

## **Summary: Inter-American Development Bank Group**

### **Ordinary Capital Account (OC)**

**BA Request: \$0**

The Ordinary Capital (OC) account is the hard loan window of the IDB. It lends at market-based rates to all Latin American and Caribbean members of the Bank, with the exception of the five poorest countries, in addition to selected private sector entities. Under the terms of the 1994 General Capital Increase (IDB-8), the U.S. agreed to purchase shares worth \$153.7 million, with subscriptions to be provided in six equal installments over the 1995-2000 period.

For FY2003, the Administration has no funding request for the OC.

### **Fund for Special Operations (FSO)**

**BA Request: \$0**

The primary mission of the FSO is to promote economic growth and reduce poverty in the hemisphere's poorest nations. The current FSO- eligible countries are Bolivia, Guyana, Haiti, Honduras, and Nicaragua. These countries lack sufficient revenues to repay loans at market-based rates. The FSO makes concessional loans to these countries to address their critical development needs. FSO operations are now completely financed by past contributions and reflows from past loans. Also, the FSO provides annual allocations to the Intermediate Financing Facility Account (IFF), which subsidizes part of the interest payments of certain borrowers on loans from the OC.

For FY2003, the Administration has no funding request for the FSO.

### **Multilateral Investment Fund (MIF)**

**BA Request: \$29.6M**

The MIF focuses on catalyzing the investment reforms necessary to stimulate domestic investment and private capital flows to the region. Three separate programs provide small-scale loans and grants for: technical cooperation, human resource development, and small (primarily micro) enterprise development. Since its inception in 1992, some 466 projects have been approved with MIF contributions totaling \$755 million.

For FY2003, the Administration is requesting \$29.6 million to clear one-third of U.S. arrears to the MIF.

### **Inter-American Investment Corporation (IIC)**

**BA Request: \$30.4M**

The IIC is an IDB affiliate that works directly with the private sector. It promotes small and medium-size enterprises through direct loans, at market-based rates, and equity investments to companies and investment funds. Its basic development mandate is to invest where there are higher risk conditions and where medium and long-term private sector finance are not available.

For FY2003, the Administration is requesting \$25.0 million for the fourth of five U.S. scheduled contributions under the IIC's general capital increase (GCI) and \$5.4 million to clear one-third of U.S. arrears to IIC.