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U S AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

U S Agency for International Development  
Business Support Services  
G/EGAD/BD  
1300 Pennsylvania Avenue, NW  
Washington, D C 20523

## GTN Business Support Services

# *Financing Guide:* **Latin America & the Caribbean**

*April 1998*

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CONTRACT NUMBER AEP-0232-C-00-4035-00  
FOR U S AGENCY FOR INTERNATIONAL DEVELOPMENT

# ***BUSINESS SUPPORT SERVICES***

**Internet Address** <http://www.usgtn.org>

The U S Agency for International Development's Business Support Services (BSS) is a central point of contact at the U S Agency for International Development (USAID) for the U S business community. USAID plays an important role in developing markets and creating economic opportunity for U S companies in the developing world. BSS is the focal point at USAID for information collection and dissemination on USAID programs and activities in development-related sectors such as environment, energy, agribusiness, and health.

BSS offers counseling assistance to small- and medium-sized businesses interested in pursuing contracting and procurement with USAID. By providing information about the process, procedures, programs, and opportunities, BSS helps foster a competitive pool of knowledgeable and qualified companies that can bring new ideas and solutions to development work at USAID.

On behalf of its clients, BSS has undertaken many initiatives to offer greater access to information, assistance and opportunities:

- **Established networks** BSS has established close relationships with development and business organizations such as the National Association of State Development Agencies, the Small Business Foundation, World Trade Centers, and Chambers of Commerce. In addition, BSS coordinates closely with other U S Government agencies such as the U S Department of Commerce, the U S Trade and Development Agency, the Overseas Private Investment Corporation, the Export-Import Bank, and the Small Business Administration.
- **Publications** BSS develops and disseminates sector-specific and regional guides on USAID programs and information.
- **Business Opportunities** BSS developed the *Business Opportunities Broadcast*, an automated fax broadcast system, to disseminate timely and relevant information about USAID opportunities.
- **Resources** BSS staff works closely with USAID's professional and technical staff located in Washington, D C, and the field missions.

BSS has outreach offices on the West Coast and in the Midwest.

The **USAID West Coast Outreach Program** can be contacted at the following addresses:  
c/o Golden West College, 15744 Golden West St., Huntington Beach, CA 92647  
Tel (714) 895-8134, Fax (714) 895-8117,  
One World Trade Center, Suite 240, 121 SW Salmon Street, Portland, Oregon  
Tel (503) 279-9383

The **USAID Midwest Business Opportunities Center** Contact 200 World Trade Center, Suite 2400, Chicago, Illinois 60654 Tel (312) 467-0550 Fax (312) 467-0615

USAID has a **Public Information Center** which answers inquiries of a general nature. Tel (202) 712-4810

**Contact BSS**  
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*To order any of the following BSS publications  
call 1-800-872-4348 or send an email to [usgtn@usaid.gov](mailto:usgtn@usaid.gov)  
These guides are available on the World Wide Web at [http //www usgtn org](http://www.usgtn.org)*

Guide to Doing Business with the U S Agency for International Development

Guide to Doing Business in the New Independent States

Asia Business Resource Guide

Guide for Doing Business in Sub-Saharan Africa

Guide to Doing Business in Central and Eastern Europe

Financing Guide for Central and Eastern Europe

Latin America and the Caribbean A Resource Guide

Financing Guide Latin America and the Caribbean

Guide to Business Assistance Programs in Agribusiness

Guide to Business Assistance Programs in Energy and the Environment

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# I. U.S. Government Financing Sources and Services

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## Export-Import Bank of the United States (Ex-Im Bank)

Internet Address <http://www.exim.gov>

The Export-Import Bank of the United States (Ex-Im Bank) is an independent U S Government Agency chartered by Congress to facilitate the financing of exports of non-military U S goods and services. The Bank's mission is to create jobs through exports. In over 60 years, Ex-Im Bank has supported more than \$300 billion in U S exports.

There are country limitations for some programs please check on website for specifics.

The Ex-Im Bank offers

- Working Capital Guarantees to U S small- and medium-sized companies that cover 90 percent of the principal and interest on commercial loans
- Export Credit Insurance policies to protect against both political and commercial risks
- Guarantees of commercial loans to foreign buyers that cover 100 percent of principal and interest
- Direct Loans to foreign purchasers of U S goods, as long as they are not military-related

The fees charged by the Bank are based on the risk assessment of the foreign buyer, the buyer's country, and term of credit. All exporters can obtain an Ex-Im Letter of Interest by application. To assist small companies with financing issues, U S Export Assistance Centers have been established in 15 cities throughout the country. While Ex-Im Bank is not a foreign aid or development agency, its programs often assist U S exporters to participate in development projects. Ex-Im Bank has co-financed projects with USAID, the World Bank and regional development banks. For specific information on Ex-Im finances available in Latin American countries, look for Country Fact Sheets under the "Country Information" section of the Ex-Im home page.

Ex-Im Bank  
811 Vermont Avenue, N W  
Washington, D C 20571  
Toll free number (800) 565-3946  
International Business Development Group (202) 565-3900  
Electronic Bulletin Board (202) 565-3835  
Seminar Registration (202) 565-3946

Specific Contacts      Mr Robert Haight, Brazil, Mexico, Central America  
(202) 565-3919  
Fax (202) 565-3931

Mr Steven Howlett, Caribbean, Venezuela, Project Finance  
(202) 565-3916  
Fax (202) 565-3931

Ms LeeAnn Heinzelmenn  
(202) 565-3942  
Fax (202) 565-3931

## **Latin America Fund for the Environment**

The objective of the Latin America Fund for the Environment, administered by National Association of State Development Agencies, is to improve the quality of life for individuals in Latin America by fostering the application of U S environmental experience, technology, and practice. The Fund provides grants to U S firms to help them address the energy needs of targeted Latin American countries. These grants facilitate the transfer of environmentally responsible technologies between the United States and Latin American. Each matching grant, not to exceed \$10,000, is intended to serve as a catalyst to draw appropriate small to medium-size U S companies into the markets of Latin America. Successful projects will stimulate investment in areas of critical Latin American need. The program was established in October 1995 by USAID and the National Association of State Development Agencies through a Cooperative Agreement with the Environmental Export Council.

The fund was designed as a catalyst to enable small and medium-sized U S companies to address current environmental challenges in Latin America. These new-to-market companies are required to match 50 percent of total project costs. Environmental and energy activities that are eligible under the grant include engineering/technology workshops and seminars, technology demonstrations, focused business development missions, and reverse missions to the U S for facility tours. The Fund serves markets in Mexico, Brazil, Chile, Bolivia, Peru, Ecuador, Jamaica, Haiti, Paraguay, Uruguay, the Dominican Republic, the Caribbean, and Central America.

**National Association of State Development Agencies**

**Ms Julie Pike**

750 First Street, N E , Suite 710

Washington, D C 20002

Tel (202) 898-1302, Fax (202) 898-1312

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## **The Overseas Private Investment Corporation**

**Internet address [http //www opic gov](http://www.opic.gov)**

The Overseas Private Investment Corp (OPIC) is a U S Government Agency that encourages mutually beneficial American private business investment in developing countries. Services that are available through OPIC are divided into three main categories: project financing, investment insurance, and investment insurance against a broad range of political risks. Open for business in 34 Latin American countries, OPIC provided nearly \$2 billion of funds last year.

To qualify for OPIC programs, projects must

- be located in a developing country or emerging nation where OPIC operates,
- assist in the social and economic development of the host country,
- not be opposed by the host country government,
- be consistent with U S economic interests,
- not adversely affect the U S economy or employment,
- not have military purposes

OPIC provides two types of medium- to long-term financing for overseas investment projects: **loan guarantees** and **direct loans**. Both allow OPIC to finance up to 50 percent of the total cost of a new project or 75 percent of the total cost of expanding a successful, existing enterprise. OPIC's all-risk loan guarantees are issued to U S lending institutions on behalf of eligible U S investors and usually range from \$500,000 to \$50 million. Direct loans usually range from \$2 million to \$10 million and are available only for overseas investment projects sponsored by or significantly involving U S small- and medium-sized businesses. In Latin America, these projects and investments have ranged from soft drink bottling in Peru to electric power generation in Grenada.

OPIC insures U S investments abroad against three types of political risks **currency inconvertibility** (including adversely discriminatory exchange rates, but not currency devaluation), **expropriation**, and **political violence** (including declaring or undeclared war, revolution, and civil strife such as terrorism and sabotage)

Mr Richard Greensberg, Manager, Latin American Investment Development  
Tel (202) 336-8616  
Mr Walter Jones, Business Development Manager—Latin America  
Tel (202) 336-8623

Information Hotline (800) 424-6742  
OPIC FactsLine (202) 336-8700

Overseas Private Investment Corporation  
1100 New York Avenue, NW  
Washington, D C 20527

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## **OPIC Allied Capital International Small Business Fund**

The Allied Capital International Small Business Fund is \$20 million which it invests globally in OPIC-designated countries Eligible companies are small U S businesses seeking risk capital to expand overseas, and foreign-based companies with significant United States-based shareholders, vendors, or licensors The preferred investment size is between \$2 million and \$5 million with participation in larger deals of up to \$20 million Investments will generally be structured as long-term, fixed rate subordinated debt or preferred stock Targeted industries include manufacturing, distribution, packaging, business services, environmental services, franchising, communications, utilities and consumer products

Mr Rick Fearon, Senior Vice President  
Allied Capital Corporation  
1666 K St NW  
Washington, DC 20006  
Tel 202-973-6313, Fax 202-659-2053

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## **OPIC Global Environment Emerging Markets Fund I and II**

Primary investment focus is in equity investments in natural resource-related sectors relating to the developing, financing, operating or supplying of infrastructure in such services as clean energy, clean water and waste management Fund I, capitalized at \$70 million with investment size generally ranging up to \$10 million, invests world-wide in those countries where OPIC has an operation The Fund seeks co-investment opportunities with established operating companies engaged in joint venture or other operational partnerships Fund II, with a size of \$120 million, will invest primarily in potable water, wastewater treatment, clean energy and solid waste management projects and private companies that develop, own, and/or operate such projects

GEEMF I  
Mr H Jeffrey Leonard, President  
GEF Management Corp  
1201 New York Avenue, Suite 220  
Washington, DC 20005  
Tel 202-789-4500, Fax 202-789-4508

GEEMF II  
Mr David Haarmoyer, Investment Services Officer  
GEF Management Corp  
1201 New York Avenue, Suite 220  
Washington, DC 20005  
Tel 202-789-4500, Fax 202-789-4508

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## **U.S. Small Business Administration**

**Internet address** [http //www.sbaonline.sba.gov](http://www.sbaonline.sba.gov)

The U S Small Business Administration (SBA) maintains a program through which qualified U S companies doing business in the region may obtain SBA financing The U S Small Business Administration provides financial and business development assistance to assist small business development in developing export markets

SBA guarantee programs include the Regular Business Loan Guarantee Program, which provides loan guarantees to small business for fixed assets and working capital, and the Export Revolving Line of credit Program, through which a business can receive a government-guaranteed loan to finance labor and materials for manufacturing or wholesaling, developing foreign markets, financing foreign accounts receivable, and in some cases, business travel and trade show participation

In addition, the International Trade Loan Program, provides long-term fixed-asset financing and short-term working capital to purchase or upgrade facilities or equipment and to make other improvements within the U S for production of goods or services

SBA defines a small business as an independently- owned and operated for-profit business that does not dominate the market in which it exists To obtain SBA financing, the applicant must first seek a loan from a bank or other lending institution If the lender is unable or unwilling to provide the financing directly, the lender should contact the nearest SBA field office

Office of Business Loans  
409 3<sup>rd</sup> Street, N W 6<sup>th</sup> Floor  
Tel (202) 205-6570 or 1-800 827-5722  
Fax (202) 205-7519

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## **U.S. Trade and Development Agency**

**Internet Address** [http //www.tda.gov](http://www.tda.gov)

The Trade and Development Agency (TDA) is an independent U S Government Agency which assists U S firms to pursue overseas business opportunities by funding a variety of activities

- Feasibility studies
- Business workshops
- Technical assistance
- Orientation visits
- Training grants

TDA is currently active in 20 Latin America and Caribbean countries, and has supported programs in the region since the early 1980s Activities focus on development in agriculture, energy, environment, health care, manufacturing, telecommunications, transportation, and water resources Initially, TDA projects were mostly public sector projects, but as developing countries, *specifically Latin America countries*, privatize state-owned enterprises, TDA has placed more focus on infrastructure and industrial projects

TDA only considers projects that have potential to mature into significant business opportunities for U S companies All proposed projects must (1) be a development priority of the host country (2) have significant U S export potential (3) have project financing (4) be likely to generate strong competition

An official request for assistance must be made directly to TDA by the sponsoring organization of the appropriate country, be it through the government or private sector A description of the proposed project should accompany the official letter of request, sent via the U S Embassy in-country or directly to TDA, in order to expedite the review process While no formal application is required, a proposal model format can be obtained upon request Requests for Proposals (RFPs) related to available TDA feasibility studies are published in the *Commerce Business Daily*

TDA publishes a bi-weekly newsletter which includes information on programmatic activities and upcoming reverse trade missions The newsletter is available for a subscription rate of \$80 per year or free via Internet

Most recently, TDA projects in Latin America have included \$711,000 study of a health care planning project in Argentina for the Ministry of Public Health, \$75,000 study for a rural cellular telephone project in Costa Rica, \$375,000 for studies to plan and concession three wastewater treatment plants in Saltillo, Mexico

Mr John Herman Country Manager/  
Caribbean, Venezuela, Ecuador, Brazil, Central America

Ms Anne McKinney Country Manager/  
Argentina, Bolivia, Chile, Mexico, Paraguay, Peru, Uruguay

1621 North Kent Street, Room 309  
Rosslyn, VA 22209  
Tel (703) 875-4357, Fax (703) 875-4009

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## **USAID Micro and Small Enterprise Development Program (MSED)**

The Micro and Small Enterprise Development Program (MSED) utilizes direct guarantee authority to promote sustainable economic growth working with and through the formal financial sector to support micro and small businesses as part of USAID's development mandate The Program has three fundamental goals (1) create linkages between formal financial institutions and micro and small businesses with the purpose of facilitating access to credit for micro and small business, (2) develop innovative financing mechanisms that address imperfections in the financial markets, and (3) strengthen the capabilities of indigenous financial institutions by enhancing the business skills of bankers and their micro and small business borrowers

Their principal financial instrument is the Micro and Small Business Loan Portfolio Guarantee Program (LPG) The LPG was designed to encourage financial institutions -- including commercial banks, finance companies, insurance companies, leasing companies, and other specialized financial intermediaries -- to extend and expand credit to microentrepreneurs and small businesses

Guarantees are issued by USAID to credit worthy financial institutions in developing countries The guarantees cover up to 50% of the net losses on the principal amount of eligible loans placed under coverage by the financial institution The total principal amount of loans to any one borrower or business which may be placed under guarantee coverage at any one time may not exceed the local currency equivalent of \$5,000 for a microentrepreneur and \$150,000 for a small business Micro enterprise is generally defined as businesses having no more than 5 full time employees Small business is generally defined in terms of a maximum net fixed asset ceiling The average net fixed asset ceiling in portfolio is \$250,000

Specifically in Latin America, Bank Casa of El Salvador provides loan guarantees to micro and small businesses under the MSED Program, and Bolivia's Banco del Sol provides bond guarantees

Mr John Moran  
*Credit and Investment Staff*  
Agency for International Development  
Washington, DC 20523  
Tel (202) 712-5058

## **II. Multilateral, International, and Regional Financing Sources**

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### **Andean Development Corporation**

The Andean Development Corporation (CAF), headquartered in Venezuela, began operations as a multilateral institution in 1970. The CAF provides technical and financial support for the industrial, agricultural, mining, infrastructure, commercial operations, and tourism sectors in the Andean countries of Bolivia, Colombia, Ecuador, Peru, and Venezuela.

Short- to long-term financing is available through various CAF operational programs, including Technical Cooperation, Pre-investment loans, Project Execution loans, Equity Participation in Andean Multinational Corporations, and Trade Financing.

CAF financing is available to nationally owned companies located in the Andean Pact member countries.

Av Luis Roche-Altamira  
Edificio Torre Central, Pisos 4 al 10  
Apartado Postal Carmelitas 5086  
Altamira 69011-69012  
Caracas, Venezuela  
Tel [58] (2) 285-55-55, Fax [58] (2) 284-5754

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### **Biodiversity Enterprise Fund for Latin America**

An International Finance Corporation product, this fund will invest in medium-size private sector ventures in sustainable forestry and agriculture, non-timber forest products, and ecotourism in South America.

Mr Michael Rubino  
Technical and Environment Department  
IFC  
Tel (202) 473-2891, Fax (202) 334-8705

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## **Caribbean/Central American Business Advisory Service**

The Caribbean/Central American Business Advisory Service (BAS) assists entrepreneurs with developing, evaluating, and raising finance for productive projects in the Caribbean and Central America. BAS acts as a bridge between project sponsors and sources of long-term finance. Its main role is to help entrepreneurs develop their project ideas into bankable investment proposals and to obtain long-term financing for them.

Projects supported, while not financed, by BAS have concentrated in the agribusiness, tourism, and manufacturing sectors. However, most productive business proposals deemed technically and economically solid are eligible for assistance. The BAS operated under the auspices of the United Nations Development Program and is managed by the World Bank's International Finance Corporation.

BAS provides advice and assistance in project structuring, identification of technical and marketing partners, project appraisal, and identification of financing sources. BAS also assists the project sponsor in negotiating with lending institutions. The size of projects receiving BAS services range from \$500,000 to \$40 million. BAS charges its clients a success fee of 2.5 percent on the amount of finance it raises for a project.

New or expansion projects, excluding those that are essentially trading operations or real estate developments, are eligible for BAS consideration, regardless of sponsor nationality. Eligible projects in all CBI beneficiary countries may qualify for BAS support.

Caribbean/Central America Business Advisory Service  
World Bank/ International Finance Corporation  
1818 H Street, NW  
Washington, D C 20433  
Tel (202) 473-0900, Fax (202) 334-8855

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## **Caribbean Development Bank**

The Caribbean Development Bank (CDB), an associate institution of the Caribbean Common Market (CARICOM), provides long-term financing for productive projects in CARICOM member countries and UK dependent territories in the Caribbean. In addition, prefeasibility and feasibility study financing are available. CDB directs approximately one-third of its lending to private sector projects, the remaining CDB portfolio finances government projects, mainly infrastructure.

CDB may provide loans ranging from \$750,000 up to 40 percent of the total project cost. Although CDB has the capacity to issue loan guarantees, issuing these would tie up callable capital, therefore, direct lending is preferred.

New or expansion projects in productive enterprises, including agriculture, livestock, fishery, forestry, marketing, manufacturing, mining, tourism, and related services, are eligible for CDB financing. Retail or wholesale trade, office construction, and condominium-type projects are ineligible. Projects in CARICOM countries and UK dependencies may receive CDB financing.

CDB gives priority to borrowers that are Commonwealth Caribbean member country nationals and companies controlled by such nationals. Loans may be extended to non-nationals under the following circumstances: for projects oriented toward extra-regional export markets that are not merely branch plants of foreign enterprises, for projects that use a substantial amount of local raw materials, or include extensive transfer of technology and skills, and for companies where equity share is held by or offered to nationals, with CDB acceptance of the firm's plan for localizing majority ownership and control within a certain time period.

Vice President, Corporate Services and Bank Secretary  
Caribbean Development Bank  
P O Box 408, Wildey  
St Michael, Barbados  
Tel (809) 431-1600, Fax (809) 426-7269

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## **Central American Bank for Economic Integration**

The Central American Bank for Economic Integration (CABEI) is an institution of the Central American Common Market (CACM). CABEI provides regional economic support by channeling financing from regional, international, and bilateral sources to the CACM member countries (Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua). Borrowers must be Central American nationals or permanent residents and must control at least 51 percent of the project. Financing is made to member country governments for specific activities. CABEI programs currently targeting private sector development include:

The Agro-industry Program provides financing to private business for the production, industrialization, and commercialization of agricultural products for export to the international market. Agro-industry and certain livestock projects producing for export to the international market are eligible.

The Aquaculture Program provides financing for aquacultural projects controlled by small- and medium-sized firms. Aquacultural projects, including shrimp cultivation and freshwater fish cultivation, are eligible for financing.

The Industrial Reactivation Program provides financing and technical assistance for industrial projects that contribute to regional and extra-regional trade.

The Nontraditional Export Promotion Program provides technical and financial support for projects to produce nontraditional products for export to the international markets.

The Regional Tourism Program provides financing for the establishment and improvement of tourism facilities as well as support for regional tourism promotion efforts.

The Small and Medium Industry Support Program provides financial and technical assistance to small- and medium-sized firms involved in manufacturing and agro-industry.

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## **Eastern Caribbean Central Bank**

The Eastern Caribbean Central Bank (ECCB) provides export credit guarantees in an effort to promote Eastern Caribbean exports. The Pre-Shipment Finance Guarantee Scheme (PSFG), and the Post-Shipment Discounting Guarantee Scheme (PSDG), are offered through financial institutions to provide working capital to qualifying exporters.

The PSFG enables financial institutions to lend short-term working capital for up to 80 percent of the amount of raw materials required. PSDG permits the exporter to discount up to 80 percent of the total gross invoice value of each export shipment.

Exporters of goods wholly or partly processed, produced, or manufactured in one of the Eastern Caribbean countries are eligible for ECCB guarantees. An exporter may be a manufacturer or a trading company. "Indirect exporters" that supply local inputs to exporters are also eligible. Normally, foreign controlled companies exporting from the Eastern Caribbean are excluded from participation. However, exceptions may be made for foreign-controlled firms generating substantial foreign exchange or employment.

Export Credit Guarantee Department  
Eastern Caribbean Central Bank  
P O Box 89  
Basseterre, St Kitts  
Tel (809) 465-2537, Fax (809) 465-1051

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## **Inter-American Development Bank**

**Internet Address** [http //www iadb org](http://www.iadb.org)

The Inter-American Development Bank (IDB) is an international financial institution composed of 46 Latin American and Caribbean member countries, created to support economic development in the area. Of the 46 members countries, only 26 actually have borrowing status. In its 35 years of operations, the IDB has helped to provide, secure, and organize financing for projects that represent a total investment of more than \$194 billion.

Multilateral institutions have long been urged to do more to help the underprivileged. At the same time, they are often criticized for not generating immediate financial return. The IDB believes in investing in the people of Latin America, in their skills, productivity and future income so as to promulgate long term development. Latin America's most creditworthy countries cannot borrow from private creditors 10-20 year money that yields returns 10-20 years hence. Programs in the both the public and private sectors enable social and economic change in targeted countries through efforts to modernize and expand both human and economic production.

The IDB has historically supported projects carried out by the public sector in the country of interest. Although these projects are appropriated to the private sector, they do not involve direct lending to the private sector. The Bank is the largest source of public finance for development projects, lending between \$6-7 billion per year to the region. Loans are made in the borrowing countries, and operations are carried out by governmental agencies.

### **IDB Private Sector Department**

The IDB today has a new way of working with the region's ever-changing private sector so as to remain current with economic reforms that place private firms in the driving seat. Designed to provide long term financing and guarantees for larger, private infrastructure projects, the Bank lends directly to the private sector without government guarantees. In addition, the Bank offers partial risk and partial credit guarantees to lenders to cover portions of financing, in either medium or long term arrangements.

Makoto Sunagawa, Manager  
Private Sector Department  
(202) 623-1501

### **Guarantees for Private Sector Projects**

The IDB is attempting to mobilize private sector resources for infrastructure creation by the implementation of a loan and risk guarantee facility directed mainly at private infrastructure projects. These guarantees would not require a counter guarantee by the government in the recipient country.

The program is designed to complement the private-sector and will be aimed primarily at infrastructure. One aspect are the partial risk guarantees. They will mitigate risks stemming from dependence on public sector entities for supply of inputs or to purchase the good or service provided. The aim is to reduce the commercial risk of public sector entities renegeing on their contractual obligations.

Another aspect is aimed at the problem of short maturities in the financial markets. The program will provide partial guarantees for borrowing in the credit or capital markets, extending the maturity of available medium-term funding, thus transforming it into long-term financing.

### **IDB Inter-American Investment Corporation (IIC)**

The IIC, a member of the IDB group, promotes private sector development by making equity investments and providing term loans for projects where traditional financing is not available, usually small- to medium-sized projects. Also provides cofinancing and advisory services. Investments can represent up to 33 percent of total capital.

John C Rahming, General Manager  
Tel (202) 623-3901

General Number  
Tel (202) 623-3900, Fax (202) 623-2360

### **The Multilateral Investment Fund (MIF)**

The MIF, an autonomous fund administered by the Inter-American Development Bank, provides support for private sector promotion, training and microenterprises in the form of loans, grants and equity investment. As of March 1996, MIF had approved 68 programs valued at \$137.4 million since program inception late 1993. Three lending windows are comprised of the technical cooperation facility, the human resources development facility, and the small enterprise development facility.

*Learn how the IDB works by attending one of its monthly business briefings or an outreach seminar in your area. Call IDB's main number for more details.*

Inter-American Development Bank  
1300 New York Avenue, N W  
Washington, D C 20577  
Tel (202) 623-1000, Fax (202) 623-3096  
Public Information Center Tel (202) 623-2096, Fax (202) 623-1928,  
Email pic@iadb.org

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## **North American Development Bank**

The North American Development Bank (NADBank) was created by the U.S. and Mexican governments as part of the North American Free Trade Agreement process to serve as a financial partner and catalyst in developing environmental infrastructure along the border between the two countries. Concurrent with the establishment of the NADBank, the Border Environment Cooperation Commission (BECC) was created to ensure community participation in determining environmental priorities and to certify projects seeking financial support from the Bank. NADBank offers financial support to projects certified by the BECC, which are financially and environmentally sustainable, both now and for future generations.

The NADBank and the BECC provide assistance to authorities at all levels of government in the United States and Mexico, as well as the private sector, concerning appropriate ways to formulate and structure the financial aspects of environmental infrastructure projects in the border region. The areas of priority for both institutions are *fresh water supply, waste water treatment, and solid waste management*.

The Bank has a bi-national board of directors consisting of six members from the United States, the Secretary of the Treasury, the Secretary of State, and the Administrator of the Environmental Protection Agency, and from Mexico, the Secretary of Finance and Public Credit, the Secretary of Commerce and Industrial Development, and the Secretary of Social Development.

As of December 31, 1996, the Bank's capital, jointly subscribed and paid in equal parts by both countries, totaled 2 247 billion dollars 337 million dollars in paid-in capital, and 1 910 billion dollars in callable capital The Bank's capital and reserves are invested through the Banco de Mexico and the U S Federal Reserve Bank of New York

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E-mail anniea@onr.com

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## **The World Bank Group**

**Internet Address** <http://www.worldbank.org>

The International Bank for Reconstruction and Development (IBRD) or World Bank is responsible for providing both financial and technical assistance to developing countries to stimulate economic development Owned by more than 140 member governments, the IBRD makes structural adjustment loans to help developing countries make national policy changes and lends funds to creditworthy countries or their agencies, generally for specific development projects

Through its procurement program, contract opportunities for environmentally-sound suppliers of goods and services are available through international competitive bidding Projects in the environment, energy, social, infrastructure, and financial management sector offer the best opportunities

Large companies frequently subcontract smaller suppliers for goods and services Consulting firms may register with the World Bank's automated DACON (Data on Consultants) file which is used by the Bank to provide borrowers and staff members with descriptions of available consultants

Latin America and the Caribbean  
Mr Mario del Carril  
Tel (202) 473-6189 Fax (202) 522-3698

Ms Monica Echeverria-Cota  
Tel (202) 473-1315, Fax (202) 522-3698

The World Bank Headquarters  
1818 H Street, N W  
Washington, D C 20433  
Tel (202) 477-1234, Fax (202) 477-6391

DACON Information (202) 473-0891  
Bookstore (202) 473-2941  
Public Information Center (202) 458-5454

The World Bank Group consists of four closely associated institutions the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) The IFC and MIGA are the two arms of the World Bank Group which deal with the private sector

#### **International Finance Corporation**

**Internet Address** <http://www.ifc.org>

The IFC was established to promote productive private investment that will contribute to the economic growth of its developing members To carry out its mandate, the IFC provides debt and equity finance to private sector projects, as well as advisory services on legal and financial issues and technical assistance throughout project life

IFC's project financing activities in Latin America and the Caribbean have more than tripled over the last five years In 1995, IFC provided \$2,313 million in financing to 53 companies in 17 countries in Latin America and the Caribbean In project financing alone, LAC countries received 41% (\$276 million) of the total \$670 million

Helmut Paul, Tel 202-473-0701, Fax (202) 334-0354

#### **Multilateral Investment Guarantee Agency**

**Internet Address** <http://www.miga.org>

MIGA is the newest member of the World Bank Group, established in 1988 It is designed to encourage the flow of foreign direct investment to developing member countries by providing (1) non-commercial risk insurance (or guarantees) to foreign investors, (2) technical assistance in investment promotion to stimulate investment flows, and (3) legal advice to improve investment strategies

The region of Latin America and the Caribbean is currently the largest guarantee portfolio Best prospects for guarantee contracts include the following sectors infrastructure, oil and gas, mining, tourism, agribusiness, and financial projects

Stine Andresen, Political Risk Insurance  
Tel (202) 473-6157, Fax (202) 522-2630

Douglas Maguire, Investment Marketing Services  
Tel (202) 473-6733, Fax (202) 522-2650

#### **World Bank Partial Risk and Credit Guarantee Programs**

The World Bank partial risk and partial credit guarantee programs can be instrumental in private-sector infrastructure financing The partial guarantees allow borrowers to secure long-term debt finance at low rates Guarantees cover specific obligations undertaken contractually by a government—such as allowing highway tolls to rise according to a preciously negotiated formula, delivering fuel for a power project, or compensating for project delays caused by the government In addition to insuring against political risks such as these, the programs also insure against traditional forms of country risk such as war, expropriation, and currency conversion

M G Sri-Ram Aiyer, Director,  
Technical Department for Latin America and the Caribbean  
(202) 473-9003

#### **Business Partnership Center (BPC)**

To facilitate access to its information and services, the World Bank Group recently established the BPC, a central contact point and referral service for private sector firms considering doing business with the World Bank Group or

more generally in developing economies. The BPC is the best place to start when seeking general information or guidance on the most appropriate contact for a business venture.

Business Partnership Center  
Tel (202) 522-4272, Fax (202) 52201727  
Email [business\\_partners@worldbank.org](mailto:business_partners@worldbank.org)

*\*\* In addition **World Bank Monthly Briefings** provide essential information about business opportunities arising from Bank supported projects. World Bank officials describe procedures that companies should follow to keep informed about projects to compete for upcoming contracts and to pursue foreign investment opportunities. There is a charge to attend these briefings. For more information please contact*

The World Bank  
Ms Ivonne Lejuez  
Tel (202) 473-1819, Fax (202) 334-0003

Development Business is a bi-monthly publication of the United Nations which provides information on consulting, export and construction opportunities in a broad range of sectors in the developing world. It identifies and monitors projects in the pipelines of the major development banks and the UN agencies. The cost is \$495 (one year) or \$845 (2 years).

Development Business  
United Nations, GCPO Box 5850  
New York, NY 10163-5850  
Tel (212) 963-1516, Fax (212) 963-1381

Companies seeking information and assistance on business opportunities available through Multilateral Development Bank projects should contact the US Department of Commerce office below. The MDBO staff offers counseling and referral.

**Multilateral Development Bank Operations**  
**Department of Commerce**  
International Trade Administration  
14th St and Constitution Avenue, N W  
Room H-1107  
Washington, DC 20230  
Tel (202) 482-3399, Fax (202) 273-0927

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## **United Nations Development Program Investment Feasibility Study Facility**

The United Nations Development Program runs an Investment Feasibility Study Facility which provides low-cost financing for feasibility studies in an effort to support investment in the poorest developing countries. Financing from the facility is available for both private and public investment projects--amount varies depending upon size.

United Nations Development Program  
One United Nations Plaza  
New York, NY 10017  
Tel (212) 906-5558 or 5328  
Fax (212) 826-2058

### **III. Private Financing Sources and Services**

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#### **Banker's Association for Foreign Trade (BAFT)**

The BAFT is an association of banking institutions dedicated to fostering and promoting American exports, international trade, finance and investment between the U S and its trading partners BAFT operates the Access to Export Capital Program (AXCAP), a national database listing of financiers and government agencies who are involved in trade finance and the services they offer AXCAP also contains a national inventory of services offered by government export credit agencies, including Ex-Im Bank, OPIC and SBA

Access to Export Capital Program  
Bankers' Association for Foreign Trade  
1600 M Street, N W , Suite 7F  
Washington, D C 20036  
Contact Mr James Trinnaman  
Tel 1-800-49-AXCAP, (202) 452-0013, Fax (202) 452-0959

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#### **Caribbean Financial Services Corporation**

The Caribbean Financial Services Corporation (CFSC) provides medium to long-term financing and equity for productive projects in the English-speaking Caribbean CFSC may also provide financing for technical assistance and securities brokerage services CFSC's capital resources of \$21 million include finding support from the U S Agency for International Development and the European Investment Bank CFSC shareholders include regional private sector companies and individuals, multi-national financial institutions, and international private sector development institutions Since its establishment in 1984, CFSC has committed \$15 million in loans principally in tourism projects, followed by manufacturing, other industrial, and agribusiness projects

Projects in manufacturing, agribusiness and related enterprises that enhance the region's foreign exchange earning capabilities and generate employment are eligible for CFSC financing

Managing Director, Caribbean Financial Services Corporation  
Chapel Street  
Bridgetown, Barbados  
Tel (809) 436-1960, Fax (809) 426-1869

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#### **Environmental Enterprises Assistance Fund (EEAF)**

Initiated in April 1996, the Corporacion Financiera Ambiental is managed by the Environmental Enterprises Assistance Fund and is designed to finance environmental business in Central America The focus of the Fund is on small- and medium-sized investing, with a minimum investment of \$100,000, and maximum of \$750,000 EEAF believes the Fund, with its low interest rates and long term maturities, will encourage more investment in the underdeveloped Central American markets Before the Fund's existence, the only available loans emphasized short term investments and high interest rates

Target sectors are as follows renewable energy, energy efficiency, sustainable agriculture, forestry and mariculture, nature tourism, recycling, pollution abatement

Environmental Enterprise Assistance Fund  
1901 North Moore Street  
Suite 1004  
Arlington, VA 22209  
Tel (703) 522-5928, Fax (703) 522-6450, Email [eeaf@igc.apc.org](mailto:eeaf@igc.apc.org)

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## **High Impact Agricultural Marketing and Promotion Program**

The High Impact Agricultural Marketing and Production (HIAMP) program provides equity capital through the Agricultural Venture Trust for agricultural projects in the Eastern Caribbean. Commercialization grants and technical assistance are also available. HIAMP, a program funded by USAID, will support new projects in nontraditional agriculture that exhibit strong export potential. This venture trust currently has a \$12 million capital base. Since its establishment in July 1986, HIAMP has provided equity to 22 projects, averaging \$275,000 in size as of December, 1991.

Agricultural projects eligible for HIAMP financial and technical support include crop and live-stock production, agro-processing, product distribution and marketing, post-harvest handling and transportation, fishing, and processing.

Executive Director  
Agriculture Venture Trust  
5 Golf View Terrace  
Church, Barbados  
Tel (809) 435-8990  
Fax (809) 435-8995

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## **Latin American Agribusiness Development Corporation**

The Latin American Agribusiness Development Corporation (LAAD) is a private investment and development company that finances and develops agribusiness projects in Latin America. Its primary business is financing agribusiness with medium-term loans. LAAD is a publicly-held entity with 13 shareholders representing leading agribusiness and financial corporations. Additional resources include loans from banks and from the U.S. Agency for International Development. LAAD financing is available for agribusiness projects including those involving agriculture, livestock, forestry, and fishing. Most financing is extended to nontraditional export projects.

LAAD Corporation  
241 Sevilla Avenue, Suite 1006  
Coral Gables, FL 33134  
Tel (305) 445-1341, Fax (305) 446-8447

## **Latin American Export Bank**

The Latin American Export Bank (BLADEX) is a specialized multinational bank created to promote and finance trade of Latin American and Caribbean member countries. The authorized capital of BLADEX consists of \$250 million in shares held by central banks or their designated government financial institutions, regional commercial and investment banks, international banks from outside the region, and the International Financial Corporation.

BLADEX provides short-term financing at competitive rates to its shareholder banks in the region for use by them in on-lending to exporters and importers, as well as directly selected regional exporting institutions. BLADEX also provides medium-term loans for the purpose of fostering exports of goods and services, depending upon the availability of appropriate medium-term funding facilities. BLADEX applies commercial criteria in the extension of all credit facilities.

Latin American Export Bank  
Apartado 6-1497, El Dorado  
Panama, Republic of Panama  
Tel (507) 63-6766, Fax (507) 69-6333

In the United States  
750 Lexington Avenue, 26<sup>th</sup> Floor  
New York, NY 10022  
Tel (212) 754-2600, Fax (212) 754-2606

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## **Latin American Infrastructure Fund (AIG & GE Capital)**

Announced in December 1996, this fund is a private placement involving the American International Group, Inc (AIG) and General Electric Capital Corporation that will raise up to \$1 billion for long-term equity and convertible debt investments in Latin America. The Fund will be the largest private equity fund ever raised for infrastructure investments in the region. The Fund will make equity investments in oil, gas and natural resource development projects, environmental services, and water treatment/distribution in South America, Mexico, Central America, and the Caribbean. Approximately 80 percent of the Fund will be invested in Argentina, Brazil, Chile, Colombia, Mexico, and Peru. The Fund is expected to have a term of ten years.

John Rahming, General Manager  
Inter-American Investment Corporation  
Tel (202) 623-3901, Fax (202) 623-3815

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## **Newbridge ANDEAN Partners**

Focusing on the ANDEAN countries, Bolivia, Ecuador, Peru and Venezuela, the Newbridge ANDEAN Partners fund provides financial support in raising long term expansion capital for equity investments in diversified manufacturing, agricultural, financial and service industries. With total financing at \$150 million, typical investment size is between \$5 million and \$20 million.

Mr Jonathon Ginns or Mr Bernard Aronson, ACON Investments, L L C  
1429 G Street, N W, Suite 410  
Washington, D C 20004  
Tel (202) 745-9303, Fax (202) 745-9303

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## **PEFCO—Export Financing**

The Private Export Funding Cooperation (PEFCO) was created in 1970 to provide an assured source of financing in support of U S exports. Since the commencement of its operations, PEFCO has made export loan commitments of approximately \$9 billion. PEFCO has a Guarantee and Credit Agreement with the Export-Import Bank. With the encouragement of Ex-Im Bank, PEFCO has successfully inaugurated two small business support programs. In one program, PEFCO provides liquidity for Ex-Im Bank's working capital guarantee program. In the other, PEFCO supports qualified small businesses otherwise unable to find a private sector export lender, even though guaranteed by Ex-Im Bank.

Private Export Funding Corporation  
280 Park Avenue  
New York, NY 10017  
Tel (212) 916-0300, Fax (212) 286-0304

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## **South America Private Equity Growth Fund**

The South America Private Equity Growth Fund invests in projects ranging from \$20 million to \$200 million, with an average investment size of \$10 million. Focusing on Argentina, Bolivia, Brazil, Chile, Peru, and Venezuela, the Fund will be most useful to small-and medium sized companies looking to expand in various manufacturing financial and service industries. The Fund most recently provided money to secure a venture in Brazil between a U S firm and Mobitel, the formerly state-owned telecommunications network.

Mr John Lugar, Executive Vice President  
WestSphere Equity Investors  
601 Pennsylvania Avenue, N W , Suite 900  
Washington, D C 20004  
Tel (202) 434-8290, Fax (202) 539-8238