

## Draft TC ABSTRACT

### I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	LAC and Korea: lessons learned on development policies and knowledge sharing
▪ TC Number:	RG-T2471
▪ Team Leader/Members:	<b>Names to be Confirmed</b> Carlos Gerardo Molina (KNL/KNM) (team leader); <b>Ernesto Stein (RES/RES)</b> ; Mauricio Mesquita Moreira (INT/INT); Verónica Alaimo (SCL/LMK); <b>Alejandro Melandri (INE/ENE)</b> ; <b>José Miguel Benavente (IFD/CTI)</b> ;
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research and Dissemination
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request: (IDB docs #)	N/A
▪ Date of TC Abstract:	March 10, 2014
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	All Bank Stakeholders
▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {If Bank: Contracting entity} {If the same as Beneficiary, please indicate}	Inter-American Development Bank KNL; RES; INT;SCL;IFD;INE
▪ Disbursement period (which includes execution period):	18 months
▪ Required start date:	April 1, 2014
▪ Types of consultants (firm or individual consultants):	Individual consultants and firms (think tanks and universities)
▪ Prepared by Unit:	KNL/KNM
▪ Unit of Disbursement Responsibility:	KNL/KNM
▪ Included in Country Strategy (y/n);	n
▪ TC included in CPD (y/n):	n
▪ GCI-9 Sector Priority:	y

### II. Objective and Justification

In the last twenty years, many countries in Latin America and the Caribbean (LAC) have experienced significant economic growth accompanied by poverty reduction, displaying more resilience to the economic crisis than other regions of the world. This economic and social performance has led most of LAC countries to qualify as middle income countries (MIC). Notwithstanding this encouraging reality, the region still faces numerous development challenges that other regions and countries have overcome.

Apart from being a key partner for trade and investment for LAC, Korea is a source for potential policy lessons on development which can be drawn from its remarkable and no less than spectacular growth trajectory. In less than 30 years, the country escaped the middle income trap<sup>1</sup> going from a broken-down economy, ravaged by civil war and with half of the per capita income of the average developing country, to a highly sophisticated developed economy exporting a wide array of technology-intensive products and backed by a highly educated workforce and a world class private sector<sup>2</sup>.

One of the main objectives of the Bank's realignment process was to increase the development effectiveness of the Bank's interventions through a greater country focus and deeper sector expertise. In line with the *Report on the Ninth General Increase in the Resources of the Inter-American Development Bank (GCI-9)* (document AB-2764) GCI-9, the Bank is striving to become a better knowledge partner with countries and private entities in the LAC, not only to study the specific needs and characteristics of the countries of the region but also to deepen the knowledge of other regions and understand differences and similarities that may contribute to LAC's development.

The context of the preparation of the Bank's Annual Meetings to be held in Busan, Korea, in 2015, is a great opportunity for the Bank to play a key role in fostering closer ties between LAC and Korea, especially by facilitating knowledge sharing that may facilitate more effective development policies and programs.

Hence, the objective of this technical cooperation (TC) is to analyze a set of development experiences in Korea and in LAC and to organize a series of events to promoting the exchange of the learning from these experiences between Korea and the Bank's borrowing member countries, in order to:

- Provide policy-makers in both LAC and Korea with a broader range of sound policy options on development
- Share know-how regarding design and/or implementation of select policies, to facilitate greater effectiveness
- Promote partnerships between Latin American, Caribbean and Korean organizations and individuals

This TC will bring together a select number of Korean and LAC think-tanks to work jointly in the next two years on specific topics aimed at identifying good practices, key lessons and policy recommendations. All products deriving from this TC will be joint products of two or more think-tanks (one from Korea and the other one from Latin America). The work will be facilitated and guided by Bank units experienced in specific topic areas.

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<sup>1</sup> "The Product Space and the Middle-Income Trap: Comparing Asian and Latin American Experiences" by Anna Jankowska, Arne Nagengast and José Ramón Perea, OECD Working Paper Series, Number 311, April 2012

<sup>2</sup> "Korea Breaking the Mold of the Asia-Latin American Relationship" by Mauricio Mesquita Moreira, IDB, October 2011.

## **Description of activities and outputs**

The Korean government and the Bank have defined the following topic areas as those that will be the focus of the activities of this TC:

- economic development
- trade and investment
- ICT and Broadband
- sustainable energy development
- labor and education.

For each topic area, the Korean government has proposed a think tank that has the experience and expertise necessary to prepare a technical note that includes one or more case studies to discuss the Korean experience related to one or more challenges in the topic area. The Bank will identify a Latin American or Caribbean think tank that can do the same for the LAC experience with that topic area. The sectorial division of the Bank that concentrates the experience and expertise in that topic area will coordinate with the think tanks from Korea and from LAC working on the same topic, in order to produce rich technical notes that will allow for a rich exchange of knowledge and experience. The Knowledge Management Division (KNL/KNM) will provide overall coordination, seeking to promote a common approach to the analysis of the five topic areas and to facilitate meaningful comparisons and knowledge exchanges.

This technical cooperation will be executed during a 18 month time frame and will include the following components:

**Component I – Document Preparation and Technical Seminars.** Throughout the first year, technical notes and/or case studies will be prepared by each of the selected think tanks. Two face-to-face seminars will be organized, to allow the exchange, preparation and presentation of these documents.

The first face-to-face workshop will be held in Washington, DC at the end 2014. In this workshop, the draft documents from each topic area will be presented and shared among Bank staff members, researchers from the Korean and LAC think tanks and a select group of guests who could add value to the review and enhancement of the analytical work.

The second face-to-face workshop will be held in the context of the Bank's Annual Meeting in Busan, in March, 2015. During this meeting, the final results will be presented among participants from Korea, LAC and other member countries of the IDB.

**Component II – Dissemination activities.** A key aspect of this technical cooperation will be represented by dissemination activities. For each of the topic areas, a plan for the effective dissemination of the knowledge generated through the first component will be developed prior to the Washington workshop,, with the support of communications and knowledge management specialists.. The aim of this dissemination is to share lessons learned with a broader audience.

### III. Budget

#### Indicative tentative Budget

Activity/Component	Description		Total Cost
Component I	Document Preparation and Technical Seminars	Technical Notes, Case Studies	\$450,000
		Seminar I	120,000
		Seminar II	200,000
		Translations	20,000
		Coordination, Administration	60,000
Component II	Dissemination activities		150,000
Total			1,000,000

### IV. Executing agency and execution structure

The Bank, through the Knowledge Management Division, jointly with the Bank Units that have content expertise in the selected topic areas, will execute the TC in close coordination with the selected think-tanks from Korea and the region.

### V. Project Risks and issues

No risks were identified.

### VI. Environmental and Social Classification

It is not expected that this project will generate environmental and social impacts. During the selection process of consultants/firms all environmental and gender issues will be considered. According to the above and to the Safeguards Filter, the operation has been classified as "C".