

# KIND

## NEWSLETTER | BOLETÍN

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Vol. 10

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**The Path to Latin America Infrastructure Industry and Cooperation with MDBs** *p.2*

DATE & TIME 25 June 2021 (Fri)

PLACE The Hall of Construction / YouTube

Host



Sponsor



# The Path to Latin America Infrastructure Development and Cooperation with MDBs Opens with a Series of Active Discussion at the Joint Seminar

YouTube KINDKOREA

KIND-KCLAC Joint Seminar

## The Path to Latin America Infrastructure Industry and Cooperation with MDBs

- DATE & TIME : 25 June 2021 (Fri) 2:00 ~ 4:30 p.m. KST
- PLACE : The Hall of Construction / YouTube LIVE

TIME	Speakers and Topics
2:00~2:10 Opening Remark	<ul style="list-style-type: none"> <li>• Kyong-goo HUR   CEO &amp; President, KIND</li> <li>• Soong-chull SHIN   Chairman, KCLAC</li> </ul>
2:10~2:15 Congratulatory Remark	<ul style="list-style-type: none"> <li>• Daúl Matute Mejía   Ambassador of Peru to ROK</li> </ul>
2:15~2:25 Keynote I	<ul style="list-style-type: none"> <li>• June-Hyuck CHO   Former Ambassador of ROK to Peru</li> <li>➢ "The impact of political-economic changes in LAC on infrastructure development and implications to Korean companies (focus on Peruvian cases)"</li> </ul>
2:25~2:35 Keynote II	<ul style="list-style-type: none"> <li>• Seung-Hoon LEE   Director of Americas &amp; Europe Division, ICAK</li> <li>➢ "Korean companies in LAC"</li> </ul>
2:35~2:45 Keynote III	<ul style="list-style-type: none"> <li>• Timothy Lee   Head of Global Startup Accelerator Center, KCLAC</li> <li>➢ "Infrastructure project development in LAC and ways to cooperate with MDBs"</li> </ul>
2:45~2:50	Break
2:50~4:20 Panel Discussion	<ul style="list-style-type: none"> <li>• Chair</li> <li>- Hyeok JEONG   Professor, SNU GSIS</li> <li>• Panels</li> <li>- Sukwon KANG   Manager of Korea Trust Fund, CABEL (MOF)</li> <li>- Ki-su KWON   Professor, HUFs</li> <li>- Ji Yeon RYU   Head of Seoul Office, IFC</li> <li>- Chan Woo PARK   Director, Hyundai Eng.</li> <li>- Seong-ik OH   Director, MOLIT</li> <li>- Han Kyu LIM   Executive Vice President, KIND</li> <li>- Soo Dong JEONG   President, Dohwa Eng.</li> <li>- June-Hyuck CHO   Former Ambassador of ROK to Peru</li> <li>- Jaeyoung JIN   Head of Seoul Office, MIGA</li> <li>➢ "Characteristics of LAC infrastructure market and a path forward for Korean companies (including cooperation with MDBs)"</li> </ul>
4:20~4:30	Commemorative Photo

• Inquiries | Tel. 02-6746-7384



On 25 June 2021, KIND co-hosted a seminar on the path to Latin America infrastructure development in cooperation with Korean Council on Latin America & the Caribbean ("KCLAC"). This seminar was planned in a timely manner to discuss the advent of the super election cycle of Latin America including the last runoff election of Peru and was held on the same day when President Moon Jae-in made remarks at the 4th Korea-SICA (Central American Integration System) Summit to expand the horizon of cooperation and solidarity between the respective regions.



KIND President at the Opening Remark



Ambassador of Peru to Korea at the Congratulatory Remark



President Moon at SICA

Great interest in the Latin America infrastructure development could be once again confirmed through enthusiastic discussions by presenters and panelists, as well as more than 400 participants and online live viewers. Director Seong-ik Oh of the Overseas Construction Policy Division of the Ministry of Land, Infrastructure, and Transport ("MOLIT") remarked that "The newly emerging Latin American Infrastructure market requires a strategic approach of Team Korea based on G2G cooperation with relevant countries. I look forward to Team Korea's performance in Latin America infrastructure development."

→ Visit Kind YouTube Channel /KINDKOREA to watch the entire seminar ←

## Successful Presentation of the Final F/S Report of Paraguay LRT Project

In May 2021, KIND successfully delivered the final report of the feasibility study (“F/S”) of the Asunción–Ypacarai Light Rail Transit (“LRT”) Project to related organizations and Ministries in Paraguay. The schedule below shows the audience of the report each day.

- 10 May: FEPASA (Ferrocarriles del Paraguay S.A., Paraguayan Railways)
- 11 May: Ministry of Planning; Ministry of Industry and Commerce; Ministry of Finance; and Ministry of Public Works and Communications
- 13 May: Senate and House of Paraguay (with a Live Broadcast to Citizens)

Many high-ranking officials in Paraguay acclaimed the final report to be technically perfect and providing tangible and sustainable ways to solve the traffic congestion in Asunción. The President of the Senate and the House especially showed a strong intention to build a state-of-art and eco-friendly LRT based on the F/S report, promising the utmost support for the development of the project. Furthermore, the Minister of Public works and Communications and the Minister of Industry and Commerce both requested Korea’s constant interest and active participation in the LRT project even after the completion of F/S.



*Final Reporting of the F/S to the House of Paraguay*



*KIND meeting with the Minister of Public Works and Communications of Paraguay*

## KIND’s Commitment to Invest in Social Housing in Hanoi, Vietnam



*Social Housing Site in Hanoi, Vietnam*

In May 2021, the KIND Investment committee approved the investment in Social Housing Project in Hanoi, Vietnam. The project develops 1,800 units of social residential complex houses in the region. KIND plans to work together with Korea Land and Housing Corporation (“LH”) to contact the interested Korean companies to form a Korean consortium in the second half of 2021. Once the formation of the Korean consortium is complete, the consortium will establish a joint venture with Ecoplace, a Vietnam-based company, in 2022. The project is in the process of obtaining permits from the Vietnamese government and KIND has played a leading role in the financial structuring of the Project.

## Commercial Operation Date of Chile's Solar Project is Just Around the Corner



*Modules of the Guadalupe Solar Power Plant Being Installed (28 June)*

The Guadalupe Solar Power Plant in Chile, which began its construction in October 2020 is ready to start commercial operation. The construction was carried out without much impact from the strike of the Chilean port union in April 2021. Thanks to the great efforts of the SPC and the EPC contractor to keep up to the original schedule, the construction has achieved more than 80% of the overall progress as of June 2021. KHNP, KIND, and S-Power are respectively investing 60%, 30%, and 10% of total equity to the SPC. S-Energy is responsible for the construction and operation of the Plant.

## KIND and BAPPENAS Successfully Completed the Capacity Building Program and the Interim Reporting in Seoul, Korea

Despite the COVID-19 pandemic, Indonesia's BAPPENAS delegation showed their enthusiasm for the *2020/21 Economic Innovation Partnership Program ("EIPP")* at the Capacity Building Program and the Interim Reporting Session in Seoul, Korea.



*The Interim Reporting Session*

The Indonesian delegation consisting of eight officials from the Indonesian government's BAPPENAS and KIND made a 5-day visit to Korea, from 21 to 25 June 2021, to attend the Capacity Building Program and the Interim Reporting Session, which are integral parts of the EIPP #2, *Economics of Capital City Relocation for Jabodetabek Area*.

- The delegation attended a workshop titled "Measures for Bilateral cooperation in Developing Jakarta," followed by a networking session that included many Korean companies in global industries of engineering/construction;
- The delegation also had an opportunity to visit some high-tech industries and their R&D facilities in the Sangam DMC;
- Additionally, they paid a visit to the Korean Ministry of Economy and Finance ("MoEF") located in Sejong City Governmental Complex. During the meeting with the MoEF, the delegation expressed their appreciation for the EIPP, which is designed and offered by the Ministry.
- On the fourth day, the interim reporting session was held at a conference hall in Seoul. It was held in parallel with an online platform and during the session, the delegation exchanged enthusiastic debates with the consultants of the EIPP #2.

The delegates also expressed their appreciation to KIND for providing this unparalleled opportunity for practical field experiences in policy planning. They concluded that experiences garnered from the program would help and enrich their policy planning processes regarding Indonesia's capital city relocation and the friendship between Indonesia and Korea would be further solidified through this bilateral cooperation.

### **[The 20/21 EIPP] Runs towards the Second Half**

Consultants will publish the final report after the final reporting session and external evaluation during the 3Q 2021. A long-awaited dispatch of senior advisors will be carried out after reflecting COVID-19 situation in Indonesia. The EIPP is scheduled to continue in 2021/22 with four projects linked/upgraded from the existing projects and one new project.

## The First Project of Developing K-Style Economic Cooperation Industrial Park Launched in Vietnam

The first Korean-style industrial park project of 143 ha in Hung Yen Province, Vietnam launched on 7 July 2021, with a project launch ceremony attended by the Vice-Minister for Land & Infrastructure of the Ministry of Land, Infrastructure, and Transportation (“MOLIT”) of Korea. The project was jointly invested by the Korean Consortium formed by Korea Land and Housing Corporation (“LH”), KIND, Korean Companies, and TDH Ecoland, a Vietnam-based company.

The project is expected to benefit both countries in that (1) Korean companies will be able to secure a foothold in Vietnam by receiving high-quality industrial land and (2) Vietnam will be able to enjoy the effects of job creation and economic development by smoothly attracting investment from Korean companies. When the project is complete, about 60 Korean companies are expected to move in, and about 10,000 jobs are expected to be created.



Vice Minister for Land & Infrastructure (the third from the left)  
Attending the Ceremony



KIND President at the Congratulatory Remark

## The 1<sup>st</sup> Investment Platform for Policy Fund



KIND Presenting at the Platform Meeting

On 30 June 2021, KIND successfully hosted the first Investment Platform for Policy Fund (“The Platform”). The Platform was established to strengthen Korean companies’ competitiveness in financing overseas infrastructure projects. More than 70 financial experts attended the plenary meeting during the first half of the event to share their views and interests on global infrastructure investment. Through the second half of the event, one-on-one consulting sessions between fund managers and companies were held to discuss investment opportunities and built networks for future cooperation.

## International Affairs and the G2G Networks - VC Meeting, NAIP

**2. About KIND**

**KIND is a young governmental institution set up in 2018 under MOLIT\***

[Shareholders] Korean government, Korea Exim Bank, Korea Construction Guarantee, Korea Land & Housing Corp., K-Water, Korea + Incheon Airport Corps., KORAIL + National Railway Network, Korea Expressway Corp.

\* Ministry of Land, Infrastructure, and Transport

**KIND's project development always starts from listening to our clients**

Constant discussions with companies, governments, banks, and MDBs → Support project preparation (M/P, F/S) and Advise on partnership/structure → Investment in equity, fund, bond

Opportunity identified      Structured bankably

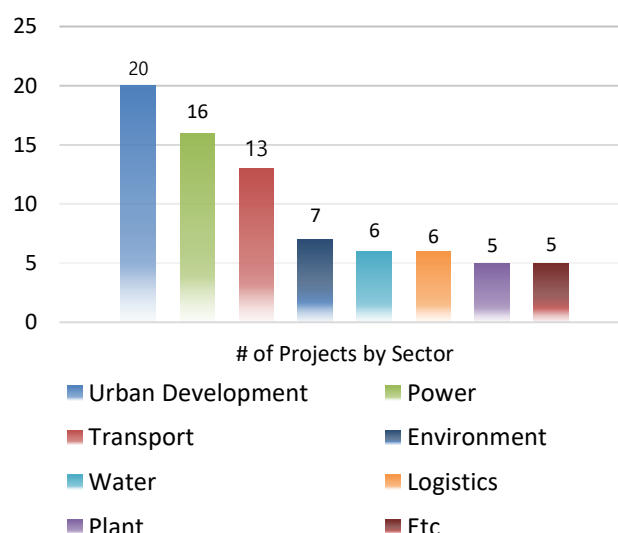
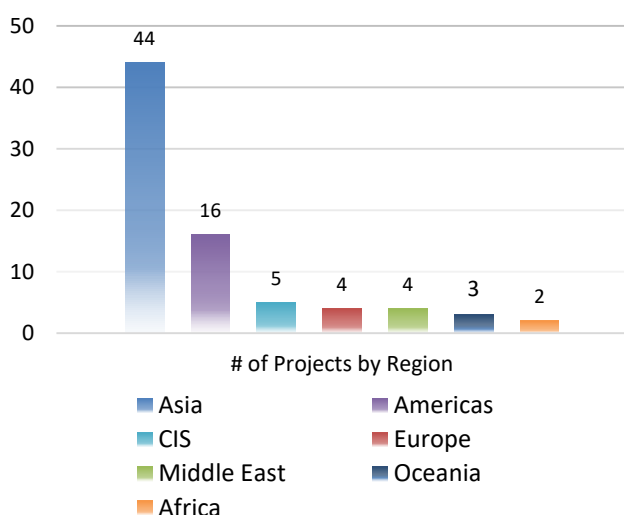
KIND Introducing at the VC Meeting

National Agency of Infrastructure and Privatization of the Republic (“NAIP”) of Belarus has been our partner in G2G cooperation networks. With the support from the Belarussian Embassy to Korea, it hosted a Video Conference (“VC”) Meeting on 17 June 2021, and invited KIND to introduce the institution and its programs to support infrastructure development. Director Chris Soeung Kim of the Program Management Department of KIND successfully delivered our initiatives and won much attention from the participants to lead further discussions about projects after the meeting.

## KIND's Committed Investment: 10 Projects

Project	Time	Commitment	Status
Kazakh Almaty Ring road PPP	'18.4Q	\$ 15.0M	Construction
Chile Talca Solar Power	'18.4Q	\$ 6.5M	Operation
Poland Polimery Police PDH/PP plant	'19.2Q	\$ 57.0M	Construction
Chile Maria Pinto Solar Power	'19.4Q	\$ 3.5M	Working for financial closing
Nepal UT-1 Hydropower	'20.2Q	\$ 55.1M	Working for financial closing
Chile Guadalupe Solar Power	'20.2Q	\$ 3.8M	Construction
Vietnam Hung Yen Industrial Park	'20.4Q	\$ 4.6M	Working for financial closing
Indonesia Probolinggo Port	'20.4Q	\$ 1.2M	Construction
Vietnam Hanoi Social Housing	'21.2Q	\$ 4.6M	Working for financial closing
Power Tender – Middle East	'21.2Q	\$ 17.0M	Preferred bidder announced
<b>Total</b>		<b>\$ 168.3M</b>	

## KIND Deal Pipeline: 78 Projects



## Plant, Infrastructure, and Smart City (PIS) Fund

Fund	Plant	Infrastructure	Smart city	Proposal-based
Fund Size	KRW 210 Bil.	KRW 450 Bil.	KRW 240 Bil.	KRW 200 Bil.
Investor	PIS Fund of funds and other financial Investors			
Vintage	2020	2020	2020	2020
Manager	Hanwha Asset Mgt.	KIAMCO	Korea Investment Mgt.	Samsung Asset Mgt.
Investment	On-going	On-going	On-going	On-going

## Global Infrastructure Fund

Fund	GIF 1	GIF 2	GIF 3	GIF 4	GIF 5	GIF 6	GIF 7
Investors	KIND and others						
Fund Size (KIND Share)	KRW 50 Bil (67%)	KRW 80 Bil (44%)	KRW 123 Bil (54%)	KRW 65 Bil (47%)	KRW 110 Bil (45%)	KRW 110 Bil (45%)	KRW 102 Bil (10%)
Vintage	2015	2011	2016	2017	2019	2019	2019
Manager	KIAMCO	Shinhan BNPP	KIAMCO	KIAMCO	KB Asset Mgt.	KB Asset Mgt.	Shinhan BNPP
Investment	Completed	Completed	Completed	On-going	On-going	On-going	On-Going

## Projects with K-City Network's Supports, 2021 (as of July)

Country	Project	Country	Project
Malaysia	Smart City in Kota Kinabalu	Vietnam	Smart City in the Mekong Delta
Russia	Smart City in Bolshoy Kamen	Philippines	Master Planning of a Smart City in the Clark Economic Zone
Indonesia	Feasibility Study of the New Capital City Housing	Uzbekistan	Master Planning of a Satellite Smart City in Tashkent
Kenya	Master Planning of a Smart City in Nairobi Central Station Area		

## KIND's F/S Supports, 2021 (as of July)

Country	Project	Country	Project
Bangladesh	Meghna Bridge	Indonesia	Jakarta MRT Ph-4
Uganda	Kampala~Jinja Expressway PPP	Cambodia	New Phnom Penh International Airport Solar Farm
Cameroon	Limbe Combined Cycle Power Plant	Sri Lanka	Anuradhapura 100MW Solar Power Plant
Indonesia	Bekasi Industrial Complex	Laos	Boualalpha 400MW Wind Farm
Qatar	Public Schools PPP-Package 3	Peru	Cusco Astete Smart City
Bangladesh	Dhaka Circular Rail Line PPP	Uzbekistan	Tashkent Wastewater Treatment Facility



The 2021 summer internship program began and 12 new interns have been with us since 5 July! Three out of twelve interns are overseas government officials studying at the University of Seoul. The other nine are graduate and undergraduate students from Korea.



On 7 June 2021, KIND celebrated the 3rd anniversary of its foundation with 2021 KIND AWARDS! These awards were to credit employees for their contribution to the development of KIND. The KIND President appreciated each employee for his/her hard work amid COVID-19.

## PLANS FOR THE NEXT QUARTER

### The F/S of Bangladesh Infrastructure Projects

The Bangladesh Meghna Bridge project has been designed to enhance the mobility of residents who were isolated by the Meghna River and promote regional development through improved logistics. The feasibility study of the project has been conducted since March 2021 and the interim report is to be presented in the third quarter. Another project in Bangladesh, the Dhaka City Outer Ring Railway project has been designed to reduce traffic congestion in Dhaka city and is beginning its F/S after the nomination of consultants in July 2021.

### Long Wait is Over: Entering the Next Phase of the Kazak Almaty Ring Road Project

After the concession agreement was signed, it took nearly three years to mark the financial close of this MDB-involved mega-infrastructure project. Following the conclusion of the Investment Agreement with SK Ecoplant earlier this year, KIND is ready to inject equity and add momentum to this project from the third quarter 2021.

### K-City Network: Project Consultants will be Selected

The consulting on the work scope for the newly selected countries is coming this quarter. K-City Network secretariat at KIND plans to open tenders to nominate consultants in July 2021. The results of the tender biddings will come out to appoint consultants within August 2021.

## COLUMN Why ESG Has Emerged, and What to Do About It

Two words on everybody's lips these days: COVID and ESG. The latter stands for Environmental, Social, and Governance, which are all familiar words. Then why does everyone talk so much about these old virtues? Firstly because the global financial sector has changed, and secondly, it costs you.

The global financial sector is not anymore banks' (lenders') market – it is now dominated by investors, and managers working for investors. Companies previously did financing activities with banks, who could care less about other issues than the companies' credits. Now they have to deal with investors and their fund managers, who think ESG risk is big investment risk. When they tell you 'if you don't abide by my ESG standards I will withdraw my investment in your company,' you just have to try hard to meet the standards.

If ESG was a profit issue, then everybody would voluntarily jump into it. However, from getting experts' consultation to upgrading the value chain in an eco-friendly way, there are strings of costs. That is why ESG is a big issue because companies have to bear ESG costs, but also have to control to the extent that profitability is intact.

For companies who are challenging the global infrastructure market, E(Environment) issue brings the biggest implications. We have to adapt to the market situation where the number of fossil fuel related projects is declining. Meanwhile, if a project is environmentally friendly, the project financing will be easier and quicker as there are abundant sources of ESG funds.

So adapting to the ever-changing market trends, and utilizing ESG finance is the key to winning in the global infrastructure market.



### Contributor

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