

Selected Facts and Statistics

Emerging markets are growing at twice the rate of developed markets.

Net private capital flows to developing countries reached an all-time high of \$483 billion in 2005—substantially above the previous peak of \$295 billion in 1997.

The World Bank's presence in emerging markets is significant.

In fiscal year 2006, the IBRD/IDA recorded \$23.6 billion of commitments in 279 projects. The IFC recorded \$8.2 billion in 284 projects during the same period. IBRD/IDA has averaged 8.4 percent growth each year from 2003 to 2006, while the IFC grew by 20 percent in the same period and earned \$1.28 billion in net income in fiscal year 2006. These trends are expected to continue for the next several years.

Project Cycle

Each year the World Bank lends between \$15 and \$20 billion for projects in the more than 100 countries with which it works. The projects the bank finances are conceived and supervised according to a well-documented project cycle. Documents produced as part of the project cycle can be valuable sources of information for businesses wishing to participate in bank-financed projects. For a step-by-step guide to the project cycle, the documents that are produced as part of the process, and how to access them, visit the World Bank's Web site at: http://siteresources.worldbank.org/OPPORTUNITIES/images/projectcycle-ar03_big.gif

Visit www.buyusa.gov/worldbank • Call (202) 458-0120 • Fax: (202) 477-2967 • E-mail: worldbank@mail.doc.gov

To learn more about working with the World Bank, IFC, and MIGA, visit the Commerce Department's World Bank team in the U.S. executive director's office of the World Bank Group.

Put the U.S. Commercial Service's Advocacy Center section at the World Bank Group to work for your company.

Please visit www.export.gov/advocacy or contact us by phone at (202) 458-0120 or via e-mail at worldbank@mail.doc.gov

With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide.



In Partnership with the U.S. Department of Commerce and the World Bank Group

Business Development In Emerging Markets

Financial and Political Risk Mitigation

Advisory Services and Technical Assistance

Export Opportunities



Advocacy Center



Background

The World Bank Group comprises five closely associated institutions that collaborate to support development projects worldwide.

The International Bank for Reconstruction and Development (IBRD), the oldest of the World Bank Group institutions, aims to

reduce poverty in middle-income and creditworthy poorer countries by promoting sustainable development through loans, guarantees, risk management products, and (nonlending) analytic and advisory services.



The International Development Association (IDA) provides highly concessional financing to the world's 81 poorest countries. IDA's interest-free credits and grants help

support country-led poverty reduction strategies in key policy areas, including raising productivity, providing accountable governance, building a healthy investment climate, and improving access to basic services, including education and health care.



The International Finance Corporation (IFC) is the private-sector investment entity of the World Bank Group. It invests in sustainable private enterprises in developing and transitional countries without accepting government guarantees. It provides equity, long-term loans, structured finance and risk management products, as well as technical assistance and advisory services to its clients.



The Multilateral Investment Guarantee Agency (MIGA) provides noncommercial guarantees (insurance) for foreign direct investment in developing countries. It addresses concerns about investment environments and perceptions of risk, which often inhibit investment, by providing political risk insurance.

MIGA's guarantees offer investors protection against noncommercial risks such as expropriation, currency inconvertibility, breach of contract, war, and civil disturbance.



The International Centre for Settlement of Investment Disputes (ICSID) is designed to facilitate the settlement of investment disputes between foreign investors and host states. It encourages foreign investment by providing neutral international facilities for conciliation and arbitration of investment disputes, thereby fostering an atmosphere of mutual confidence between states and foreign investors. Many international agreements concerning investment refer to ICSID's arbitration facilities.



(Source: The World Bank Group Annual Report)

The Commerce Department's liaison office at the World Bank Group can help U.S. firms mitigate risk and develop projects in emerging markets as well as facilitate the pursuit of export opportunities in bank-generated procurement. It does this by providing access to World Bank facilities, by advocating for U.S. commercial interests, and by explaining effective strategies to pursue such opportunities.

Financial and Political Risk Mitigation

The World Bank Group, via the IFC and MIGA, is the largest multilateral source of financing for private enterprises in emerging markets.

The IFC applies its AAA rating to:

- **Loans**—long term (up to 12 years), local currency, fixed or variable rates, market pricing
- **Equity and Quasi-Equity**—common or preferred stock, sub-debt, asset- and mortgage- backed securities
- **Loan Participations (B-Loans)**—mobilized capital via the sale of participation in IFC's own loans
- **Client Risk Management Products**—asset and liability tools (for example, currency and interest rate swaps)
- **Structured Finance**—guarantees, partial credit guarantees, securitizations, and risk-sharing facilities

MIGA provides guarantees to allow investors and lenders to manage project-related political and noncommercial risk associated with currency transfer restrictions, expropriation, war/civil disturbance, and breach of contract.

Both the IFC and MIGA act as long-term partners, mechanisms for emerging market entry, and enablers for a transparent business environment.

Technical Assistance and Advisory Services

The World Bank Group is the largest provider of technical assistance programs to the developing world. Apart from being lucrative consulting opportunities themselves, technical assistance and advisory services often become decisive catalysts that help make development projects "bankable."

- The World Bank Group spends approximately \$800 million annually on a variety of consulting assignments for mission-critical activities.
- To date, the IBRD/IDA have approved more than 500 economic sector work programs and approximately 300 technical assistance programs.
- MIGA provides technical assistance to investment promotion intermediaries in developing member countries to enhance their capacity to provide investors with information and advice, with the goal of reducing the transaction costs associated with site selection as well as helping new ventures get established.
- In fiscal year 2006, IFC technical assistance grew 23 percent, to \$134 million, under five key areas: (1) supporting small and medium-sized enterprises; (2) improving the regulatory environment in developing countries; (3) broadening access to finance; (4) assisting in restructuring and privatizing state-owned enterprises; and (5) promoting public-private partnerships.
- Importantly, the IFC is a preferred advisor on privatizations to several governments in the developing world.

Export Opportunities

World Bank-funded projects generate thousands of international bid procurement opportunities for suppliers of goods and services. The World Bank is not only the largest source of multilateral-financed procurement in the developing world, its guidelines and bidding standards are often the reference point for all public procurement in emerging markets.

- The World Bank Group disburses approximately \$20 billion a year. Of this amount, over \$7 billion represents new procurements in the form of an estimated 40,000 contracts a year.
- Procurement opportunities range from capital equipment for the construction of infrastructure, to the supply of information technology equipment and services to schools and hospitals, to consulting contracts for government ministries.