

Summary: Inter-American Development Bank Group

Ordinary Capital Account (OC)

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, and 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 FY2006, the Administration has no funding request for the OC.

Fund for Special Operations (FSO)

Request: \$0

The primary mission of the FSO is to promote economic growth and reduce poverty in the hemisphere's poorest nations. Current FSO- eligible countries are Bolivia, Guyana, Haiti, Honduras, and Nicaragua. 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 disbursed loans. The FSO also provides annual allocations to the Intermediate Financing Facility Account (IFF), which subsidizes part of the interest payments on the OC loans for certain small countries. Currently, seven countries are eligible for the IFF subsidies: Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Paraguay, and Suriname.

For FY2006, the Administration has no funding request for the FSO.

Multilateral Investment Fund (MIF)

Request: \$1.7 M

The MIF, which is administered by the IDB, 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 661 projects have been approved with MIF contributions totaling over \$950 million.

For FY2006, the Administration is requesting \$1.7 million to clear a portion of U.S. arrears to the MIF.

Inter-American Investment Corporation (IIC)

Request: \$1.7 M

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 in 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 is not available.

For FY2006, the Administration is requesting \$1.7 million to clear a portion of U.S. arrears to the IIC.

Note: Internet website: www.iadb.org; IDB Fiscal Year: January 1 – December 31