

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION AG-10/08

Interim HIPC Debt Relief and Additional Financing for Haiti

WHEREAS, the Board of Governors adopted Resolution AG-02/07 on January 19, 2007, providing for debt relief for Haiti in the context of the Enhanced Initiative for Heavily Indebted Poor Countries (HIPC) as set forth in Document AB-2507;

WHEREAS, the Board of Governors adopted Resolution AG-3/07 on March 15, 2007, providing for further debt relief for Haiti through the approval of Document CA-474-2 on the terms and conditions specified in the Resolution;

WHEREAS, Document CA-474-2 provides, in relevant part, that prior to Haiti reaching the completion point under the Enhanced Initiative for HIPC (the Completion Point), Haiti may receive interim assistance in the form of debt service reduction of US\$10 million per year in each of 2007 and 2008;

WHEREAS, Resolutions AG-3/07 and AG-8/07 further provide that Haiti is eligible to receive US\$50 million in grants in each of 2007, 2008 and 2009, and, pursuant to Resolution AG-8/07 establishing the IDB Grant Facility, and Resolution DE-50/07 adopting the Regulations for such Facility, the Bank created the mechanism through which such grants would be provided to Haiti;

WHEREAS, pursuant to Resolution AG-8/07, the Board of Governors may approve the allocation of additional amounts to the IDB Grant Facility Account;

WHEREAS, pursuant to Resolution AG-3/07, the Board of Executive Directors shall approve, consistent with its authority, an allocation of administrative expenses through which 15% of the total administrative expenses shall be borne by the FSO for the years 2007 through 2010, inclusive, with this share declining in linear fashion to reach 11.25% of such total expenses for the year 2015;

WHEREAS, the Board of Governors intends to respond with immediate further support to Haiti in the face of external shocks and natural disasters; and

WHEREAS, the Board of Executive Directors adopted Resolution DE-148/08 providing that this Proposed Resolution, accompanying document GN-1970-52, be submitted to the Board of Governors for consideration by the procedure of taking a vote without calling a meeting provided for in Section 5 of the By-Laws of the Bank;

The Board of Governors

RESOLVES:

1. To authorize further interim assistance in the form of debt service reduction for Haiti in 2009 until the Completion Point is reached, for an amount of US\$14.15 million, and to authorize the Board of Executive Directors to take all necessary steps to implement such debt relief.

2. Resolution AG-3/07 is amended at section 3 to read, "In accordance with Document CA-474-2, Section 11, the Board of Executive Directors shall approve, consistent with its authority, an allocation of administrative expenses through which 15% of the total administrative expenses shall be borne by the FSO for the years 2007 through 2010, inclusive, with this share declining in a linear fashion to reach 11.25% of such total expenses for the year 2015, except that for 2009, such expense shall be 4.5%."

3. That pursuant to section 2 (b) of Resolution AG-8/07, an aggregate amount of the equivalent of US\$50 million in convertible currencies of the General Reserve (calculated excluding the cumulative principal of loan write-offs from the HIPC Initiatives and other debt relief) of the Fund for Special Operations is authorized for payment to the IDB Grant Facility Account in 2009. Such amount shall be paid to the Account as needed so as to provide for the disbursement required to fund activities authorized under the IDB Grant Facility.

4. Resolution AG-3/07 is amended at section 1 (a), first sentence, to read, "With regard to Section 7, Haiti will be eligible to receive US\$50 million annual grants for each of 2007 and 2008, and US\$100 million for 2009, and such additional amount of grants as may be afforded to Haiti through sources of financing as may be provided by the Bank."

5. Resolution AG-8/07 is amended at section 4 (c) to provide that, "Haiti will be eligible to receive US\$50 million annuals grants for each of 2007 and 2008, and US\$100 million for 2009."

(Adopted on 3 December 2008)