

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION AG-9/08

Liquidity Program for Growth Sustainability

WHEREAS:

Pursuant to Resolution AG-1/02 of 1 March 2002, the Board of Governors approved the Agreement on Measures for Enhancing the Response Capacity of the Inter-American Development Bank (hereinafter the “Agreement”);

As part of the Agreement, the Board of Governors established that Emergency Lending would have as its primary objective to provide financial support to help address the effects of international financial crises on the region’s economic and social progress, to mitigate the effects of crisis on the poor and vulnerable, protect funding for social programs that benefit the poor, and avoid reversal of policy reforms;

The Board of Executive Directors has considered Management’s proposal for a Liquidity Program for Growth Sustainability, which would be a program within the Emergency Lending category designed to help address the effects of the current international financial crisis on the region’s economic and social progress by protecting the flow of credit to the economy through financial institutions;

The Agreement establishes, among other requirements for Emergency Loans, that all such loans “shall fit within a macroeconomic stabilization program that, at a minimum, has been endorsed and should be subject to periodic surveillance by the International Monetary Fund, and shall be coordinated with the World Bank when appropriate” (Annex to Resolution AG-1/02, paragraph 15);

For purposes of the Liquidity Program for Growth Sustainability, alternative requirements regarding coordination with or participation by the International Monetary Fund, the World Bank or other international institutions may be more appropriate to the nature of the program and to the current circumstances of the region;

The Board of Executive Directors has therefore, by Resolution DE-124/08, agreed to submit for consideration of the Board of Governors, this proposed resolution;

The Board of Governors

RESOLVES THAT:

For purposes of the Liquidity Program for Growth Sustainability (hereinafter “the Program”), the requirement set forth in paragraph 15 of the annex to Resolution AG-1/02 shall not apply. Individual loans under the Program shall require: (a) the respective borrowing country to either have a program in place with the International Monetary Fund (hereinafter “the Fund”) or to have had an Article IV consultation undertaken by the Fund within 18 months prior to consideration by the Board of Executive Directors, and (b) the presentation of an assessment letter from the Fund at the time of consideration by the Board of Executive Directors. All individual loans under the Program shall be coordinated with the World Bank when appropriate.

The authority to grant loans pursuant to the above provisions shall expire on December 31, 2009, unless extended by the Board of Governors.

(Adopted on November 5, 2008)