



Reinforcing Infrastructure Development in Iraq

Loan Decision Processes  
In  
Development Banks

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What is a development bank?

Ownership  
Mission  
Products and services



Examples of development banks

International

World Bank Group  
(IBRD, IDA, IFC, MIGA, ICSID)



Examples of development banks

Regional

African Development Bank  
Asia Development Bank  
Islamic Development Bank  
Inter-American Development Bank



Examples of development banks

National

Agricultural Development Bank (Ghana)

China Development Bank

Dexia (Belgium, France)

Development Bank of South Africa



Examples of development banks

State or Municipal

California Infrastructure & Economic  
Development Bank

Pinelands Development Credit Bank (NJ)

Cities & Villages Development Bank  
(Jordan)



## What do development bank do?

Mission is to finance development in all its senses, whether infrastructure projects or industrial projects, usually at the larger end of the scale.



## What do they offer?

- Loans
- Syndications
- Guarantees
- Equity & Quasi-Equity
- Risk Management products
- Emergency Liquidity
- Trade Finance Initiatives
- Technical Assistance



## Decision processes

These follow standard bank processes, apart from where there are extra influences. The purpose of the decision is to minimise risk while maintaining a reasonable return to the bank



As the types of loans handled for infrastructure are generally fairly large, there is a greater need for in-depth analysis, e.g. cost-benefit analysis, and full technical and financial analysis, to include any risk mitigation, e.g. credit insurance, MIGA support



For large industrial projects, we need to cover many different aspects that could impact the feasibility, e.g. market influences, interest rates, legal and tax issues, competition, technology changes



Potential dangers

Non-Profit Institution

Political interference



## Safeguards

Local legal agreements  
International agreements  
Proper monitoring  
Remedial action



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