collection and reporting capacity
 - Create basis for improving the collection of information on the TFFP's impact on expanding trade finance to MSMEs through TFFP IBs

V. EXECUTION AND SUPERVISION OF THE PROJECT

Execution of the project. The project will be executed by the Bank (through the TFFP area of SCF/FMK) which has primary leadership and responsibility. The Bank will be responsible for the acquisition of goods and services according to the Bank's ADM-601 General Guidelines for International Contractual Employees. The Procurement Plan is included in Annex 4.

Supervision of the project. The Project team will supervise the work and output of the hired consultant.

VI. BUDGET (in USD)

Cost type	Fund contribution
Component 1: Assessment	
Honoraria (including insurance allowance)	\$10,365
Identification of smaller potential TFFP Issuing Banks: International consultant (\$6910 per month x 1.5 months)	\$10,365
Total Component 1	\$10,365
Components 2 and 3: Integration and Capacity Building	
Honoraria (including insurance allowance)	\$114,015
Credit analysis, integration, capacity building: International consultant (\$6910 per month x 16.5 months)	\$114,015
Travel, per diem and accommodation	\$25,600
International and Internal Travel: Airfare International Consultant (7 trips Washington - Region, \$1800 per trip; 3 intra-regional trips x \$600 per trip)*	\$14,400
Per Diem, hotel, local transportation, International Consultant (\$280 per day x 40 days)*	\$11,200
Total Components 2 and 3	\$139,615
PROJECT TOTAL	\$149,980

**As the Issuing Banks and their location (for due diligence travel) will be only determined during the assessment in Component 1, the travel cost estimates are indicative and subject to change.*

Note: In case the salary requirement of the qualified international consultant is lower or higher than US\$6910/month (based on 21.6 days/month), the consultant would accordingly be hired for more or less time, always with the intention to maximize the number of potential financial institutions to be integrated and coached in the TFFP, and therefore, the impact of this TC.

VI. RESPONSIBILITY IN THE BANK

Technical Responsibility:

Ulrike Aulestia Vargas, SCF/FMK

Tel.: 202 623 3298

Fax: 202 623 3319

e-mail: ulrikea@iadb.org

Responsibility for Disbursements:

SCF/FMK

The project team leader is responsible to submit a PCR to the M&GPR TF as soon as the project has been completed.

VII. RECOMMENDATION

Ulrike Aulestia Vargas, designated team leader for the project of the reference, recommends the approval of this operation and the use of resources from the Markets and Governance for Poverty Reduction Trust Fund for up to US\$149,980 to finance this technical cooperation project.

VIII. SOCIAL AND ENVIRONMENTAL ASPECTS

The proposed operation will not have direct or negative environmental and social impacts. For the banks to be integrated in the TFFP, membership the Program entails environmental and social requirements and training on compliance with the TFFP Environmental Exclusion List. This is expected to have a positive impact of enhancing the banks' knowledge about environmental and social standards. Based on the "Safeguard Policy Filter Report" (#2007-10054503-2) the project will not require complementary environment or social actions. Moreover, based on the "Safeguard Screening Form" (#2007-10053754-2), this Technical Cooperation was classified as a project under category "C".

IX. CERTIFICATION

I certify that this operation was approved for financing by the Technical Review Committee of the Markets and Governance for Poverty Reduction Trust Fund (KMG), on August 27, 2007, and communicated through an email from Carlos Eduardo Vélez, Chair of the Committee. In addition, I certify that resources from the Markets and Governance for Poverty Reduction Trust Fund (KMG) are available for up to US\$149,980 to finance the activities described and budgeted in this TC Brief. This certification reserves resources for the referenced project for a period of eleven (11) calendar months counted from the date of signature below. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate remuneration and payments to consultants, except that local consultants working in their own borrowing member country shall have their remuneration defined and paid in the currency of that country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this TC Brief. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

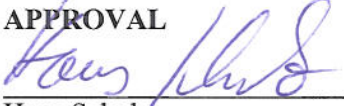


Marguerite S. Berger
Chief, VPC/GCM

10/10/07
Date

IX.

APPROVAL



Hans Schulz
General Manager, SCF

10/12/07
Date

Annex 1

Terms of Reference

FINANCIAL INSTITUTIONS ANALYST

Regional Trade Finance Facilitation program – TFFP (RG-L1003) – SCF/FMK

Primary Responsibilities

Reporting to the Head of SCF/FMK, and on a day-to-day basis to the leading TFFP Bank Analyst, and in constant and close collaboration with the TFFP team:

1. Conduct research on Latin American and Caribbean (LAC) financial markets to identify and pre-screen potential smaller (2nd or 3rd-tier financial institutions in larger national financial markets; broader focus in countries with smaller financial sector) TFFP Issuing Banks (“IBs”) catering to exporting or importing Micro, Small and Medium-sized Enterprises (MSMEs) across the region;
2. Group the identified financial institutions (“FIs”) into the following broader categories:
 - a. FIs active in trade finance (thus likely to generate demand for TFFP operations) and sound as to credit quality and other relevant risk components (goal: identify and select at least 10 FIs) → see 3.
 - b. FIs with sound credit standing and interest in expanding trade finance operations, but no or limited trade finance activity, experience and capacities, and/or lack of necessary infrastructure (access to SWIFT network, etc.) → *establish contact other competent parts of the IDB group to explore possibility of providing FIs with trade finance-related technical assistance and/or training, for them to become eligible as TFFP IBs in the medium term*
 - c. FIs interested in joining the TFFP, but with risk-related weaknesses (very limited size, country risk factors, etc.) other than substantial credit risk factors → *pre-select for potential integration into TFFP in the medium term, depending on adequate risk-mitigating mechanisms (i.e. donor risk-sharing funds, other risk-sharing agreements);*
3. For the financial institutions most likely to pass internal approval processes to become TFFP Issuing Banks (a.):
 - Conduct on- and off-site due diligence and credit analysis
 - Prepare TFFP IB guarantee line requests for selected financial institutions, including credit analysis and assessment of relevant macro environment, such as country risk factors, financial market structure and legal and regulatory environment;
 - Seek approval for the TFFP IB guarantee lines in relevant IDB committees, while participating in coordinating discussions with EVP/CRA and other relevant parties prior to formal request for approval;
 - Coach IB staff on how to comply with all reporting requirements and covenants of the TFFP Issuing Bank Agreement, to help the IB become and remain a TFFP Issuing Bank, and to generally improve the IB’s financial information collection and reporting capacity
 - Highlight to IB staff importance of, and preliminarily explore specific opportunities of especially supporting, through the TFFP, transactions involving MSMEs and/or other clients with significant local employment and poverty-reducing impact; coach IB staff on reporting these transactions to IDB
4. Prepare all necessary reports, and perform other tasks as may be required from time to time.

Qualifications/Experience

- Graduate degree in Business Administration, Finance, Int. Business, Banking or related field
- At least 4 to 5 years of relevant experience in financial markets and credit analysis of financial institutions, including ratio analysis, CAMEL approach and risk management procedures, preferably in LAC
- Proficiency in written and spoken English and Spanish, Portuguese would be a plus
- Citizenship from IDB member country

Trade Finance Facilitation Program

Issuing Banks with credit lines approved as of July 2007:

Argentina	<ul style="list-style-type: none">• BBVA Banco Frances• Banco Río de la Plata
Bolivia	<ul style="list-style-type: none">• Banco de Crédito de Bolivia (BCB)
Brazil	<ul style="list-style-type: none">• Banco Industrial e Comercial (Bicbanco)• Banco Pine• Banco Industrial do Brasil• Banco Indusval
Colombia	<ul style="list-style-type: none">• BBVA Colombia• Banco de Bogotá• Banco Davivienda
Costa Rica	<ul style="list-style-type: none">• Banco Nacional de Costa Rica
Dominican Republic	<ul style="list-style-type: none">• Banco BHD• Banco Popular Dominicano, C. por A.
Ecuador	<ul style="list-style-type: none">• Banco de la Producción S.A. (Produbanco)• Banco de Guayaquil• Banco Pichincha• Banco Bolivariano• Banco Internacional
Guatemala	<ul style="list-style-type: none">• Banco Agromercantil
Honduras	<ul style="list-style-type: none">• Banco Ficohsa
Jamaica	<ul style="list-style-type: none">• First Global Bank
Nicaragua	<ul style="list-style-type: none">• Banco de Crédito Centroamericano (Bancentro)• Banco de la Producción
Paraguay	<ul style="list-style-type: none">• Interbanco
Perú	<ul style="list-style-type: none">• Banco Internacional del Perú (Interbank)• Banco Interamericano de Finanzas (BIF)

Confirming Banks:

Austria	<ul style="list-style-type: none">• Raiffeisenlandesbank Oberoesterreich Aktiengesellschaft• Intesa Sanpaolo – Vienna Branch
Belgium	<ul style="list-style-type: none">• BBVA Brussels
Brazil	<ul style="list-style-type: none">• Banco Industrial e Comercial (Bicbanco)• Banco do Brasil S/A• Banco Itau BBA S.A.• Unibanco – União de Bancos Brasileiros S.A.• Banco Bradesco• Banco Indusval
Canada	<ul style="list-style-type: none">• The Bank of Nova Scotia• The Toronto – Dominion Bank (TDB)• Bank of America

Cayman Islands	<ul style="list-style-type: none"> • Unibanco – Grand Cayman Branch
Chile	<ul style="list-style-type: none"> • Corpbanca • Banco del Estado de Chile
China, People's Republic of	<ul style="list-style-type: none"> • The Toronto – Dominion Bank • Wachovia Bank National Association – Hong Kong Branch • Intesa Sanpaolo – Hong Kong Branch • Intesa Sanpaolo – Shanghai Branch • BBVA Honk Kong
Colombia	<ul style="list-style-type: none"> • Bancoldex
Costa Rica	<ul style="list-style-type: none"> • Banco Nacional de Costa Rica
Ecuador	<ul style="list-style-type: none"> • Banco del Pacifico • Banco Pichincha
France	<ul style="list-style-type: none"> • BNP Paribas • BBVA Paris
Germany	<ul style="list-style-type: none"> • Intesa Sanpaolo – Frankfurt Branch • Commerzbank • Landesbank Baden Wuerttemberg • American Express Bank
Greece	<ul style="list-style-type: none"> • Intesa Sanpaolo – Athens Branch
Guatemala	<ul style="list-style-type: none"> • Banco Agromercantil
Italy	<ul style="list-style-type: none"> • Intesa Sanpaolo • Sanpaolo Banco di Napoli • Cassa di Risparmio di Padova e Rovigo • Cassa di Risparmio in Bologna • Cassa di Risparmio di Venezia • Friulcassa • Banca Popolare dell' Adriatico • BBVA Milan • Banca Popolare di Sondrio • Banca Nazionale del Lavoro
Japan	<ul style="list-style-type: none"> • Sumitomo Mitsui Banking Corporation (SMBC) • Mizuho Corporate Bank • Intesa Sanpaolo – Tokyo Branch • Bank of America – Tokyo Branch • BBVA – Tokyo Branch • Bank of Tokyo Mitsubishi UFJ • Wachovia
Mexico	<ul style="list-style-type: none"> • Bank of America – Mexico City Branch • Banco Nacional de Comercio Exterior (BANCOMEXT)
Netherlands	<ul style="list-style-type: none"> • ABN Amro Bank • Sanpaolo Imi – Amsterdam Branch
Norway	<ul style="list-style-type: none"> • DnB NOR Bank
Panama	<ul style="list-style-type: none"> • Banco Latinoamericano de Exportaciones (BLADEX) • BNP Paribas
Peru	<ul style="list-style-type: none"> • Banco de Credito del Peru • Banco Internacional del Peru – Interbank • Banco Interamericano de Finanzas (BIF)
Portugal	<ul style="list-style-type: none"> • Caixa Geral de Depositos • Caja Madrid Lisboa

Republic of Korea	<ul style="list-style-type: none"> • Bank of America - Seoul Branch • Wachovia Bank National Association – Seoul Branch
Singapore	<ul style="list-style-type: none"> • Sanpaolo Imi – Singapore Branch
Spain	<ul style="list-style-type: none"> • Banco Español de Crédito (BANESTO) • Banco Bilbao Vizcaya Argentaria (BBVA) • Intesa Sanpaolo – Madrid Branch • Caja Madrid • Santander
Switzerland	<ul style="list-style-type: none"> • Zuercher Kantonalbank • BNP Paribas
Taiwan (Republic of China)	<ul style="list-style-type: none"> • Wachovia Bank – Taipei Branch
United Kingdom	<ul style="list-style-type: none"> • Intesa Sanpaolo – London Branch • Wachovia Bank – London Branch • BBVA London
USA	<ul style="list-style-type: none"> • American Express Bank • ABN AMRO New York • Bank of America • Citibank • BNP Paribas • Commerzbank • Bank of Tokyo-Mitsubishi UFJ • Standard Chartered • Wachovia • National City Bank • The Toronto – Dominion Bank (TDB) • Intesa Sanpaolo • Sumitomo Mitsui Banking Corporation (SMBC) • Mizuho Corporate Bank • BBVA New York • HVB • CoBank • NORD LB New York • Caja Geral de Depositos New York • Caja Madrid Miami

TFFP Support for Sisal Fiber Exporter Hamilton Rios



Hamilton Rios Indústria Comércio e Exportação Ltda is a medium-sized Brazilian company which extracts sisal fiber from the leave of the Agave plant and transforms the raw sisal fibers into processed fibers for spinning. While initially selling to the local market, the high quality of the produced fiber led to Hamilton Rios becoming a major sisal fiber exporter.

Hamilton Rios' sisal fiber suppliers are small local producers cultivating sisal in 'minifúndios' (small farms of 10 to 20 hectares). The wealth originated from the production and commercialization of the sisal benefits thousands of people in the fields and the cities that are located within the sisal producing region, making sisal an essential source of work to thousands of people, and thus helping to avoid migration to the outskirts of the big Brazilian cities. The cultivation of sisal is crucial in the Northeast section of Brazil, as this semi-arid region with low and irregular precipitations offers few agricultural options for the population. There are more than 600,000 people depending directly or indirectly on sisal cultivation, without any alternative source of income. Another benefit of the sisal cultivation is its environmental friendliness, as no use is made of chemical products. Through BicBanco, Hamilton Rios has benefited from TFFP guarantees for exports to Portugal and the UK.

Annex 4

Procurement Plan

Enhancing the Pro-poor Impact of IDB's Regional Trade Finance Facilitation Program (TFFP) by Integrating Smaller Financial Institutions

Main project procurements	Amount in US\$	Procurement method	Supervision (ex-ante or ex-post)	Financing source		Prequalification	Request for Proposal		Status
				IDB	Local/ other		Yes/No	Tentative publication date	
Procurement of consultant services – ADIM-601 General Guidelines for International Contractual Employees									
1 consultant (Financial Institutions Analyst) - Assessment: \$6910 per month x 1.5 months = \$10,365 - Integration & Capacity Building: \$6910 per month x 16.5 months = \$114,015	124,380	CQS ⁹	Ex-ante	100%		No	N/A		Pending
Procurement of works and goods (& other services) – GN-2349-7									
International and Internal Travel: Airfares International Consultant (7 trips Washington - Region, \$1800 per trip; 3 intra-regional trips x \$600 per trip)	14,400	Shopping	Ex-post	100%		No	N/A		Pending

⁹ Selection based on the consultants' qualifications