AGREEMENT ESTABLISHING
THE MULTILATERAL INVESTMENT FUND II

April 9, 2005
AGREEMENT ESTABLISHING THE MULTILATERAL INVESTMENT FUND II

WHEREAS, the Multilateral Investment Fund (the "MIF I") was created by the Agreement Establishing the Multilateral Investment Fund, dated February 11, 1992 (the "MIF I Agreement");

WHEREAS, the MIF I Agreement was renewed until December 31, 2007 pursuant to Article V, Section 2 thereof;

WHEREAS, in recognition of the need in the Latin American and Caribbean region to develop effective approaches to increase private investment and advance private sector development, improve the business environment and support micro and small enterprises in order to support economic growth and poverty reduction, the donors that adhered to the MIF I Agreement and the prospective donors listed in Schedule A of this Agreement Establishing the Multilateral Investment Fund II (the "MIF II Agreement") (each, a "Prospective Donor") desire to ensure the continuation of the MIF I’s activities beyond December 31, 2007 and provide for an enhanced MIF I (the "MIF II" or the "Fund") in the Inter-American Development Bank (the "Bank"), which shall have assumed the assets and liabilities of the MIF I; and

WHEREAS, the Prospective Donors intend for the MIF II to continue to complement the work of the Bank, the Inter-American Investment Corporation (the "IIC") and other multilateral development banks pursuant to the terms contemplated herein, and the administration of the MIF II by the Bank to continue pursuant to the Agreement for the Administration of the Multilateral Investment Fund II dated the date hereof (the "MIF II Administration Agreement").

NOW, THEREFORE, the Prospective Donors hereby agree as follows:

ARTICLE I
GENERAL PURPOSE AND FUNCTIONS

Section 1. General Purpose.

The general purpose of the MIF II is to support economic growth and poverty reduction in the regional developing member countries of the Bank and the developing member countries of the Caribbean Development Bank (the "CDB") by encouraging increased private investment and advancing private sector development.

Section 2. Functions.

To implement its purpose, the MIF II shall have the following functions:

(a) promote activities to improve the business environment in the regional developing member countries of the Bank and the developing member countries of the CDB;

(b) enhance the competitiveness of the region’s private sector;

(c) stimulate micro and small enterprises and other entrepreneurial activities;

(d) advance regional integration efforts;

(e) share knowledge that assists in the development of the private sector, particularly of micro and small enterprises;

(f) encourage the use and application of technology in the region;

(g) advance the application of innovative initiatives;

(h) complement the work of the Bank, the IIC and other multilateral development banks;

(i) encourage the implementation of appropriate legal and regulatory reforms; and
(j) promote environmentally sound and sustainable economic development, as well as gender equality, in the full range of its operations.

ARTICLE II
CONTRIBUTIONS TO THE FUND

Section 1. Instruments of Acceptance and Contribution.

(a) As soon as reasonably possible after depositing the instrument indicating that it has ratified, accepted, or approved this MIF II Agreement (an "Instrument of Acceptance"), but no later than 60 days thereafter, each Prospective Donor shall deposit with the Bank an instrument in which it agrees to pay to the Fund the amount set forth next to its name in Schedule A (an "Instrument of Contribution"), whereupon a Prospective Donor shall become a "Donor" under this MIF II Agreement.

(b) A Donor shall, pursuant to the Instrument of Contribution, agree to pay its contribution in six equal annual installments (an "Unqualified Contribution"). Donors which have deposited an Instrument of Contribution prior to, on, or within 60 days after the date this MIF II Agreement enters into force pursuant to Article V, Section 1 (the "MIF II Effective Date") may postpone payment of the first installment until the 60th day after the MIF II Effective Date. Any Donor that deposits an Instrument of Contribution more than 60 days after the MIF II Effective Date shall pay the first installment, and any other subsequent installment which has become due, on the date of such deposit. Each Donor shall pay each subsequent installment in accordance with a schedule agreed by the Donors.

(c) Notwithstanding the provisions of paragraph (b) of this Section regarding Unqualified Contributions, as an exceptional case, a Donor may provide in its Instrument of Contribution that payment of all installments is subject to subsequent budgetary appropriations, and in which it undertakes to seek to obtain the necessary appropriations to pay the full amount of each installment by the payment dates referred to in paragraph (b) (a "Qualified Contribution"). Payment of an installment due after any such date shall be made within 30 days after the requisite appropriations have been obtained.

(d) If any Donor which has made a Qualified Contribution has not obtained the appropriations to make payment in full of any installment by the dates indicated in paragraph (b), then any Donor which has paid the corresponding installment on time and in full, may, after consultation with the committee established under Article IV (the "Donors Committee"), direct the Bank in writing to restrict commitments against that installment. That restriction shall not exceed the percentage which the unpaid portion of the installment, to be paid by the Donor which has made the Qualified Contribution, bears to the entire amount of the installment to be paid by that Donor, and shall be in effect only for the time that unpaid portion remains unpaid.

(e) Any member country of the Bank which does not appear on Schedule A which becomes a Donor in accordance with Article VI, Section 1, or any Donor that, subject to approval by the Donors Committee, wishes to increase its contribution beyond the amount set out in Schedule A, shall make a contribution to the Fund by depositing an Instrument of Contribution in which it agrees to pay an amount and on dates and on conditions approved by the Donors Committee; provided that the first installment paid by a Donor which does not appear on Schedule A shall be in an amount sufficient to bring such Donor current in the payment of installments, and thereafter such Donor’s payment of installments shall continue in accordance with the schedule contemplated in paragraph (b) of this Section.

(f) The Fund shall not be increased beyond the total of the amounts set out in Schedule A plus the amounts set out in Instruments of Contribution deposited pursuant to paragraph (e).

Section 2. Payments.

(a) Payments due under this Article shall be made in any freely convertible currency determined by the Donors Committee, or in non-negotiable non-interest-bearing promissory notes (or similar securities) denominated in such currency and payable on demand in accordance with criteria and procedures to be established by the Donors Committee to meet the operational commitments of the Fund. Payments to
the Fund in a freely convertible currency, which are transferred from a trust fund of a Donor, shall be
deemed to be paid towards the amount due from that Donor when transferred.

(b) Such payments shall be made to an account or accounts established specially for that purpose by
the Bank, and such notes shall be deposited in that account or with the Bank, as the Bank shall
determine.

(c) To determine amounts due for each Donor paying in a convertible currency other than the United
States dollar, the U.S. dollar amount opposite its name in Schedule A shall be converted into the currency
of payment at the IMF representative exchange rate for that currency calculated by averaging those rates
on a daily basis during the six-month period ending on December 31, 2004.

ARTICLE III
OPERATIONS OF THE FUND

Section 1. General.

The Fund has a distinct role within its association with the Bank and the IIC and may complement or
support their activities as directed by the Donors Committee. To carry out its purpose of supporting
economic growth and poverty reduction by encouraging increased private investment and advancing
private sector development, the Fund shall, where appropriate, draw on the private sector strategies and
policies of the Bank and its programs for the respective country and other policies of the Bank and the
IIC.

Section 2. Operations.

(a) To carry out its purpose, the Fund shall provide financing in the form of grants, loans, guarantees
or any combination thereof, and as provided in paragraph (b) of this Section, also in the form of equity
and quasi-equity or any combination thereof; provided, however, that the Fund shall maintain its essential
grant-making character at levels commensurate with MIF I historical practice. The Fund may also provide
advisory services. Financing and advisory services may be provided to governments, government
agencies, sub-national entities, non-governmental organizations, private sector entities, or others, to
support operations that further the Fund’s purpose. Among other activities, Fund operations may be
directed at:

(i) supporting improvements in the business environment, with a focus on promoting
efficient, transparent and responsible market practices, encouraging the implementation
of appropriate legal and regulatory reforms, and advancing the application of international
norms and standards;

(ii) supporting activities that increase the ability of the private sector to generate income,
create employment opportunities, develop workforce skills, utilize technology, and
achieve sustainable growth, with a focus on micro and small enterprises;

(iii) developing innovative business and entrepreneurial models or networks that contribute to
the process of development; engaging the public and private sectors in collaborative
endeavors; advancing socially responsible approaches to doing business; and

(iv) sharing knowledge and lessons learned from its initiatives.

(b) To also achieve the Fund’s purpose, a Small Enterprise Investment Fund (the “SEIF”) shall be
maintained as a fund within the MIF II and shall at all times and in all respects be held, used, obligated,
invested and accounted for separately from other resources of the Fund. The resources of the SEIF may
be used to make loans, guarantees, equity and quasi-equity investments or any combination thereof,
directly or through intermediaries, to private sector entities which are creating or expanding services to
micro and small enterprises, or which are financing or investing in micro and small enterprises. The
Donors Committee shall determine the basic terms and conditions of such loans, guarantees and
investments, including with due regard for repayment prospects. Any amounts, whether dividends, interest or otherwise, received by the Bank from the operations of the SEIF shall be deposited to the account of the Fund.

Section 3. Principles for Fund Operations.

(a) Financing from the Fund shall be provided under the terms and conditions of this MIF II Agreement consistent with the rules set out in Articles III, IV and VI of the Agreement Establishing the Inter-American Development Bank (the "Charter"), and, where appropriate, the policies of the Bank applicable to its own operations and the rules and policies of the IIC shall apply. All regional developing member countries of the Bank and the CDB are potentially eligible recipients of financing from the Fund to the extent that they are eligible beneficiaries of financing from the Bank.

(b) The Fund shall continue its practice of sharing the cost of operations with executing agencies, encouraging appropriate counterpart funding and adhering to the principle of not crowding out private sector activities.

(c) In deciding on providing grant funds, the Donors Committee shall pay particular attention to the commitment of specific member countries to poverty reduction, the social costs of economic reforms, the financial needs of the prospective recipients and the relative levels of poverty in specific member countries.

(d) Financing in the territories of countries which are members of the CDB, but not the Bank, shall be conducted in consultation and agreement with, or through, the CDB and under such conditions, consistent with the principles of this Section, as the Donors Committee shall decide.

(e) Fund resources shall not be used to finance or pay for project expenses which have been incurred prior to the date the Fund resources may be available.

(f) Grants may be made available on a basis which permits contingent recovery in appropriate cases of funds disbursed.

(g) The Fund shall not be used to finance any undertaking in the territory of a regional developing member country of the Bank if that member objects to such financing.

(h) Fund operations shall include specific goals and measurable results. The developmental impact of the Fund’s operations shall be measured in accordance with a system that takes into account the purpose and functions of the Fund stated in Article I and subject to best practices to the effect of:

   (i) outcome indicators, disbursement speed, degree of innovation, ability to disseminate lessons learned, and performance in the execution of projects;

   (ii) a framework for evaluating projects on an individual and project-group basis, and ex-post evaluations; and

   (iii) public dissemination of results.

(i) Fund operations shall be designed and executed in order to maximize efficiency and developmental impact, with particular emphasis on ex-ante risk assessment and strengthening of executing agencies. The Donors Committee may approve partnering with local entities for project preparation and execution.
Section 2. Responsibilities.

The Donors Committee shall be responsible for the final approval of all proposals for operations of the Fund and shall seek to maximize the Fund’s comparative advantage through operations with high developmental benefits, efficiency, innovation, and impact in accordance with the functions of the Fund as specified in Article I, Section 2. The Donors Committee shall consider operations that follow such functions and decline to consider, or phase out, those that do not.

Section 3. Meetings.

The Donors Committee shall meet at the principal office of the Bank as often as the business of the Fund requires. The Secretary of the Bank (serving as Secretary of the Committee) or any Donor may call a meeting. As necessary the Donors Committee shall determine its organization, rules of operation and procedure. A quorum for any meeting of the Donors Committee shall be a majority of the total number of representatives representing not less than four-fifths of the total voting power of the Donors. Prospective Donors may attend meetings of the Donors Committee as observers.

Section 4. Voting.

(a) The Donors Committee shall attempt to reach decisions by consensus. In cases where a decision cannot be reached by consensus after reasonable efforts, and unless otherwise specified in this MIF II Agreement, the Donors Committee shall reach decisions by a three-quarters majority of the total voting power.

(b) The total voting power of each Donor shall consist of the sum of its proportional votes and its basic votes. Each Donor shall have one proportional vote for each one hundred thousand United States dollars which it has contributed in cash, notes or similar securities (or the equivalent thereof in other freely convertible currencies) under Article II, Section 2 of this MIF II Agreement and under Article II, Section 2 of the MIF I Agreement. Each Donor shall also have basic votes consisting of such number of votes as results from the equal distribution among all the Donors of a number of votes equal to 25% of the aggregate proportional votes of all the Donors.

Section 5. Reporting and Evaluation.

When approved by the Donors Committee, the annual information statement submitted under Article V, Section 2(a) of the MIF II Administration Agreement shall be forwarded to the Bank’s Board of Executive Directors. Anytime after the first anniversary of the MIF II Effective Date, and at least every five years thereafter, the Donors Committee shall request an independent evaluation by the Bank’s Office of Evaluation and Oversight, payable with resources of the Fund, to review Fund results in light of the purpose and functions of this MIF II Agreement; this evaluation shall continue to include an assessment of the results of project groups, based on benchmarks and indicators, for aspects such as relevance, effectiveness, efficiency, innovation, sustainability and additionality, and progress with regard to the implementation of recommendations approved by the Donors Committee. Donors shall meet to discuss each such independent evaluation no later than the following annual meeting of the Board of Governors of the Bank.

ARTICLE V
TERM OF THE MIF II AGREEMENT

Section 1. Entry into Force.

This MIF II Agreement shall enter into force on any date on or before December 31, 2007 on which Prospective Donors representing at least 60% of the total Fund amount set forth in Schedule A have
deposited their Instruments of Contribution, whereupon the MIF I Agreement shall terminate and all assets and liabilities of the MIF I shall be assumed by the MIF II.

Section 2. Term of this MIF II Agreement.

This MIF II Agreement shall remain in force until December 31, 2015, and may be renewed for no more than one additional period of up to five years. Prior to the end of the initial period, the Donors Committee shall consult with the Bank about the advisability of extending the operations of the Fund for the renewal period. At that time the Donors Committee, acting by a vote of at least two-thirds of the Donors representing not less than three-quarters of the total voting power of the Donors, may extend this MIF II Agreement for the agreed upon renewal period.

Section 3. Termination by the Bank or the Donors Committee.

This MIF II Agreement shall terminate in the event that the Bank suspends or terminates its own operations under Article X of the Charter. This MIF II Agreement shall also terminate in the event that the Bank terminates the MIF II Administration Agreement under Article VI, Section 3 thereof. The Donors Committee may decide to terminate this MIF II Agreement at any time by a vote of at least two-thirds of the Donors representing not less than three-quarters of the total voting power of the Donors.

Section 4. Distribution of Fund Assets.

Upon termination of this MIF II Agreement, the Donors Committee shall direct the Bank to make a distribution of assets to Donors after all the liabilities of the Fund are discharged or provided for. Any such distribution of remaining assets shall be made in proportion to each Donor’s proportional votes under Article IV, Section 4. Balances remaining in any such notes or similar securities shall be canceled to the extent payment thereunder is not required to meet Fund liabilities.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Adherence to this MIF II Agreement.

This MIF II Agreement may be signed by any member of the Bank which is not listed on Schedule A. Any such signatory may adhere to this MIF II Agreement and become a Donor by depositing an Instrument of Acceptance and an Instrument of Contribution in an amount, and on dates and conditions, approved by the Donors Committee, which shall reach decision by a vote of at least two-thirds of the Donors representing not less than three-quarters of the total voting power of the Donors.

Section 2. Amendment.

(a) This MIF II Agreement may be amended by the Donors Committee, which shall reach decision by a vote of at least two-thirds of the Donors representing not less than three-quarters of the total voting power of the Donors. The approval of all Donors shall be required for an amendment to this Section, to the provisions of Section 3 of this Article which limit the liabilities of Donors, or an amendment which increases the financial or other obligation of Donors, or an amendment to Article V, Section 3.

(b) Notwithstanding the provisions of paragraph (a) of this Section, any amendment which increases the existing obligations of the Donors under this Agreement or involves new obligations of the Donors shall take effect for each Donor which has notified its acceptance in writing to the Bank.
Section 3. Limitations on Liability.

In the operations of the Fund, the financial liability of the Bank shall be limited to the resources and reserves (if any) of the Fund, and the liability of Donors as Donors shall be limited to the unpaid portion of their respective contributions that has become due and payable.

Section 4. Withdrawal.

(a) After full payment under a Qualified Contribution or an Unqualified Contribution, any Donor may withdraw from this MIF II Agreement by delivering to the Bank at its principal office written notice of its intention to do so. Such withdrawal shall become finally effective on the date specified in the notice but in no event less than 6 months after the notice is delivered to the Bank. However, at any time before the withdrawal becomes finally effective, the Donor may notify the Bank in writing of the cancellation of its notice of intention to withdraw.

(b) When a Donor has withdrawn from this MIF II Agreement, it shall remain liable for all its obligations under this MIF II Agreement which shall have been in effect before the effective date of its notice of withdrawal.

(c) Arrangements for setting respective claims and obligations, entered into by the Bank and a Donor pursuant to Article VII, Section 7 of the MIF II Administration Agreement, shall be subject to approval by the Donors Committee.

Section 5. MIF I Donors.

Notwithstanding anything to the contrary in this MIF II Agreement, all countries listed on Schedule A that adhered to the MIF I Agreement shall have all of the rights afforded to “Donors” under this MIF II Agreement immediately upon the MIF II Effective Date.

IN WITNESS WHEREOF, each of the Prospective Donors, acting through its duly authorized representative, has signed this MIF II Agreement.

Done in Okinawa, Japan on the 9th day of April, 2005, in a single original, whose English, French, Portuguese and Spanish texts are equally authentic, which shall be deposited in the archives of the Bank which shall transmit a duly certified copy to each of the Prospective Donors listed in Schedule A of this MIF II Agreement.
SCHEDULE A

CONTRIBUTION QUOTAS OF PROSPECTIVE DONORS TO
THE MULTILATERAL INVESTMENT FUND II

<table>
<thead>
<tr>
<th>Country</th>
<th>U.S. Dollar Equivalent of Contribution¹</th>
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¹ In the case of pledges made in currencies other than U.S. dollars, calculated at IMF representative exchange rated arrived at by averaging rates on a daily basis during the six-month period ending on December 31, 2004.
AGREEMENT FOR THE ADMINISTRATION OF THE MULTILATERAL INVESTMENT FUND II

April 9, 2005
AGREEMENT FOR THE ADMINISTRATION OF THE MULTILATERAL INVESTMENT FUND II

WHEREAS, the Multilateral Investment Fund (the “MIF I”) was created by the Agreement Establishing the Multilateral Investment Fund, dated February 11, 1992 (the “MIF I Agreement”), and is administered by the Inter-American Development Bank (the “Bank”) pursuant to the Agreement for the Administration of the Multilateral Investment Fund dated the date thereof (the “MIF I Administration Agreement”);

WHEREAS, the MIF I Agreement was renewed until December 31, 2007 pursuant to Article V, Section 2 thereof;

WHEREAS, the MIF I Administration Agreement was concurrently renewed, and shall remain in force as long as the MIF I Agreement remains in force, as contemplated in Article VI, Section 2 thereof;

WHEREAS, as of the date hereof, the Agreement Establishing the Multilateral Investment Fund II (the “MIF II Agreement”) has been entered into by the prospective donors listed in Schedule A thereto (each, a “Prospective Donor” and, upon adherence thereto as contemplated in Article II, Section 1(a) thereof, a “Donor”), to ensure the continuation of the MIF I’s activities beyond December 31, 2007 and provide for an enhanced MIF I (the “MIF II” or the “Fund”) in the Bank;

WHEREAS, the Prospective Donors also wish to adopt this Agreement for the Administration of the Multilateral Investment Fund II (the “MIF II Administration Agreement”), which, upon the entry into force of the MIF II Agreement, shall replace the MIF I Administration Agreement;

WHEREAS, the Fund can continue to complement the work of the Bank, the Inter-American Investment Corporation (the “IIC”) and other multilateral development banks pursuant to the terms of the MIF II Agreement; and

WHEREAS, the Bank, to fulfill its purposes and in pursuit of its objectives, has agreed to continue to administer the Fund pursuant to and in accordance with the MIF II Agreement.

NOW, THEREFORE, the Bank and the Prospective Donors hereby agree as follows:

ARTICLE I
ADMINISTRATION OF THE FUND

The Bank shall continue to be the administrator of the Fund. The Bank shall administer the Fund and carry out its operations in accordance with the MIF II Agreement and provide depositary and other services in connection therewith. The Bank shall maintain the Office of the Multilateral Investment Fund as the office within the Bank organization entrusted with administering and carrying out Fund operations and programs as contemplated in this MIF II Administration Agreement.

ARTICLE II
OPERATIONS OF THE FUND

Section 1. Operations.

(a) In administering the Fund and carrying out its operations, the Bank shall undertake the following duties:

(i) to identify, develop, prepare and propose, or arrange for the identification, development and preparation of, operations to be financed with the resources of the Fund;

(ii) to prepare, or make available, memoranda or information regarding proposed activities of the Donors Committee (as defined in Article II, Section 1(d) of the MIF II Agreement), to
be transmitted or made available to the Board of Executive Directors of the Bank not less than every quarter for its information;

(iii) to present proposals for specific operations to the Donors Committee for final approval;

(iv) to identify and present areas of strategic focus, consistent with the MIF II Agreement, for consideration by the Donors Committee;

(v) to execute and oversee, or arrange for the execution and oversight, of all operations approved by the Donors Committee;

(vi) to implement a system for measuring results of operations based on the criteria contemplated in Article III, Section 3(h) of the MIF II Agreement;

(vii) to administer the accounts of the Fund, including investment of the funds as specified in Article IV, Section 1(c) hereof; and

(viii) to disseminate lessons learned from Fund operations and activities for the purposes of furthering the sharing of knowledge, improving project design, building the capacity of private-sector partners and engaging the private sector in the development process.

(b) Subject to approval of the Donors Committee, the Bank may request that the IIC administer or execute operations or individual programs when those operations and programs fall within the capabilities and expertise of the IIC.

(c) The President of the Bank shall be the Chairman ex officio of the Donors Committee. The Secretary of the Bank shall be secretary of the Donors Committee and shall provide secretarial services, facilities and other support services to facilitate the work of the Donors Committee. In that capacity the Secretary shall also call meetings of the Donors Committee, and at a minimum of 14 days prior to a meeting shall distribute the principal documents for the meeting and an agenda to the representative of each Donor designated pursuant to Article IV, Section 1 of the MIF II Agreement.

Section 2. Limitations on Commitments.

The Bank shall restrict commitments to the extent directed by a Donor pursuant to Article II, Section 1(d) of the MIF II Agreement.

ARTICLE III DEPOSITARY FUNCTIONS

Section 1. Depositary for Agreements and Documents.

The Bank shall be depositary for this MIF II Administration Agreement, the MIF II Agreement, the Instruments of Acceptance and Contribution (as defined in Article II, Section 1(a) of the MIF II Agreement) and all other Fund-related documents.

Section 2. Establishment of Accounts.

The Bank shall establish an account or accounts of the Bank as administrator of the Fund, to receive payments from Donors pursuant to Article II, Section 2 of the MIF II Agreement. The Bank shall administer such accounts in accordance with this MIF II Administration Agreement.
ARTICLE IV
AUTHORITY OF THE BANK AND OTHER MATTERS

Section 1. Basic Authority.

(a) The Bank represents that it has authority under Article VII, Section 1(v) of the Agreement Establishing the Inter-American Development Bank (the “Charter”) to carry out the provisions of this MIF II Administration Agreement and that the activities undertaken pursuant hereto will help fulfill the purposes of the Bank.

(b) Except as provided otherwise in this MIF II Administration Agreement, the Bank shall have the authority to perform all acts and enter into all contracts necessary to carry out its functions hereunder.

(c) The Bank shall invest monies of the Fund, not needed in its operations, in the same type of securities in which it invests its own funds under its investment authority.

Section 2. Standard of Care.

The Bank shall exercise the same care in the discharge of its functions under this MIF II Administration Agreement as it exercises with respect to the administration and management of its own affairs.

Section 3. Expenses of the Bank.

(a) The Bank shall be fully reimbursed from the Fund for both direct and indirect costs for its activities related to the Fund and those of the IIC, including remuneration of the staff of the Bank for the time actually dedicated to the administration of the Fund, travel, per diem, communication expenses and other similar, directly-identifiable expenses, calculated and recorded separately as expenses of administering the Fund and carrying out its operations.

(b) The procedure for determining and calculating the expenses to be reimbursed to the Bank, and the criteria governing reimbursement of the costs described in paragraph (a) agreed by the Bank and the Donors Committee pursuant to the MIF I Administration Agreement shall continue in force hereafter and may be reviewed from time to time at the proposal of the Bank or the Donors Committee, and the application of any changes resulting from such review shall require agreement of the Bank and the Donors Committee.

Section 4. Cooperation with National and International Organizations.

In the administration of the Fund, the Bank may consult and cooperate with national and international organizations, both public and private, operating in the fields of social and economic development, when that would help achieve the purpose of the Fund or maximize efficiency in the use of the resources of the Fund.

Section 5. Project Evaluation.

In addition to evaluations requested by the Donors Committee, the Bank shall evaluate the operations it has undertaken under this MIF II Administration Agreement and report those evaluations to the Donors Committee as provided in Article IV, Section 5 of the MIF II Agreement.

ARTICLE V
ACCOUNTING AND REPORTING

Section 1. Separation of Accounts.

The Bank shall keep separate accounts and records of the resources and operations of the Fund, and the Small Enterprise Investment Fund referred to in Article III, Section 2(b) of the MIF II Agreement (the “SEIF”), in such a way as to permit the identification of the assets, liabilities, income, costs and expenses pertaining to the Fund, and the SEIF, separate and independent of all other operations of the Bank. The
accounting system used shall also permit the identification and recording of the origin of the various 
resources received by virtue of this MIF II Administration Agreement and the funds generated by them, as 
well as their application. The books of the Fund shall be kept in dollars of the United States of America, 
for which purpose translations between currencies shall be made at the rate of exchange in effect and 
used by the Bank at the time of each transaction.

Section 2. Reporting.

(a) As long as the present MIF II Administration Agreement shall remain in force, the Administration of 
the Bank shall present the following information each year in an annual information statement to the 
Donors Committee within 90 days after the close of its fiscal year:

(i) a statement of assets and liabilities of the Fund and the SEIF, a statement of cumulative 
receipts and expenditures to the Fund and the SEIF and a statement of the origin and 
use of resources of the Fund and the SEIF, with such explanatory notes as may be 
pertinent;

(ii) information on the progress and results of the projects, programs and other operations of 
the Fund and the SEIF and on the status of applications presented to the Fund and the 
SEIF; and

(iii) information on the results of Fund operations based on the criteria contemplated in 
Article III, Section 3(h) of the MIF II Agreement.

(b) The statements referred to in paragraph (a) of this Section shall be prepared according to the 
accounting principles used by the Bank in its own operations, and shall be presented together with an 
opinion issued by the same independent firm of public accountants as designated by the Board of 
Governors of the Bank for the auditing of the financial statements of the Bank. The fees of the 
independent firm of accountants shall be charged to the resources of the Fund.

(c) The Bank shall produce an annual report and quarterly reports containing information with respect 
to the receipts and disbursement of, and balances in, the Fund and the SEIF.

(d) The Donors Committee may also require the Bank, or the firm of public accountants referred to in 
paragraph (b), to provide other reasonable information concerning the operations of the Fund and the 
audit statements presented.

(e) The SEIF shall be accounted for separately from other resources of the Fund.

ARTICLE VI
TERM OF THE MIF II ADMINISTRATION AGREEMENT

Section 1. Entry into Force.

This MIF II Administration Agreement shall enter into force on the date the MIF II Agreement enters into 
force.

Section 2. Duration.

(a) This MIF II Administration Agreement shall remain in force as long as the MIF II Agreement 
remains in force. Upon termination of the MIF II Agreement, or upon termination of this MIF II 
Administration Agreement under Section 3 of this Article, this MIF II Administration Agreement 
nevertheless shall remain in force until the Bank completes duties relating to the winding up of Fund 
operations or the settlement of accounts pursuant to Article VI, Section 4(a) of the MIF II Agreement.

(b) Prior to the end of the initial period contemplated in Article V, Section 2 of the MIF II Agreement, 
the Bank shall consult with the Donors Committee about the advisability of extending the operations of 
the Fund or the SEIF for the renewal period specified thereunder.
Section 3. Termination by the Bank.

The Bank shall terminate this MIF II Administration Agreement in the event that it suspends its own operations under Article X of the Charter, or in the event that it terminates its operations under that Article of the Charter. The Bank shall terminate this MIF II Administration Agreement in the event the MIF II Agreement is amended so as to require the Bank, in fulfilling the obligations of this MIF II Administration Agreement, to act in contravention of the Charter.

Section 4. Winding up of Fund Operations.

Upon termination of the MIF II Agreement or the SEIF the Bank shall cease all operations under this MIF II Administration Agreement or the SEIF, as the case may be, except those incident to the orderly realization, conservation and preservation of assets and the settlement of obligations. After all relevant liabilities of the Fund or the SEIF are discharged or provided for, the Bank shall make such allocations or distributions of remaining assets as directed by the Donors Committee under Article V, Section 4 of the MIF II Agreement.

ARTICLE VII
GENERAL PROVISIONS

Section 1. Contracts and Documents of the Bank on behalf of the Fund.

In the contracts it signs in administering the resources of the Fund and carrying out its operations, and in all other Fund-related documents, the Bank shall indicate clearly that it is acting as the administrator of the Fund.

Section 2. Responsibilities of the Bank and the Donors.

The earnings, profits or benefits arising from financing, investment and other operations carried out with the resources of the Fund shall in no case benefit the Bank. No financing, investment or operation of any kind carried out with the resources of the Fund shall involve the financial obligation or responsibility of the Bank to the Donors, and accordingly, any loss or deficit that may arise as a result of an operation shall not entitle the Donors to claim indemnification from the Bank, except in cases in which the Bank has departed from the written instructions of the Donors Committee or has failed to act with the same care as it takes in the management of its own resources.

Section 3. Adherence to this MIF II Administration Agreement.

Any member of the Bank which is not listed on Schedule A of the MIF II Agreement may adhere to this MIF II Administration Agreement by signing it, after adhering to the MIF II Agreement pursuant to Article VI, Section 1 thereof. The Bank shall adhere to this MIF II Administration Agreement by signature by a duly authorized representative.

Section 4. Amendment.

This MIF II Administration Agreement may be amended only by agreement between the Bank and the Donors Committee, which shall reach decision by a vote of at least two-thirds of the Donors representing three-quarters of the total voting power of the Donors. The approval of all Donors shall be required for an amendment to this Section or which involves any financial or other obligations of Donors.

Section 5. Settlement of Disputes.

Any disputes arising under this MIF II Administration Agreement between the Bank and the Donors Committee, which are not resolved by consultation, shall be settled by arbitration pursuant to Annex A hereof. Any arbitral award shall be final and shall be implemented by a Donor, Donors or the Bank in accordance with its or their constitutional procedures or the Charter, respectively.
Section 6. Limitations on Liability.

In the operations of the Fund, the financial liability of the Bank shall be limited to the resources and reserves (if any) of the Fund, and the liability of Donors as Donors shall be limited to the unpaid portion of their respective contributions that has become due and payable under the MIF II Agreement.

Section 7. Withdrawal of a Donor from the MIF II Agreement.

On the date its notice of withdrawal has become effective under Article VI, Section 4(a) of the MIF II Agreement, a Donor submitting such a notice shall be deemed to have withdrawn from this MIF II Administration Agreement. Without prejudice to Article VI, Section 4(b) of the MIF II Agreement, the Bank, subject to the approval of the Donors Committee, shall enter into an arrangement with such a Donor for the settlement of their respective claims and obligations.

IN WITNESS WHEREOF, the Bank and each of the Prospective Donors, each acting through its authorized representative, have signed this MIF II Administration Agreement.

Done in Okinawa, Japan on the 9th day of April, 2005, in a single original, whose English, French, Portuguese and Spanish texts are equally authentic, which shall be deposited in the archives of the Bank which shall transmit a duly certified copy to each of the Prospective Donors listed in Schedule A of the MIF II Agreement.
ANNEX A

ARBITRATION PROCEDURES

ARTICLE I

COMPOSITION OF THE TRIBUNAL

The Arbitration Tribunal to resolve disputes under Article VII, Section 5 of the Agreement for the Administration of the Multilateral Investment Fund II (the “MIF II Administration Agreement”) shall be composed of three members to be appointed in the following manner: one by the Bank, another by the Donors Committee, and a third, hereinafter called the “Referee”, by direct agreement between the parties or through their respective arbitrators. If the parties or the arbitrators fail to agree on who shall be the Referee, or if one of the parties should not designate an arbitrator, the Referee shall be appointed, at the request of either party, by the Secretary General of the Organization of American States. If either of the parties fails to appoint an arbitrator, one shall be appointed by the Referee. If either of the appointed arbitrators or Referee is unwilling or unable to act or continue to act, a successor shall be appointed in the same manner as for the original appointment. The successor shall have the same functions and faculties as the predecessor.

ARTICLE II

INITIATION OF THE PROCEDURE

In order to submit the dispute to arbitration, the claimant shall address to the other party a written communication setting forth the nature of the claim, the satisfaction or compensation which it seeks, and the name of the arbitrator it appoints. The party receiving such communication shall, within 45 days, notify the adverse party of the name of the person it appoints as arbitrator. If within 30 days after delivery of such notification to the claimant, the parties have not agreed as to the person who is to act as Referee, either party may request the Secretary General of the Organization of American States to make the appointment.

ARTICLE III

CONVENING OF THE TRIBUNAL

The Arbitration Tribunal shall be convened in Washington, District of Columbia, United States of America, on the date designated by the Referee, and, once convened, shall meet on the dates which the Tribunal itself shall establish.

ARTICLE IV

PROCEDURE

(a) The tribunal shall be competent to hear only the matters in dispute. It shall adopt its own procedures (which may be the procedures of a renowned arbitration association) and may on its own initiative designate whichever experts it considers necessary. In any case, it shall give the parties the opportunity to make oral presentations.

(b) The Tribunal shall proceed ex aequo et bono, basing itself on the terms of the MIF II Administration Agreement, and shall issue an award even if either party should fail to appear or present its case.

(c) The award shall be in writing and shall be adopted with the concurrent vote of at least two members of the Tribunal. It shall be handed down within approximately 60 days from the date on which
the Referee has been appointed, unless the Tribunal determines that, due to special and unforeseen circumstances, such period should be extended. The award shall be notified to the parties by means of a communication signed by at least two members of the Tribunal.

ARTICLE V

COSTS

The fees of each arbitrator shall be paid by the party which appointed such arbitrator and the fees of the Referee shall be paid by both parties in equal proportion. Prior to the convening of the Tribunal, the parties shall agree on the remuneration of the other persons who by mutual agreement they deem should take part in the arbitration proceedings. If such agreement is not reached in a timely manner, the Tribunal itself shall determine the compensation which may be reasonable for such persons under the circumstances. Each party shall defray its own expenses in the arbitration proceedings, but the expenses of the Tribunal shall be borne equally by the parties. Any doubt regarding the division of costs or the manner in which they are to be paid shall be determined, without appeal, by the Tribunal. Any fees or expenses due from the Donors Committee under this Article shall be paid from the Fund administered under the MIF II Administration Agreement.
[Signatures follow]
THE MULTILATERAL INVESTMENT FUND

REPLENISHMENT AND CREATION OF THE MIF II

DONORS REPORT
FINAL DRAFT

_, 2005
I. INTRODUCTION

1.01. The Multilateral Investment Fund (MIF) plays an essential role in efforts to reduce poverty and promote economic growth through increasing private investment and advancing private sector development in Latin America and the Caribbean. MIF projects are helping to increase the income and growth potential of micro and small businesses in the region by stimulating improvements in the business environment, strengthening the capacity of micro and small enterprise to benefit from market change and engaging the private sector in the development process.

1.02. The MIF complements the private-sector development activities of the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation, but has a distinct function within this group. Its projects promote innovation, testing new approaches to strengthen competitiveness, demonstrate possibilities to commercial markets, and advance difficult reform issues. MIF then leverages its impact by sharing the results of its experience so that other development instruments and markets can adopt those approaches that work effectively.

1.03. The MIF is primarily a grant instrument and MIF II will maintain this essentially grant making character at levels commensurate with historical MIF I practice. When called for by a specific development objective, MIF also utilizes an array of loan, quasi-equity and investment mechanisms. At the close of 2004, MIF net approvals exceeded $950 million in 661 projects. Including counterpart funds of its partners, MIF projects have put nearly $2 billion to work, making it the largest provider of technical assistance to the Region.

1.04. In recognition of the results achieved and the continued need for the kind of assistance provided by the MIF, Donors' have decided to replenish its resources, extend its term and enhance its focus by developing new defining agreements for a MIF II that succeeds the existing Fund. Central objectives in this process were to make explicit MIF’s particular development role, while retaining the innovation and flexibility that have been key success factors; and broaden MIF membership to more fully reflect that of the IDB.

1.05. This Donors Report records: (i) the main aspects of the MIF replenishment process leading to the signing of the Agreement Establishing the Multilateral Investment Fund II and the Agreement for the Administration of the Multilateral Investment Fund II; and (ii) the instruction to the Donors Committee to carry out the specific commitments set forth herein. It is not a comprehensive report of all the detailed discussions that took place during the negotiating process.

II. OUTLINE OF THE PROCESS LEADING TO THE MIF II

2.01. On January 25, 2002, the MIF Donors Committee resolved to exercise the one time extension

1 Reference to “Donors” includes all signatories to the Agreement Establishing the Multilateral Investment Fund II.
option contained in the Agreement Establishing the Multilateral Investment Fund. This action reflected the understanding that the MIF would maintain its present pace of approvals, and that every effort would be made to obtain agreement on renewal of the MIF and additional resources prior to the end of 2004 so that MIF operations could continue without interruption.

2.02. At the 2003 Annual Meeting in Milan, the IDB Board of Governors established a Special Committee to guide the process of MIF Replenishment (MIF/CA-5-1). They stressed the importance of working to expand MIF’s membership base and clarifying MIF’s role within the IDB group efforts to promote private sector development.

2.03. A background paper was prepared (MIF/CA-7-1) which reviewed MIF’s role in private sector development and proposed a Strategic Framework to guide MIF II. This paper was considered at the Special Governors Meeting at the 2004 Annual Meeting of the IDB Governors in Lima, and also provided important background during the replenishment process. Donors noted that the Strategic Framework that it proposed in its final Chapter focused on appropriate priority areas: Improving the Business Environment, Building the Competitiveness of Smaller Firms and Engaging the Private Sector as Partners for Change.

2.04. On September 14, 2004, in Washington, D.C., the IDB Governors met to consider the first draft of the Agreement Establishing the MIF II. On November 15 and 16, 2004, again in Washington, D.C., the Governors considered a revised version of this Agreement, and the first draft of its companion Agreement for the Administration of MIF II. A background paper on Managing for Results was also provided for this meeting.

2.05. The third Special Meeting of Governors was held on January 24 and 25, 2005, in Windsor, UK. During this meeting, Donors reached consensus and agreed on the revised versions of the Agreements and the Donors Report. Donors also pledged contributions to MIF II, or in some cases indicated an intention to make contributions in the near future.

2.06. At the final Special Governors Meeting held on during the 2005 Annual Meeting, Donors considered and approved this report, instructed the Donors Committee to adopt it, and instructed Management to carry out the commitments in the report with respect to Managing for Results. The signature of the Agreement Establishing MIF II and the Agreement for the Administration of MIF II was scheduled thereafter.

III. KEY BACKGROUND FOR MIF II

3.02. In developing MIF II, Donors sought to embody the lessons of experience and position MIF to meet current and evolving needs of the Region, reinforcing proven success factors, and undertaking a series of commitments to address aspects that could be improved.

3.03. Central goals have been specified in the Agreement Establishing MIF II and the Agreement for the Administration of MIF II. Donors also noted the following observations as complementary to the Agreements.
3.04. Donors took particular note of the findings and recommendations of the IDB’s Office of Evaluation and Oversight (OVE). In its summary of the findings of its 2003/2004 evaluation of over 80% of MIF projects, OVE found that:

a. MIF has proven to be an effective agent of change. Projects have addressed critical private sector development issues, piloted important new concepts and enabled reforms that otherwise would not have happened.

b. MIF has been successful in selecting its interventions. Projects were highly relevant, innovative and effective. Most projects were sustainable and while additionality was difficult to measure, there were solid indications that MIF initiatives were essential to the results that had been achieved in most areas.

c. MIF’s choice of partners and responsiveness to their development objectives has been a key success factor. MIF has established a close and responsive relationship with the kinds of NGOs, business groups, foundations and other private sector organizations in the Region that need to be deeply involved in the process of private sector development.

d. MIF effectiveness was enhanced by emphasizing sustained engagement on a specific development topic, undertaking successive initiatives that are individually innovative but continued to focus on the specific issue. In this regard, OVE encouraged a strategic focusing of resources and noted that methods such as project clusters would be useful to ensure a continued effort.

e. MIF has had the greatest impact when acting as an agent of change – focusing on a particular issue, stimulating new thinking, piloting innovative initiatives and then contributing practical usable knowledge about how to make a difference.

f. MIF projects have advanced new thinking, assisted small firms to benefit from change and directly involved the private sector in the development process. Although each project is small relative to the typical size of IDB loans, the extent of involvement and ownership by the private sector has enabled MIF projects to spark much larger results.

3.05. Donors recognized Management’s commitment to a series of actions to implement the OVE recommendations. These measures are detailed in the background documents that proposed a strategic framework for MIF II, and the background document that focused on Managing for Results.

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2 MIF/GN-78-18
3 MIF/CA-7 and 7-1
4 MIF/AB-1-1
3.06. Donors also noted that:

a. The network of relationships that MIF has established with over 400 leading private sector organizations throughout the Region is an important asset to focus efforts on the Region’s most crucial concerns and help ensure that changes will reach those who need them most.

b. MIF projects are needed to assist the smaller and less developed countries of Latin America and the Caribbean (C&D countries), as well as poorer areas and groups of the more developed countries, where there is a narrower domestic base of expertise in specific issues, and where standard models need greater adaptation to gain support. C&D countries have received over two thirds of MIF projects and the majority of funding.

c. MIF initiatives complement and leverage not only the actions of other members of the IDB group, but other multilateral development banks and bilateral agencies (over 30 partners), national development entities throughout the Region, and numerous international and national NGOs and private sector organizations.

d. MIF is uniquely positioned to support new solutions to stubborn problems by energizing agents of change in the public sector and directly engaging private sector partner organizations.

e. The IDB Board of Executive Directors decided on January 19th, 2005 to adopt new policies and procedures for the procurement of goods, works, and consulting services for all IDB and MIF projects, as contained in documents GN-2349-1, GN 2350-1 and GN 2349 –4.

f. In discharging its duties in the design, preparation and presentation of MIF projects, Management will abide by Article VIII, Section 5(f), of Agreement Establishing the Inter-American Development Bank, as it relates to furthering the general purpose and the functions of the MIF stated in Article I of the Agreement Establishing the Multilateral Investment Fund II.

IV. STRATEGIC PRIORITIES FOR MIF II

4.01. Donors emphasized the importance of:

a. Focusing MIF resources on poverty reduction and economic growth through private investment and private sector development. These development goals are specified in the Agreement Establishing MIF II.

b. Promoting gender equality in the full range of MIF operations.

c. Maximizing MIF’s development impact, by focusing resources on areas where there is both a critical need for assistance, and where MIF interventions can make a measurable
difference. The initiatives proposed for MIF funding must not only be important and relevant, they must also be of a nature that fits MIF as an instrument.

d. Responding with flexibility to the changing needs in the Region, filling the gap between research and diagnostics, and full implementation of an idea, and ensuring that MIF projects focus on the needs of micro and small enterprise, acting as pilots to promote innovation, stimulate larger reforms in the business environment, and speed the introduction of more competitive business practices.

e. Undertaking its projects in partnership with business associations, trade groups, foundations and NGOs, with these organizations typically providing half of the project costs.

f. Focusing on relevant priorities, testing and introducing new ideas and piloting concepts to stimulate and build support for larger scale changes. Donors also recognized that MIF investments are designed to achieve the development objectives of economic growth and poverty reduction through private sector investment and development, and are structured according to market principles in order to maximize their demonstration effectiveness.

g. Ensuring MIF’s unique ability to assume the costs and risks of developing and introducing new ideas, covering the costs of testing innovative approaches that could benefit everyone, building support for reform and adapting models to local needs. As a Donor-funded instrument, MIF is also free to assume the initial risks of innovation in financial markets by acting as an investor or lender in the high-risk introduction phase for a new financing mechanism.

h. Responding to the development needs of local partners and focus where experience has shown that the kind of assistance MIF provides can make a difference.

i. Addressing the OVE recommendations to further strengthen MIF’s development impact, emphasizing measures to improve project analysis and evaluation, capture economies of scale and increase efficiencies, and leverage development impact through dissemination of the knowledge gained from initiatives.

V. MANAGING FOR RESULTS

5.01. Fulfilling MIF’s development mission calls for the clear identification of what is to be accomplished, effective measurement of the results attained, and a leveraging of impact by widely sharing the knowledge gained from initiatives. The goal of managing for results is to ensure that all efforts and resources are consciously focused on well defined development outcomes, and that progress is closely monitored and measured.

5.02. Donors noted the importance of continued improvement in MIF’s development effectiveness through an integrated focus on results as described in the background paper MIF/AB1-1 Annex C. In this paper, Management committed by March 31, 2006 to implement a series of specific
undertakings and Donors instructed the Donors Committee to endorse these commitments:

- **Evaluability Assessment (ex-ante)**
  - Work with OVE to adapt the IDB's Project Evaluability Assessment Tool for MIF projects
  - OVE review of projects to assess their evaluability.
  - Develop indicators for projects to measure innovation, sustainability, contribution to private sector development, and level of dissemination of lessons learned
  - Refine an institutional checklist for greater emphasis on risk assessment of executing agencies.

- **Efficiency & Effectiveness**
  - Improve executing agency ability to measure results by providing funds to assist executing agencies establish a monitoring system to manage project performance

- **Sustainability**
  - Establish sustainability and project completion workshops.
  - Ensure that sustainability and lessons learned are key elements of Project Completion Report (PCR) and evaluations.

- **Sharing information**
  - Develop the expanded supervision report for investments.
  - Project Performance Monitoring Reports (PPMR) and Project Completion Reports (PCR) made public.

- **Strategic level assessments**
  - In order to evaluate overall institutional performance, develop strategic level indicators for each cluster, line of activity and group of projects that allow for comparison across activity category to inform Donors on relative allocations.
  - Develop an ex-post evaluation program.

- **Staff Incentives**
  - Ensure that human resource practices actively promote quality and results.

5.03. It is also important to extend the impact of MIF initiatives by contributing to knowledge on how to advance grass roots private sector development. In addition to being an active program of the MIF, identification and sharing of ongoing and final lessons should be part of the accountabilities of executing agencies during project implementation.
VI. CONTRIBUTIONS, PAYMENT AND ENCASHMENT

6.01. Donors reached a common understanding on a target level of contributions for MIF II. Pledged contributions of _____ are reflected in Schedule A of the Agreement Establishing MIF II.

6.02. Article II of the Agreement defines how contributions and payments will be made. With a view to reaching the MIF II Effective Date, each Donor will endeavor to deposit an Instrument of Contribution with the IDB as soon as reasonably possible after signing the MIF II Agreement, but no later than January 31, 2007.

6.03. Donors will pay their contributions as contemplated in Article II of the Agreement. The schedule of due dates for payment of installments is as follows:

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<tr>
<th>Payment Due Date</th>
<th>Amount of Installment</th>
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<tr>
<td>MIF II Effective Date + 60 days</td>
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<td>April 2, 2008</td>
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<td>April 2, 2009</td>
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<td>3/6</td>
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<td>April 2, 2010</td>
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<td>April 2, 2011</td>
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<td>April 2, 2012</td>
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6.04. As contemplated in Article II of the Agreement, payments due shall be made in any freely convertible currency or in promissory notes (or similar securities), payable on demand in accordance with criteria and procedures to be established by the Donors Committee to meet the operational commitments of the Fund. An indicative encashment schedule is attached hereto as Annex A.

6.05. Due to different budgetary regimes, some Donors are able to offer encashment of their promissory notes on a schedule faster than that agreed in Schedule A of this Report. The resulting additional interest income can either be credited against the Donor’s pledge, or declared as supplementary contribution to the MIF II. In neither case is there any impact on the Donor’s voting rights.

6.06. Recognizing the potential benefits of accelerated encashment to both Donors and the MIF, the Donors Committee should consider favourably any such proposals. The Donors Committee will agree on the terms of such accelerated encashment, taking into consideration the terms prevalent in other concessional financing facilities.

VII. ANNUAL MEETING

7.01. Having given due consideration to all aspects of the replenishment process, the Donors are gathered in Okinawa, Japan on April [___]2005, in a Special Meeting of Governors to:
a. Consider and approve this Report;
b. Instruct the Donors Committee to adopt this Report; and,
c. Instruct Management to carry out the commitments in the Report with respect to Managing for Results.
## Six Installments Encashed During Five years

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|  | 500,000 | 100.00%    | 4.1675% | 7.5015% | 10.8355% | 14.1695% | 16.6700% | 16.6650% | 12.4985% | 9.1645% | 5.8305% | 2.4975% | 0.0000% | 0.0000% | 100,000.00 |

| 20,838 | 37,508 | 54,178 | 70,848 | 83,350 | 83,325 | 62,493 | 45,823 | 29,153 | 12,484 | -     | -     | 500,000.00 |