



AB-2703-1
5 August 2009
Original: Spanish

To: The Board of Governors

From: The Secretary

Subject: Fund for Special Operations (FSO): Options for providing additional resources to the D2 countries in 2009-2010. Tally of votes

A tally has been made of the votes received at Bank headquarters on the proposed resolutions concerning the Fund for Special Operations (FSO): Options for providing additional resources to the D2 countries in 2009-2010.

The proposed resolutions were submitted to the Board of Governors, by way of document AB-2703, for consideration by the procedure for taking a vote without calling a meeting established in Section 5 of the By-laws of the Bank.

The tally determined that the provisions contained in Sections 2(e) and 4(c) of Article VIII of the Agreement Establishing the Bank with respect to the quorum and majority required to adopt the proposed resolutions had been fulfilled.

The last vote needed to fulfill the aforesaid provisions of the Agreement was received at Bank headquarters on 27 July 2009. Accordingly, Resolutions AG-11/09 and AG-12/09 are considered to have been adopted by the Board of Governors on that date.

Reference: AB-2703(6/09), GN-2442-29(7/09)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION AG-11/09

Fund for Special Operations: Options for Providing Additional Resources
to the D2 Countries in 2009-2010

Conversion of Currencies

WHEREAS:

Pursuant to Resolution AG-6/09 of March 30, 2009, the Board of Governors requested that Management shall present to the Board of Executive Directors by the end of April 2009, “an array of options to expand the Bank’s financial capacity to support the poorest and most vulnerable countries in the Region. These options shall include accelerating disbursements from and additional resources to the Fund for Special Operations and reviewing the timeline for its replenishment”;

Management has presented to the Board of Executive Directors Document GN-2442-22 entitled “Fund for Special Operations: Options for providing additional resources to the D2 countries in 2009-2010”;

Pursuant to Resolution AG-1/99, Annex A, Section 3, the Board of Governors approved an agreement on concessional resources and related matters which provides, among other decisions, that D2 countries would convert their local currency FSO contributions into convertible currencies after the year 2009; and

Pursuant to Resolution AG-3/07, the Board of Governors approved document CA-474-2 entitled “Implementing Multilateral Debt Relief and Concessional Finance Reform at the Inter-American Development Bank” which includes, in paragraph 6.b., a mechanism through which D2 countries would convert their local currency FSO contributions into convertible currencies starting in 2010;

The Board of Governors

RESOLVES:

To amend the timing of the obligation of the D2 countries for currency conversion as established in Resolution AG-1/99 and Resolution AG-3/07, so that paragraph II.6.b. of Document CA-474-2, shall read as follows: “Part of the debt relief accorded to D2 countries (i.e., Honduras,

Bolivia, Haiti, Guyana, and Nicaragua) will be exchanged against the existing obligations of these countries to convert their local currency FSO contributions into convertible currencies. These obligations will be forgiven in lieu of the contractual obligations from the debt service of current FSO loans occurring in 2011-2014, in the proportion required to fully cover those obligations and, in case these flows are less than the country's conversion commitments, exchange will extend beyond 2014. This exchange will be an integral part of the debt relief agreement”.

(Adopted on 27 July 2009)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION AG-12/09

Fund for Special Operations (FSO): Options for Providing Additional Resources
to the D2 Countries in 2009 - 2010

Administrative Expenses of the Bank
Additional Financing for Haiti

WHEREAS:

Pursuant to Resolution AG-6/09, the Board of Governors requested that Management shall present to the Board of Executive Directors, “an array of options to expand the Bank’s financial capacity to support the poorest and most vulnerable countries in the Region. These options shall include accelerating disbursements from and additional resources to the Fund for Special Operations and reviewing the timeline for its replenishment”;

Management has presented to the Board of Executive Directors Document GN-2442-22 entitled “Fund for Special Operations: Options for providing additional resources to the D2 countries in 2009-2010”;

Pursuant to Resolution AG-3/07, as amended by Resolution AG-10/08, “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, except that for 2009, such expense shall be 4.5%”; 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;

The Board of Governors

RESOLVES:

1. That Resolution AG-3/07, as amended by AG-10/08, is further amended at section 3 to read, “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%, and for 2010 such expense shall be 3%.”

2. That pursuant to Section 2(b) of Resolution AG-8/07 an aggregate amount of the equivalent of US\$22 million in convertible currencies of the General Reserve (calculated excluding the cumulative principal of loan write-offs from the HIPC Initiative and other debt relief) of the Fund for Special Operations will be available for allocation to the IDB Grant Facility Account in 2009, and US\$8 million of such currencies shall be available for such allocation in 2010. Such amounts shall be paid to the Account as needed in each of 2009 and 2010, respectively, so as to provide for the disbursement required to fund activities authorized under the IDB Grant Facility. These amounts shall be added to amounts previously so authorized and the corresponding Documents shall be deemed amended to reflect such additional amounts.

(Adopted on 27 July 2009)