

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Regional/IDB
▪ TC Name:	Sixth Korea-LAC Business Summit
▪ TC Number:	RG-T3913
▪ Team Leader/Members:	Moreno Gonzalez, Samuel Gustavo (INT/TIN) Team Leader; Yoon, Yechan (INT/INT); Barron Chirino, Itzel (INT/TIN); Esteves, Yasmin (INT/INT); Almeida Oleas, Natalia (LEG/SGO); Rospide, Maria De La Paz (INT/TIN); Gomez Gonzalez, Maria Margarita (INT/TIN); Steneri, Pablo (INT/INT)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	10 May 2021
▪ Beneficiary:	Ministries of Trade and Investment and entrepreneurs from IDB's 26 Borrowing Countries
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$950,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INT/TIN - Trade & Investment
▪ Unit of Disbursement Responsibility:	INT/INT - Integration and Trade Sector
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Economic integration

II. Objective and Justification

- 2.1 The main objective of this Technical Cooperation (TC) is to increase trade and investment opportunities between Korea and Latin America and the Caribbean (LAC). To achieve this goal, this TC aims to: (i) share Korean experiences in promoting extra-regional trade and investment, including lessons learned and best practices that might serve as foundation for future cooperation between Korea and LAC countries; and (ii) strengthen existing business relationships and foster emerging opportunities in strategic sectors such as agribusiness, information and communication technologies (ICT), energy, transport, infrastructure, and the environment.
- 2.2 The 6th Korea-LAC Business Summit, tentatively scheduled for the Fall 2021, will focus attention to how the Korea-LAC bilateral relationship will take shape in the context of a post-COVID “new normal”, by identifying opportunities for governments from both sides to collaborate in the mitigation of the lasting impacts of COVID-19. While the pandemic has wreaked havoc across all strata of society, it is the poorer and most vulnerable who have been hit hardest, laying bare persistent socio-economic inequalities. There is a key role for trade, investment and regional economic integration to overcome the challenges ahead in both the medium and long term to mitigate the ongoing social and economic effects of COVID-19.
- 2.3 The dynamic growth of trade, investment, and cooperation between Korea and LAC for the last 20 years has laid the groundwork for a sustainable, diversified, and mutually beneficial relationship. Apart from Korea being the first East Asian country to

seek Free Trade Agreements (FTAs) with LAC partners in the early 2000s, it is also finalizing negotiation of a Strategic Economic Cooperation Agreement with Ecuador and, in 2018 began negotiating a Trade Agreement with Mercosur.

- 2.4 Equally, an unfavorable global trade environment characterized by the proliferation of protectionism and a fall in prices of the raw materials, which many LAC countries heavily depend on, has added to the region's economic difficulties. The pandemic has greatly exacerbated these preexisting challenges and could not have come at a worse time for some LAC economies that were slowly recovering from the economic downturn of the mid-2010s. This context makes it paramount to rebuild our societies, boost our economies and enhance cooperation efforts between people, countries and regions.
- 2.5 Nonetheless, there are indications that we are emerging from the crisis and that there are opportunities to bring forth a more resilient and interconnected world. New business relationships between LAC countries and Korea have been built, most notably through the healthcare sector, a newly established priority. The pandemic also has demonstrated the potential of the ICT sector, including the development of e-government to facilitate the growing demand for more efficient, transparent, and accountable public service, innovative "touchless" technologies to facilitate cultural shifts and changes in workplace and business modalities, and the rapid expansion of both domestic and cross-border e-commerce. Conversely, this new context is expected to disrupt conventional business models, highlighting the importance of adequate preparation to embrace this shift and a robust social safety net that includes those who are negatively impacted by it.
- 2.6 The Bank has successfully organized numerous activities focused on promoting bilateral trade and investment between Korea and LAC, including training seminars, site visits, dissemination events and business matchmaking. These activities have proven to be successful initiatives in strengthening trade and investment flows. Specifically, the 5th Korea-LAC Business Summit, held in 2019, led to the following results: (a) 97 enterprises from the LAC region initiated business partnerships with 299 Korean counterparts, which led to deals totaling an estimated US\$583 million; (b) 1058 individuals from Korea-LAC participating in the Business Forum and business workshops.

III. Description of Activities and Outputs

- 3.1 **Component I: 6th Korea-LAC Business Summit.** A two-day business summit hold in Seoul, Korea that will include a high-level dialogue between policy makers, government officials and senior business executives, to address topics such as: Enhancing Korea-LAC economic integration through trade agreements; Supporting technical innovation in LAC through exchange programs and knowledge transfer initiatives with Korean professionals; Regional Development through Public Private Partnerships; and Coordinated response to overcome the pandemic.
- 3.2 **Component II: Summit Dissemination.** To assure the adequate involvement and wide participation of stakeholders from both Korea and LAC in the Summit, as well as to maximize its impact in the long term, human resources, technical capacity, and multi-institutional cooperation are required. This component will finance consultancy services for the preparation of content and dissemination activities related to the Summit.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
6th Korea-LAC Business Summit	US\$850,000.00	US\$0.00	US\$850,000.00
Summit Dissemination	US\$100,000.00	US\$0.00	US\$100,000.00
Total	US\$950,000.00	US\$0.00	US\$950,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank will execute the TC through the Integration and Trade Sector.
- 5.2 This TC will be executed by the Bank for the following reasons: (i) This is a regional project that involves coordination with several regional public and private sector stakeholders, and the Bank is positioned as an ideal actor to execute this project, given its presence in every country; and (ii) INT/TIN has gained invaluable know-how in the execution of Asia-LAC initiatives, including five editions of the Korea-LAC Business Forum (2007, 2011, 2015, 2017 and 2019), which aimed to create more bilateral trade and investment opportunities between Korea and LAC countries. The Division has the both the team and expertise required to successfully prepare and execute this activity.

VI. Project Risks and Issues

- 6.1 Implementation of a strategic project amid a global pandemic implies a high level of complexity and greater uncertainty, as well as risks related mainly to inter-institutional coordination and asymmetries in information. The single biggest risk factor is undisputedly the pandemic, posing a variety of challenges such as modality, logistics, available programming, among others.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".