



LAC Fund

The Government of Spain and The World Bank agree on an Economic Development Fund in LAC worth US\$40 million.

June 15, 2009. The Spanish Secretary of Economy, José Manuel Campa, and the World Bank's Chief Economist for Latin America and the Caribbean, Augusto de la Torre, signed this morning an agreement under which Spain will establish a Trust Fund in the Bank to finance technical assistance and knowledge sharing projects with the region.

This Fund will channel US\$40 million in two years, of which US\$2 million will be assigned to fund activities operated by the International Finance Corporation, IFC (World Bank Group).

The purpose of the Fund is to promote knowledge transfer from Spain to LAC countries, for which the European country's economic and social development is a model to follow.

The Fund will also support World Bank strategies in key areas for the region (infrastructure, sustainable development, private sector development, governance and accountability), as well as for Spanish businesses and investors. The funds managed by IFC will specially focus on infrastructure, SME development and social and environmental sustainability in the private sector.

With this Fund, Spain will assume a leading role in WB relationships with a priority region for Spanish cooperation and its business and investment decision-making and will also provide high visibility to the country within the Bank and the region's countries.

Spain is a World Bank member since 1958 and keeps 1.78% of its equity. Since 1960 it is also a member of the International Development



Association (IDA), the World Bank branch that helps the 78 poorest countries in the world.

Spain takes part in regular IDA replenishment operations and its relative share in total contributions of the consecutive resource replenishment rounds has been gradually increasing up to €646.83 million for the 2008-2011 period, ranking eighth among donors.