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**At the Fifty-eighth Annual Meeting of the Inter-American Development Bank and the
Thirty-second Annual Meeting of the Inter-American Investment Corporation
Asuncion, Paraguay, April 1, 2017**

1. Introduction

Mr. Chairperson, Mr. President, distinguished Governors, ladies and gentlemen,

On behalf of the Government of Japan, I am honored to deliver a message at the 58th Annual Meeting of the Inter-American Development Bank (IDB) and the 32nd Annual Meeting of the Inter-American Investment Corporation (IIC). I would also like to express our sincere gratitude to the Government of Paraguay for hosting the meetings and to the people of Asuncion for their warm hospitality.

The year 2016 was a commemorative year for Japan, which celebrated the 40th anniversary of its membership in the IDB. The relationship between Japan and the IDB has made significant progress, as exemplified by the successful conclusion of the Japan-LAC (Latin American and the Caribbean) Business Forum and an increase in the targeted amount of yen loans to US\$3 billion under the Cofinancing for Renewable Energy and Energy Efficiency (CORE) framework for co-financing by the IDB and JICA.

2. Multilateral Investment Fund (MIF)

Reflecting its close relationship with the IDB, Japan is also hoping to further deepen cooperation through the MIF. Since its establishment in 1993, the MIF has been promoting many pilot projects as an innovative laboratory of the IDB group in order to foster micro businesses in the LAC region while organically combining a set of tools including investments, loans and technical cooperation. Japan has high regard for the MIF's unique function, and it also believes that the MIF should continue to play an important role toward sustainable development of the LAC region.

While the MIF is in the transition to a new stage, Japan welcomes the eagerness that the LAC region showed during the negotiations for a replenishment to increase their ownership through increased contributions to the MIF III. For its part, Japan intends to continue to make contributions in terms of both financial and human resources while looking forward to efficient and effective operational management of the MIF III.

3. Promotion of Quality Infrastructure Projects

Before the G7 Ise-Shima Summit in May last year, Japan announced a plan to provide approximately US\$200 billion for Quality Infrastructure projects around the world over five years. The LAC region has a relatively high income level and a rich record of public-private partnerships concerning infrastructure projects. Moreover, infrastructure demand in the region is expected to continue to be robust into the future. As a result, the LAC region is a particularly good fit with the Quality Infrastructure initiative, so we expect that the relationship between Japan and the LAC region in this field will grow further in the future.

Under these circumstances, we have high expectations for the IDB, which has been conducting activities rooted in the LAC region, as a bridge between Japan and the region. At the annual meeting held in April last year in the Bahamas, Japan agreed to establish the Japan Quality Infrastructure Initiative (JQI) under the Japan Trust Fund at the IDB in order to support the preparations for project development in the field of quality infrastructure. As the first project of the JQI, support for the preparations for the development of a project to improve waterworks and sewage facilities in Paraguay was approved in September last year. We are pleased that the first project of the JQI is implemented in Paraguay. At the same time, we expect that the JQI will make significant contributions to the preparations for the development of quality infrastructure projects in the LAC region.

In November last year, Japan and the IDB issued a joint statement confirming that we will further promote our cooperation, mainly in the field of Quality Infrastructure. In line with the joint statement, Japan and the IDB are holding consultations about the establishment of a new technical cooperation facility that supports the development of PPP projects for infrastructure. We hope that through this facility, many PPP projects for Quality Infrastructure will be developed.

Meanwhile, the LAC region is confronted with the challenge of coping with social alienation and the wealth gap. How to assist people who have been left out from the benefits of economic development is an extremely important issue. Japan has been conducting assistance activities focusing on poor and vulnerable people through the Japan Trust Fund at the IDB. One successful example is a project in which Japan provided US\$1.5 million in 2012 and which considerably improved the arithmetic skills of children of poor families in Paraguay with the involvement of Japanese teachers serving as JICA volunteers. Persistent assistance activities like this must be continued so that all people in the LAC region can share in the benefits of growth.

4. Conclusion

Japan has a long history of immigration and exchange with the LAC region. As for its relationship with Paraguay, last year marked the 80th anniversary of the settlement of Japanese immigrants in the country. Based on these relationships, we would like to contribute to further development of the LAC region by strengthening the partnership between Japan and the LAC region and deepening cooperation with the IDB while supporting President Moreno's leadership.