

SYMPOSIUM ON FINANCIAL AND BUSINESS COOPERATION BETWEEN LATIN AMERICA AND
JAPAN

(TC-97-11-45-0-RG)

EXECUTIVE SUMMARY

REQUESTER: Export Import Bank of Japan

EXECUTING AGENCY: Inter-American Development Bank (PRE/JPN)

BENEFICIARIES: Member Countries of the Bank

FINANCING: IDB: US\$740,000 (JF)
Local counterpart funding: US\$100,000
Total: US\$840,000

TERMS: Execution period: 3 years
Disbursement period: 3.5 years

SOCIAL AND ENVIRONMENTAL REVIEW: The CESI at its meeting on April 10, 1998 (TRG 13/98) gave its no objection to this operation. According to the minutes, no further assessment is required and no comments were made regarding environmental and social impact issues and proposed actions.

OBJECTIVES: The main objective of this technical cooperation is to seek a positive exchange of experiences in the fields of financial and business cooperation between the two regions (LAC/Asia) through the support of a in debth dialogue program.

DESCRIPTION: This technical cooperation consists of two major components:

*I. Symposium on Financial and Business Cooperation
between Latin America and Japan*

The "Fifth Symposium on Financial and Business Cooperation between LAC and Japan", will take place in Tokyo, Japan, on June 30 and July 1, 1998. It is being organized jointly by the JEXIM and the Bank. During the symposium theoretical discussions, accompanied by practical exchange of experiences in the field of financial and business cooperation, will form part of the agenda.

II. Follow-up conferences and seminars

Under this complementary component, which will take place after the symposium, the following activities will take place: (a) analysis of complementary proposals for seminars, conferences and related publications; (b) planning and designing of seminars and conferences which are feasible within the overall project's objective; (c) preparation of best practices studies; (d) participation in related seminars to gather information and make assessments in order to invite conference speakers.

- BENEFITS:** The seminars and/or conferences as well as the publications will generate significant benefits, which include a better understanding among very high ranking officials in both government and the private sector of Asian and Latin American countries.
- RISKS:** A possible risk associated with this program is that the participants invited to the respective events may face difficulties in translating the acquired information into action plans that would establish greater socio-economic incentives for investment flows between Asia and the LAC region. Therefore, apart from the symposium, this project envisages a series of targeted workshops to further promote an active exchange and cooperation between the two regions and deepen experiences on financial and business related policy-issues.
- THE BANK'S STRATEGY:** Programs related to the modernization of the state and private sector production facilities, as well as integration are major areas of activity for the Bank (document AB-1704). The modernization of production facilities and adequate financial institutions contribute to a greater international competitiveness. By strengthening and promoting a closer financial cooperation and exchange of experiences, as well as enhancing business cooperation between the two regions (LAC/Asia), this technical cooperation can contribute to Bank efforts in the fields of private sector development, export promotion and the modernization/improvement of financial management mechanisms .
- RESPONSIBILITIES:** PRE/JPN has the technical and basic responsibility for this regional technical cooperation.

I. BACKGROUND

- 1.1 In 1995, the Board of Directors decided to establish an office in Japan (PRE/JPN) in order to expand the relationship between Asia, centered in Japan (the only Asian member country of the Bank) and Latin America.
- 1.2 Since its inception PRE/JPN has made efforts to create new channels of communication between Japan, other Asian countries and Latin America and the Caribbean (LAC). To this end, it established the "IDB Dialogue", a public outreach program which comprises seminars, conferences and the dissemination of publications. Although successful, these activities took place mainly in Japan and thus, the above mentioned program could not provide an active exchange between public officials and businessmen from Japan and Asia to Latin American countries and vice versa.
- 1.3 Upon request from the Japan Export Import Bank (JEXIM), the Bank and the JEXIM are organizing the *"Fifth Symposium on Financial and Business cooperation between Latin America and Japan"*. This event, which is set to take place between June 30 and July 1, 1998, is geared to support Bank efforts to assist its member countries in obtaining increased inward bound direct investments from Japan and other Asian countries. It will furthermore seek to promote a better understanding of the complex relationships among LAC, Japan and other Asian countries.

II. OBJECTIVES

- 2.1 The main objective of this technical cooperation is to seek a positive exchange of experiences in the fields of financial and business cooperation between the two regions (LAC/Asia) through the support of an extensive dialogue program.

III. DESCRIPTION

A. Activities

- 3.1 This project will consist of a symposium and a series of up to six specific conferences and/or seminars, including the publication and dissemination of its outcomes, described as follows:
 - I. *Symposium on Financial and Business Cooperation between Latin America and Japan*
- 3.2 The "Fifth Symposium on Financial and Business Cooperation between LAC and Japan", will take place in Tokyo, Japan, on June 30 and July 1, 1998. It is being organized jointly by the JEXIM and the Bank. During the symposium theoretical discussions, accompanied by

practical exchange of experiences in the field of financial and business cooperation, will form part of the agenda.

- 3.3 Preparatory activities are already commencing. The JEXIM and PRE/JPN have already selected the Hotel New Otani, in Tokyo as the location for the symposium. Furthermore, draft letters of invitation for Bank Governors, Presidents of the LAC region and other participants are being formulated to ensure their timely dispatch.
- 3.4 The agenda of the symposium will be divided into five sessions (over one and half days), with two or three topics per session. Each topic will be presented by a main speaker and followed by comments from panel members and questions from the audience (see Annex I).

II. Follow-up conferences and seminars

- 3.5 Under this complementary component, which will take place after the symposium, the realization of the following activities will be required: (a) analysis of complementary proposals for seminars, conferences and related publications; (b) planning and designing of seminars and conferences which are feasible within the overall project's objective; (c) preparation of best practices studies; (d) participation in related seminars to gather information and make assessments in order to invite conference speakers. PRE/JPN will ensure that any follow-up event will be demand driven, responding to Latin American needs and interest.
- 3.6 It is estimated that up to six conferences, symposia and/or seminars will be organized over the course of 36 months and in the light of the objective of this technical cooperation. These events will involve a broad range of subjects, such as investment promotion, environment, education and social programs. The various meetings will take place either in Japan, other Asian countries or in the LAC region. Furthermore, a series of visits of Japanese and other Asian country officials and other figures to Latin America and vice versa will be organized, coordinated and supervised by PRE/JPN. Japanese and other Asian individuals will have the opportunity to visit projects financed by the Bank and receive explanations about the business opportunities in Latin America. Visitors from LAC will have the opportunity to visit mainly Japanese plants and institutions in order to learn about Japanese development models and experiences.
- 3.7 These visits, conferences and seminars will be attended by both Japanese - and eventually other Asian participants -, and Latin American diplomats, academicians, policy makers, leaders from finance, industry and commerce as well as congressional leaders and non governmental organizations.

B. Organization and implementation

- 3.8 The organization as well as coordination of activities for the seminars and conferences ^{1/} will be the responsibility of PRE/JPN in close cooperation with the Office of the Presidency, EXR, INT/RTC and other institutions like the Institute for the Integration of Latin America and the Caribbean (INTAL) and the Economic System for Latin America and the Caribbean (SELA). Furthermore, all follow-up activities under component II will be coordinated with the respective country offices, as well as the Regions involved. As such, country offices will assist PRE/JPN in the identification of exchange programs, as well as their participants, events that will be complementary to ongoing Bank efforts in the respective countries under consideration.
- 3.9 PRE/JPN will select, according to the Bank's procurement norms and procedures, the respective consultancy services needed to produce the documents that will be presented at the seminars and conferences. Consultants will produce the majority of the studies to be presented or published. Some studies, however, will be produced by Bank employees or by consultants who are already employed full time or part time by the Bank or INTAL. In other cases, individuals will discuss best practices (without producing a written paper) or will serve as commentators. These individuals will be invited and their transportation and lodging costs will be covered by this operation.
- 3.10 The program execution period is estimated at 36 months, as of approval date.

C. Monitoring

- 3.11 PRE/JPN has the responsibility of monitoring project activities, such as the supervision of the respective consultancy services required, the timely implementation and organization of the envisioned events and the supervision of activities related to publications.

D. Costs and financing

- 3.12 Total program costs are estimated at US\$840,000, of which US\$740,000 will be financed by the Japan Special Fund (JF). Counterpart funds will be provided by the JEXIM in the amount of US\$100,000. Please see project budget in *Annex II*.

^{1/} This includes activities such as: (1) the selection of conference speakers and participants, (2) invitation of the Asian speakers and participants (Bank Headquarter will send invitations to Bank Governors and LAC Presidents), (3) travel and per diem arrangements for all participants, (4) lodging arrangements, and other pertinent arrangements.

- 3.13 As per Bank policy, the expenses incurred in attending the conference by representatives of international agencies will not be covered by the Bank's contribution. The budget also provides resources to cover travel expenditures between Asia and LAC and/or vice versa as well as the associated per diem costs for up to 13 professionals. These expenditures will be required to cover possible additional costs related to the support in the preparation of the envisioned events.

IV. BENEFITS AND RISKS

- 4.1 The seminars and/or conferences as well as the publications will generate significant benefits, which include a better understanding among very high ranking officials in both government and the private sector of Asian and Latin American countries.
- 4.2 A possible risk associated with this program is that the participants invited to the respective events may face difficulties in translating the acquired information into action plans that would establish greater socio-economic incentives for investment flows between Asia and the LAC region. Therefore, apart from the symposium, this project envisages a series of targeted workshops to further promote an active exchange and cooperation between the two regions and deepen experiences on financial and business related policy-issues.

V. EVALUATION

- 5.1 PRE/JPN will evaluate each program event in terms of its objectives and goals.

PRELIMINARY AGENDA

Fifth IDB/JEXIM Symposium on Latin America and the Caribbean

June 30, 1998

9:00 - 9:25 Registration

9:30 - 10:00 Opening Session

Opening Remarks: Mr. Hikaru Matsunaga, Minister of Finance

Special Remarks: Mr. Enrique V. Iglesias, President IDB

Special Remarks: Mr. Hiroshi Yasuda, Governor, JEXIM

10:00 - 10:15 Break

10:15 - 11:50 First Session: LAC's New Era of Economic Growth

Moderator: Mr. Akio Hosono, Tsukuba University

Opening Remarks: Mr. Eisuke Sakakibara, Vice Minister MOF

Keynote Speech 1: Mr. Eduardo Aninat, Chile

Keynote Speech 2: Mr. Guillermo Chapman, Panama

Commentator: Mr. Tasuku Takagaki, Chairman of the Board, Bank of Tokyo-Mitsubishi

Commentator: Mr. Harada, Senior Staff Writer, Nippon Keizai Shinbun

11:50 - 13:30 Guest Speakers

Uruguay: President Julio Maria Sanguinetti

Venezuela: President Rafael Caldera

Brazil: President Fernando H. Cardoso

Peru: President Alberto Fujimori

Japan: Prime Minister Ryutaro Hashimoto

13:30 - 15:00 Lunch Break

15:00 - 16:45 Second Session: Subregional Integration, Further Private Sector Participation, Trade and Investment

Moderator: Mr. Utsumi, Keio University

Opening Remarks: Deputy Minister of Foreign Affairs

Keynote Speech 1: Mr. Paulo Paiva, Brazil

Keynote Speech 2: Mr. Jorge Camet Dickman, Perú

Keynote Speech 3: Mr. Omar Davies, Jamaica

Commentator: Mr. Minoru Murofushi, Chairman, ITOCHU Corp.

Commentator: Mr. Kazuo Haruna, Senior Corporate Advisor, Marubeni Corp.

Commentator: Mr. Masayoshi Morimoto, Corporate Senior Vice President, Sony Corp.

16:45 - 17:00 Break

17:00 - 18:45 **Third Session: Trade, Investment and Industrial Competitiveness**

Moderator: Mr. Manuel Enrique Hinds, El Salvador

Opening Remarks: Vice Minister, MITI

Keynote Speech 1: Mr. José Angel Gurriá Treviño, Mexico

Keynote Speech 2: Mr. Antonio J. Urdinola, Colombia

Keynote Speech 3: Mr. Roque B. Fernández, Argentina

Commentator: Mr. Akira Yokoi, Executive Vice President, Toyota Motor Corp.

Commentator: Mr. Shinroku Morohashi, Senior Corporate Advisor, Mitsubishi Corp.

18:45 - 20:30 Reception

July 1, 1998

9:00 - 11:00 **Fourth Session: New Dimensions to Natural Resource Developments**

Moderator: Mr. Trevor Sudama, Trinidad & Tobago

Keynote Speech 1: Mr. Adrian Lajous Vargas, President PEMEX

Keynote Speech 2: Mr. Luis E. Giusti López, President PDVSA

Keynote Speech 3: Chairman of CVRD, Brazil

Keynote Speech 4: JEXIM

Commentator: Mr. Takuya Negami, Executive Advisor, Kobe Steel, Ltd.

Commentator: to be appointed

11:00 - 11:15 Break

11:15 - 12:10 **Fifth Session: Financial Aspects of Latin American and Caribbean Countries Economic Development**

Keynote Speech 1: Hiroshi Toyoda, IDB

Keynote Speech 2: OECF

Keynote Speech 3: to be appointed

12:10 - 12:30 **Closing Session**

JEXIM Mr. Akira Nambara, Deputy Governor
IDB Mr. Enrique V. Iglesias, President

Project Budget

Components / Categories	IDB (JF)	JEXIM	Total
I. The Fifth Symposium	390,000	100,000	490,000
1. Consultancy Firm:	94,500		
2. Participants (travel, per diem and others):	180,500		
3. Publications:	115,000		
II. Other Seminars and Conferences	280,000		280,000
4. Consultancy firms:	60,000		
5. Individual consultants:	60,000		
6. Participants (travel, per diem and others):	130,000		
7. General Support:	10,000		
8. Publications:	20,000		
9. Contingencies:	70,000		70,000
TOTAL	740,000	100,000	840,000

PROPOSED RESOLUTION

REGIONAL. NON REIMBURSABLE TECHNICAL COOPERATION FOR A SYMPOSIUM
ON FINANCIAL AND BUSINESS COOPERATION BETWEEN
LATIN AMERICA AND JAPAN

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the Japan Special Fund, to take such additional measures as may be pertinent for the execution of the plan of operations referred to in Document AT-_____ with respect to a non reimbursable technical cooperation for the execution of a Symposium on Financial and Business Cooperation between Latin America and Japan.
2. That up to the sum of US\$740,000, is authorized for the purposes of this resolution, chargeable to the resources of the Japan Special Fund.
3. That the above-mentioned sum is to be provided on a non reimbursable basis.