

PUBLIC

Inter-American Development Bank

MULTILATERAL INVESTMENT FUND

**SPECIAL PURPOSE ANNUAL INFORMATION STATEMENT WITH
INDEPENDENT AUDITOR'S REPORT THEREON
December 31, 2020, and 2019**

Under the Access to Information Policy, this document is subject to public disclosure.

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

(Expressed in thousands of United States dollars)

	December 31,	
	2020	2019
ASSETS		
Cash and investments		
Cash	\$ 2,526	\$ 9,873
Investments, net	<u>164,706</u>	<u>162,123</u>
	167,232	171,996
Promissory notes receivable from Donors	34,729	61,246
Due from affiliates	-	1,365
Loans outstanding	40,452	28,411
Allowance for loan losses	<u>(4,045)</u>	<u>(2,841)</u>
	36,407	25,570
Equity investments outstanding	142,199	130,436
Allowance for equity investment losses	<u>(56,880)</u>	<u>(52,174)</u>
	85,319	78,262
Accrued interest on loans	863	650
Total assets	<u>\$ 324,550</u>	<u>\$ 339,089</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Undisbursed grants and other financings	\$ 96,591	\$ 108,226
Due to affiliates	6,538	-
Deferred trust fund administrative fees	5,023	3,679
Other liabilities	<u>100</u>	<u>232</u>
Total liabilities	108,252	112,137
Fund Balance		
Contribution quotas authorized and subscribed	1,965,656	1,959,056
Contribution quotas receivable	(71,650)	(93,418)
Accumulated excess of expenses over income	(1,768,458)	(1,727,574)
Accumulated translation adjustments	<u>90,750</u>	<u>88,888</u>
Total fund balance	<u>216,298</u>	<u>226,952</u>
Total liabilities and fund balance	<u>\$ 324,550</u>	<u>\$ 339,089</u>

The accompanying notes are an integral part of the special purpose annual information statement.

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF CHANGES IN FUND BALANCE*(Expressed in thousands of United States dollars)*

	Year ended December 31,	
	2020	2019
Income		
Investment income, net	\$ 1,633	\$ 4,480
Loan and equity investment income	2,097	6,917
Other income	301	249
Total income	<u>4,031</u>	<u>11,646</u>
Expenses		
Grants and other financings	20,854	23,682
Change in allowance for loan losses	1,204	82
Change in allowance for equity investment losses	4,965	10,493
Administrative expenses	17,110	16,514
Other expenses	782	1,088
Total expenses	<u>44,915</u>	<u>51,859</u>
Excess of expenses over income	(40,884)	(40,213)
Accumulated excess of expenses over income, beginning of year	<u>(1,727,574)</u>	<u>(1,687,361)</u>
Accumulated excess of expenses over income, end of year	<u>(1,768,458)</u>	<u>(1,727,574)</u>
Accumulated translation adjustments, beginning of year	88,888	91,529
Translation adjustments	1,862	(2,641)
Accumulated translation adjustments, end of year	<u>90,750</u>	<u>88,888</u>
Contribution quotas authorized and subscribed, beginning of year	1,959,056	1,746,763
Contribution quotas subscribed during the year, net of discounts	6,600	212,293
Contribution quotas authorized and subscribed, end of year	<u>1,965,656</u>	<u>1,959,056</u>
Contribution quotas receivable, beginning of year	(93,418)	(25,710)
Change in contribution quotas receivable during the year	21,768	(67,708)
Contribution quotas receivable, end of year	<u>(71,650)</u>	<u>(93,418)</u>
Fund balance, end of year	<u>\$ 216,298</u>	<u>\$ 226,952</u>

The accompanying notes are an integral part of the special purpose annual information statement.

MULTILATERAL INVESTMENT FUND
(Administered by the Inter-American Development Bank)
SPECIAL PURPOSE STATEMENTS OF CASH FLOW
(Expressed in thousands of United States dollars)

	Year ended December 31,	
	2020	2019
Cash flows from financing activities		
Collection of receivable from donors	\$ 56,710	\$ 62,021
MIF III contribution quota payable to donor	(66)	66
Net cash provided by financing activities	<u>56,644</u>	<u>62,087</u>
Cash flows from lending and investing activities		
Gross purchases of investments	(63,750)	(58,400)
Gross proceeds from sale or maturity of investments	62,800	71,240
Equity investments return of capital	3,229	4,038
Loan collections	5,036	4,585
Loan disbursements	(17,001)	(5,221)
Equity investment disbursements	(15,251)	(17,111)
Net cash used in lending and investing activities	<u>(24,937)</u>	<u>(869)</u>
Cash flows from operating activities		
Loan and equity investment income	1,886	6,567
Grants and other financings	(32,489)	(40,073)
Trust Funds administrative fees	1,344	(226)
Administrative expenses	(9,264)	(17,587)
Other Income	301	249
Other expenses	(782)	(1,088)
Net cash used in operating activities	<u>(39,004)</u>	<u>(52,158)</u>
Effect of exchange rate fluctuations on cash	<u>(50)</u>	<u>(88)</u>
Net (decrease) increase in cash	<u>(7,347)</u>	<u>8,972</u>
Cash, beginning of year	<u>9,873</u>	<u>901</u>
Cash, end of year	<u>\$ 2,526</u>	<u>\$ 9,873</u>
Reconciliation of excess of expenses over income to Net cash used in operating activities:		
Excess of expenses over income	\$ (40,884)	\$ (40,213)
Investment income, net	(1,633)	(4,480)
Change in allowance for loan losses and equity investment losses	6,169	10,575
Difference between amounts accrued and amounts paid or collected for:		
Loan and equity investment income	(211)	(350)
Grants and other financings	(11,635)	(16,390)
Deferred Trust Funds administrative fees	1,344	(226)
Administrative expenses	7,846	(1,074)
Net cash used in operating activities	<u>\$ (39,004)</u>	<u>\$ (52,158)</u>
Supplemental disclosure of noncash financing activities:		
Increase resulting from exchange rate fluctuations:		
Promissory notes receivable from Donors	\$ 2,181	\$ (1,481)

The accompanying notes are an integral part of the special purpose annual information statement.

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

NOTES TO SPECIAL PURPOSE ANNUAL INFORMATION STATEMENT

December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

NOTE A – ORGANIZATION AND OPERATIONS

The Multilateral Investment Fund (MIF or the Fund) has operated since January 7, 1993 under the Agreement Establishing the MIF (the Agreement). This Agreement has been amended for each of the two replenishments of the Fund's resources, as explained below. The MIF is a member of the Inter-American Development Bank Group (the IDB Group), which also includes the Inter-American Development Bank (Bank) and the Inter-American Investment Corporation (IIC). In October 2018, the MIF adopted a new brand and now refers to itself as IDB Lab. This rebranding did not entail a change in the legal name of the MIF.

On April 9, 2005, thirty-eight member countries of the Bank signed the Agreement Establishing the Multilateral Investment Fund II (MIF II Agreement) and entered into an administration agreement (MIF II Administration Agreement) (collectively, MIF II Agreements) whereby the Bank was designated as the Administrator of the Multilateral Investment Fund II (MIF II). MIF II, the successor of the former MIF, was established with the purpose of enabling the continuation of MIF operations. The MIF II Agreements became effective on March 13, 2007. Under the terms of the MIF II Agreements, MIF II was established for a term to expire on December 31, 2015, renewable for a one-time period of up to five years. With Resolution MIF/DE– 10/15 adopted by the Donors Committee on June 24, 2015, MIF II's term was extended to December 31, 2020.

On April 2, 2017, the Boards of Governors of the Bank and the IIC (BOGs) agreed on a new replenishment for the Fund to continue and enhance its activities beyond its renewed term. The BOGs also approved the form of the Agreement Establishing the Multilateral Investment Fund III (MIF III Agreement) and the Agreement for the Administration of the Multilateral Investment Fund III (MIF III Administration Agreement) (collectively, the MIF III Agreements), both of which entered into force on March 12, 2019 (Effective Date), when prospective donors representing at least 60% of the total new contributions of \$311,654 had deposited their Instruments of Contribution and Letters of Acceptance. The MIF III Agreements are to remain in force for a period of five years as of the Effective Date and may be renewed for an additional period of up to five years. The MIF under the MIF III Agreements continues to be a fund administered by the Bank. As of December 31, 2020, there are forty member countries (Donors).

The objective of MIF III is to serve as an IDB Group's innovation laboratory to promote development through the private sector by identifying, supporting, testing and piloting new solutions to development challenges and seeking to create opportunities for the poor and vulnerable populations in the Latin America and the Caribbean (LAC) region. The general purpose of MIF III is to promote sustainable development through the private sector by identifying, supporting, testing and piloting new solutions to development challenges and seeking to create opportunities for the poor and vulnerable populations in the regional developing member countries of the Bank and the developing member countries of the Caribbean Development Bank (the CDB). To carry out its operations, MIF III provides financing in the form of grants for technical cooperations, loans, guarantees, and equity investments or any combination thereof.

The functions of MIF III are to: identify, test, promote and support private-sector driven innovations in the region seeking to create opportunities for poor and vulnerable populations; promote the adoption of high impact innovation in the region, through replication and scaling; seek to ensure that innovations that are replicated are effective and have significant development impact; mobilize resources and crowd-in partners for scale; promote knowledge creation and learning; operate in close alignment with the Bank and the IIC as a means to enhance effectiveness; promote environmentally sound and sustainable economic development, as well as gender equality and diversity, in the full range of its activities; enhance its development effectiveness through the establishment of specific goals and measurable results; adopt risk levels in accordance with its mandate to test the success and failure of innovative solutions; and complement the work in the region of the Bank, the IIC and other partners.

SUB-FUNDS

Included in the Fund's Annual Information Statement (Statement) are several sub-accounts (referred to as sub-funds). The remaining resources of the Fund are maintained in what is referred to as the Main Fund.

Main Fund

MIF's operations are conducted through the Main Fund to provide financing in the form of grants for technical cooperations, loans, guarantees, equity and quasi-equity investments or any combination thereof, directly or through intermediaries, to private sector entities which create or expand services to micro and small enterprises, or which finance or invest in micro and small enterprises. The Donors Committee approves all financings.

Productivity Fund

In 2009, the People's Republic of China granted a \$25,000 special contribution to MIF II to be held separately from its regular resources, via the establishment of the Fund for Increasing Productivity and Promoting Inclusive Economic Growth (Productivity Fund). The objective of the Productivity Fund is to scale up successful programs, disseminate and identify international best practices for inclusive private-sector development, build internal skills and capacities needed by the MIF staff to meet the requirements of the Fund and its business plan and structure private-sector development projects that increase productivity and reduce poverty.

Haiti Account

Effective January 2, 2013, a nonprofit organization transferred, assigned and delivered to the Bank, as Administrator of the Fund, certain of its operations, assets and other resources pursuant to a General Assignment and Assumption Agreement signed between the parties on December 14, 2012. The net assets transferred amounted to \$4,864 and included cash of \$7,962, a loan portfolio with an outstanding balance of \$2,564 and a grant portfolio with an undisbursed balance of \$5,662. In May 2014, there was an additional transfer of cash from the nonprofit organization for the amount of \$1,866, increasing the grant portfolio by the same amount. As per the terms of the General Assignment and Assumption Agreement, the Bank, as Administrator of the Fund, assumed the administration of such operations, assets and resources for activities that support economic growth and opportunity in the Republic of Haiti (hereinafter referred to as the Haiti Account). In view of the unprecedented nature of this assignment, and as required by the General Assignment and Assumption Agreement, the Fund presents the net assets transferred separately from its other activities. As such, the loan and the grant portfolios were recorded as Other assets and Other liabilities, respectively, at the effective date of the transfer. There was no loan or undisbursed grant balance outstanding from the original transfer as of December 31, 2020 and 2019.

The accompanying Supplemental Information in Appendices IV and V presents at the sub-fund level the Special Purpose Statements of Assets, Liabilities, and Fund Balance as of December 31, 2020 and 2019, and the Special Purpose Statements of Changes in Fund Balance for the years then ended.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

This Statement has been prepared to comply with Article V, Section 2 (b) of the Agreement for the Administration of the MIF III, and with Resolution MIF/DE - 36/14 adopted by the Donors Committee on September 24, 2014 (Resolution), and is not intended to be a presentation in accordance with U.S. generally accepted accounting principles (US GAAP). Due to the nature of its operations, the Fund follows a special accounting basis for loans, equity investments and contribution quotas. The primary differences between US GAAP and the special purpose basis of accounting are as follows:

- Loan loss allowance is determined on a flat provision basis and write-offs are recorded following certain trigger events, as opposed to being assessed in accordance with Accounting Standards Codification (ASC) section 326 - Financial Instruments – Credit Losses.

- Equity investment is reported at cost and impairment is assessed on a flat provision basis. Write-offs are recorded following certain trigger events. No qualitative impairment assessment or write-down to fair value is performed as required by ASC 321 – Investments-Equity Securities.
- Contribution quotas are recorded in full upon receipt of the relevant required documentations from the Donors. Certain commitments are reported as an asset when non-negotiable, non-interest-bearing promissory notes are received in lieu of cash, as opposed to following the requirements in ASC 505 - Equity.

The preparation of the Statement requires the Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the Statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

Translation of currencies

The Statement is expressed in United States dollars, which is also the functional and reporting currency of the Fund. While the Fund conducts most of its operations in United States dollars, it also has operations in Euro, Canadian dollar, Japanese yen and certain Latin American currencies. Assets and liabilities in such currencies are translated into United States dollars at market exchange rates prevailing at the date of the Special Purpose Statements of Assets, Liabilities and Fund Balance. Net adjustments resulting from the translation of currencies into United States dollars are charged or credited to Translation adjustment¹. Income and expenses in such currencies are translated at either market exchange rates in effect on the dates on which they are recognized or at an average of market exchange rates in effect during each month.

Investments

Investments are recorded using the trade-date-method. The Fund holds interests (referred to as shares) in two mutual fund type internally maintained and managed by the Bank exclusively for the portfolio of funds administered by the Bank and comprise what is referred to as the investment pool. The Fund's investments are reported at fair value, with realized and unrealized gains and losses from the sale of shares included in Income from cash and investments, net, in the Special Purpose Statement of Changes in Fund Balance. The Fund holds shares in the internal investment pools and a daily net asset value (NAV) is calculated by the Bank. Note C discloses the nature of the investment securities held by the investment pools and the Fund's pro rata interest in the fair value of each investment security class based on the ratio of the shares held by the Fund as compared to the total shares issued by the investment pool. Shares in one of the two investment pools are also held by other funds administered by the Bank.

Loans

The Fund makes loans to private and public small enterprises and financial institutions located in the regional developing member countries of the Bank and the developing member countries of the CDB. These loans are intended for institutions that are in the process of developing or establishing services for the benefit of small enterprises, or which lend to or invest in them.

Loan disbursements, less collections, are recorded as assets (Loans outstanding), net of an allowance for loan losses equal to 10 percent of the loans outstanding balance. Loan interest income is recorded as Loan and equity investment income pursuant to the accrual basis of accounting.

Partial or full loan write-offs, in addition to any change in the aforementioned 10 percent allowance, are recorded in the period during which a loss is realized through trigger events such as either a legal agreement or final bankruptcy settlement, or when the Fund has determined with a reasonable degree of certainty that the relevant amount will not be collected. Recuperations of loans previously written off are credited to the Change in allowance for loan losses when collected.

¹ References to captions in the special purpose annual information statement are identified by the name of the caption beginning with a capital letter every time they appear in the notes to the special purpose annual information statement.

Equity investments

The Fund makes equity investments designed to increase the resources available for small and micro businesses, stimulate entrepreneurial activities in the economy and help smaller businesses link up with larger enterprises.

The full investment amount is recorded as an asset at cost in Equity investments outstanding, net of an allowance for impairment losses equal to 40 percent of the equity investment balance. Returns of capital are recorded as a reduction of equity investments and dividends are recorded as equity investment income when paid by the investee. The sale of equity investments is recorded as a reduction of Equity investments outstanding when cash is received. The difference between the recorded cost and sale proceeds is recorded as gains (losses) on sale of equity investments in Loan and equity investment income.

Partial or full equity investments write-offs, in addition to any changes in the aforementioned 40 percent allowance, are recorded in the period when a loss is realized through trigger events such as either a legal agreement or final bankruptcy settlement, or when the Fund has determined with a reasonable degree of certainty that the relevant amount will not be collected. Recoveries of equity investments previously written off are credited to the Change in allowance for equity investment losses when collected.

Contribution quotas

The full amount of subscriptions to contribution quotas is recognized upon receipt of: 1) the Instrument of Acceptance indicating that the Agreement has been ratified, accepted or approved, and 2) the Instrument of Contribution in which the Donor agrees to pay the Fund the contribution set forth in the MIF III Agreement. These amounts are recognized as an increase to Contribution quotas receivable which are deducted from the Fund balance.

Donors can pay contribution quotas in any freely convertible currency, or in non-negotiable non-interest-bearing promissory notes (or similar securities) denominated in such currency and payable on demand to meet the operational needs of the Fund. The promissory notes are recognized as assets and reported as Promissory notes receivable from Donors. Promissory notes and cash payments received are recognized as a decrease to Contributions quotas receivable.

Administrative expenses

Administrative expenses include:

- i) Direct charges of the office of the Fund, encompassing the following items: a) salaries and benefits of Bank staff assigned to the Fund and devoted to the Fund's operations; b) employee benefit contributions for both local and international staff assigned to the Fund; c) termination payments in relation to staff assigned to the Fund; d) fees paid to consultants and outside services; e) travel costs; and f) other general and administrative costs.
- ii) Cost of services provided to the Fund by other IDB departments and the IIC. Starting in 2018, the Bank and the IIC charge the costs of services provided to the Fund in accordance with an approved framework for the provision of services and a costing methodology for reimbursement of charges. Refer to Note I for further details.

Grants and other financings

Grants approved by the Donors Committee, net of cancellations, from the Main Fund's resources, are expensed at the time of approval by charging the full amount to Grants and other financings expense and recording a corresponding liability in Undisbursed grants and other financings. Other financings are grants that occasionally may result in recoveries. When disbursements are made, the disbursements are recorded as a reduction of Undisbursed grants and other financings. Grants and other financings cancellations are recorded as a reduction of Grants and other financings expense and Undisbursed grants and other financings when approved. Recuperations are recorded as a reduction of Grants and other financings expense when received.

Grants financed with resources from the Productivity Fund are not recognized as liabilities or expenses at the time of approval. Such grants are reported as Other expenses when disbursements are made.

Related party transactions

As part of the administration of the resources of the Fund, the Bank pays administrative expenses and may disburse grants and other financings, loans and equity investments on behalf of the Fund. The amount payable related to these activities is reported as Due to affiliates.

The Fund also occasionally executes certain development projects financed by other trust funds established with third-party resources and administered by the Bank, and receives compensation, as allocated by the Bank, for related project development, execution and monitoring services on the basis of cost recovery. The allocated trust fund administration fees are held by the Bank in trust before the associated services are performed. The amount of cost incurred in connection with providing these services and the fees earned to recover such cost are included in Other expenses and Other income respectively in the period in which the services are performed. The unearned fees are reported as Deferred trust fund administration fees.

Fair value of investments

The following methods and assumptions are used by the Fund in measuring the fair value for the following financial instruments:

Investments: Fair value for investments are based on quoted prices in active and inactive markets, as provided by external pricing services, where available, or derived from alternative pricing models, utilizing available observable market inputs and discounted cash flows.

NOTE C – INVESTMENTS

As part of its overall portfolio management strategy, the Bank invests the Fund's resources in the same type of securities in which it invests its own funds under its investment authority. Such resources are invested in high quality securities through two investment pools, the USD Mutual Fund and the Treasury Bills Mutual Fund (TBF Mutual Fund), managed by the Bank. In addition, certain Fund resources may be invested directly in debt securities and bank obligations, including overnight deposits. Substantially all of the investment pools' securities have credit quality equivalent to ratings ranging from AAA/A1+ to AA (short-term securities carry the highest short-term credit rating)² as of December 31, 2020.

The Fund can contribute or withdraw funds from the investment pools by purchasing or redeeming shares. The number of shares purchased or redeemed each time a trust fund undergoes a transaction is the result of the dollar amount of the contribution or withdrawal and the NAV as calculated on a daily basis. At December 31, 2020 and 2019, the NAV of the USD Mutual Fund was \$153,680 and \$151,171, respectively, and the NAV of the TBF Mutual Fund was \$1,252,114 and \$1,322,669, respectively. At December 31, 2020 the Fund is the owner of 106,941,213 shares or 100% of the outstanding interests of the USD Mutual Fund and 10,324,508 shares or 0.88% of the TBF Mutual Fund. At December 31, 2019 the Fund held 106,199,611 shares or 100% of the USD Mutual Fund and 10,322,639 shares or 0.83% of the TBF Mutual Fund.

The table below shows the assets held by the mutual funds and the amounts are presented based on the Fund's proportionate ownership share of the mutual funds.

² Letter ratings refer to the average ratings from major rating agencies and to the entire range in that rating category including numeric (i.e., 1-3), symbolic (i.e., +/-), or similar qualifications used by eligible rating agencies.

As of December 31, 2020 and 2019, Investments comprise the following:

Investment pools ⁽¹⁾ :	2020	2019
Obligations of the United States Government	\$ 9,979	\$ 10,057
U.S. government-sponsored enterprises	-	461
Obligations of non-U.S. governments	9,997	9,985
Obligations of non-U.S. agencies	90,036	74,007
Obligations of non-U.S. sub-sovereigns	4,000	-
Obligations of supranationals	4,301	14,957
Commercial bank obligations ⁽²⁾	34,299	40,531
Corporate securities	12,094	12,125
	<u>\$ 164,706</u>	<u>\$ 162,123</u>

⁽¹⁾ Detail of investments by class represents the Fund's proportionate share of the investment pools' assets.

⁽²⁾ May include bank notes and bonds, certificates of deposit, commercial papers, cash held for investments, and money market deposits.

The Bank limits the Fund's investment activities to a list of authorized dealers and counterparties. Further, exposures and term limits have been established for these counterparties based on their size and creditworthiness.

All of the Fund's investments at December 31, 2020 and 2019, were denominated in United States dollars. The average return on investments, including realized and unrealized gains and losses, during 2020 and 2019 was 0.94% and 2.60% respectively.

NOTE D - UNDISBURSED GRANTS AND OTHER FINANCINGS

The following is a summary of changes in Undisbursed grants and other financings for the years ended December 31, 2020 and 2019:

	2020	2019
Balance at January 1,	\$ 108,226	\$ 124,618
Approvals	34,681	41,334
Cancellations	(13,827)	(17,653)
Disbursements	(32,489)	(40,073)
Balance at December 31,	<u>\$ 96,591</u>	<u>\$ 108,226</u>

The Special Purpose Statements of Grants and Other Financings are shown in Appendix I.

NOTE E – LOANS AND EQUITY INVESTMENT OUTSTANDING

The following is a summary of changes in loans and equity investments outstanding and the respective allowances for losses for the years ended December 31, 2020 and 2019. In 2020, loans cancellations were recorded for \$1,500 (2019 \$4,470). Equity investments cancellations for 2020 were nil and \$7,650 were recorded in 2019.

Loans outstanding	<u>2020</u>	<u>2019</u>	Allowance for loan losses	<u>2020</u>	<u>2019</u>
Balance at January 1,	\$ 28,411	\$ 27,797	Balance at January 1,	\$ 2,841	\$ 2,780
Disbursements	17,001	5,221	Provision		
Collections	(5,036)	(4,585)	for loan losses	1,204	82
Write-offs	-	(21)	Write-offs	-	(21)
Revaluation	76	(1)	Balance at December 31,	<u>\$ 4,045</u>	<u>\$ 2,841</u>
Balance at December	<u>\$ 40,452</u>	<u>\$ 28,411</u>			

Equity investments outstanding	<u>2020</u>	<u>2019</u>	Allowance for equity investment losses	<u>2020</u>	<u>2019</u>
Balance at January 1,	\$ 130,436	\$ 126,137	Balance at January 1,	\$ 52,174	\$ 50,455
Disbursements	15,251	17,111	Provision for		
Return of capital	(3,229)	(4,038)	equity investment losses	4,965	10,493
Write-offs	(259)	(8,774)	Write-offs	(259)	(8,774)
Balance at December	<u>\$ 142,199</u>	<u>\$ 130,436</u>	Balance at December 31,	<u>\$ 56,880</u>	<u>\$ 52,174</u>

As of December 31, 2020, undisbursed loans and equity investments were \$24,998 and \$90,604, respectively (2019 - \$26,979 and \$85,835 respectively). Loans and Equity investments by country are shown in the Statements of Loans and Equity Investments in Appendix II.

NOTE F – FAIR VALUE MEASUREMENTS

Fair value measurement is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The Fund's investment securities valued on a recurring basis based on quoted market prices in active markets, a valuation technique consistent with the market approach, include Obligations of the United States Government and cash held for investments for a total amount of \$10,627 at December 31, 2020 (2019 - \$10,669) (see Note C – Investments). Such instruments are classified within Level 1 of the fair value hierarchy.

The remaining investment securities of the Fund are measured at fair value based on quoted prices in markets that are not active, external pricing services, where available, or prices derived from alternative pricing models, utilizing available observable market inputs and discounted cash flows. These methodologies represent valuation techniques consistent with the market and income approaches. As of December 31, 2020 and 2019, these investments are classified within Level 2 of the fair value hierarchy and amounted to \$154,079 and \$151,454 respectively.

The Fund's policy for transfers between levels is to reflect these transfers effective as of the beginning of the reporting period. There were no transfers between levels during 2020 or 2019.

NOTE G – CONTRIBUTION QUOTAS AND VOTING POWER

Contribution quotas

The Donors' Instrument of Contribution provides for each Donor to pay to the Fund its contribution quota in equal annual installments. Payments may be made in any freely convertible currency or in a Special Drawing Rights (SDR) component currency determined by the Donors Committee, or in non-negotiable, non-interest-bearing promissory notes (or similar securities) denominated in such currency. The payment of the promissory notes (or similar securities), which is subject to budgetary appropriation in some Donor countries, is due on demand in accordance with criteria and procedures established by the Donors Committee to meet the operational commitments of the Fund. Payments 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.

In accordance with the MIF III Agreement, any Donor that pays the full amount of its contribution in a single payment within one year of the MIF III Effective Date may reduce such payment by 3%. As of December 31, 2020, a total reduction of \$761 (2019 - \$761) was awarded to eligible Donors and such amount is included in Contribution quotas authorized and subscribed.

Voting power

Under the MIF III Agreement, the Donors Committee shall reach decisions by a two-thirds majority of the total voting power.

Pursuant to Article IV, Section 4 of the MIF III Agreement, the total voting power of each Donor shall consist of:

- (i) an amount equal to (A) such Donor's proportional votes in MIF II divided by all proportional votes in MIF II, calculated as of the last day of the MIF II Agreement, multiplied by (B) the amount of the MIF II value of \$120,600,000, plus
- (ii) such Donor's Paid-in Contribution to the MIF III replenishment, this sum is to be divided by
- (iii) an amount equal to (A) the MIF II value of US\$120,600,000, plus (B) the total of all Donors Paid-in Contributions to MIF III replenishment.

Voting power shall be adjusted quarterly as of the Effective Date of MIF III. Notwithstanding the above, in cases in which a Donor avails itself of the right to pay the full amount of its contribution under Article II, Section 1(b) of the MIF III Agreement, its voting power shall be calculated only on the basis of full contribution amounts and only as of the date of each respective installment set forth in Article II, Section 1(b) of the MIF III Agreement.

The Statements of Contribution Quotas and Voting Power are shown in Appendix III.

NOTE H – ADMINISTRATIVE EXPENSES

The Fund is charged expenses as described in Note B. In 2020 and 2019, the Bank and the IIC charged the following amounts to the Fund:

	<u>2020</u>	<u>2019</u>
Bank's staff assigned or substantially devoted to the activities of the Fund	\$ 8,593	\$ 7,966
Contributions to IDB Staff Retirement Plan	2,164	2,090
Consultancies	1,659	1,379
Business travel	149	802
Services provided by IDB	1,710	1,499
Services provided by IIC	1,633	1,565
Firms and publications	630	459
Other administrative expenses	572	754
	<u>\$ 17,110</u>	<u>\$ 16,514</u>

NOTE I – OTHER EXPENSES

Other expenses incurred during 2020 and 2019 include the following:

	<u>2020</u>	<u>2019</u>
Support activities financed by the Productivity Fund	\$ 782	\$ 775
Other	-	313
Total	<u>\$ 782</u>	<u>\$ 1,088</u>

NOTE J – CONCENTRATION OF CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. For concentration of Investments, refer to Note C – Investments and refer to Appendix II for Loans and Equity Investments. In addition, at December 31, 2020 the majority of the Fund's deposits were held in fifteen banks amounting to \$2,526 (2019 – \$9,873). The amount of credit risk shown does not represent expected losses.

NOTE K – SUBSEQUENT EVENTS

The Bank, as Administrator, evaluated subsequent events through April 29, 2021, the date the Statement was available to be issued. As a result of this evaluation, there are no subsequent events that require recognition or disclosure in the Statement as of and for the year ended December 31, 2020.

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF GRANTS AND OTHER FINANCINGS

Cumulative to December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

Beneficiary country	2020			2019		
	Total approvals ⁽¹⁾	Disbursements	Undisbursed balance	Total approvals ⁽¹⁾	Disbursements	Undisbursed balance
Argentina	\$ 73,299	\$ (69,892)	\$ 3,407	\$ 72,671	\$ (67,715)	\$ 4,956
Bahamas	7,536	(6,239)	1,297	7,036	(6,061)	975
Barbados	5,025	(4,367)	658	4,787	(4,318)	469
Belize	10,005	(8,697)	1,308	9,885	(8,331)	1,554
Bolivia	51,018	(49,579)	1,439	51,836	(48,880)	2,956
Brazil	107,014	(100,743)	6,271	105,125	(99,275)	5,850
Chile	57,884	(52,443)	5,441	57,023	(50,285)	6,738
Colombia	94,450	(88,399)	6,051	91,351	(86,642)	4,709
Costa Rica	28,202	(26,493)	1,709	28,044	(25,309)	2,735
Dominican Republic	35,080	(32,002)	3,078	35,243	(31,246)	3,997
Ecuador	43,327	(41,085)	2,242	42,277	(40,010)	2,267
El Salvador	49,816	(46,416)	3,400	48,120	(45,292)	2,828
Guatemala	40,132	(37,064)	3,068	39,255	(36,515)	2,740
Guyana	9,274	(8,061)	1,213	8,753	(7,738)	1,015
Haiti	45,326	(41,995)	3,331	45,338	(41,355)	3,983
Honduras	40,696	(34,775)	5,921	39,394	(32,190)	7,204
Jamaica	27,956	(24,638)	3,318	26,836	(23,792)	3,044
Mexico	76,799	(71,601)	5,198	78,101	(70,039)	8,062
Nicaragua	35,467	(33,070)	2,397	35,513	(32,371)	3,142
Panama	33,692	(31,089)	2,603	32,699	(30,075)	2,624
Paraguay	36,053	(32,909)	3,144	34,855	(32,353)	2,502
Peru	84,142	(79,841)	4,301	84,039	(78,642)	5,397
Regional	358,797	(342,358)	16,439	352,826	(334,814)	18,012
Suriname	7,876	(6,541)	1,335	7,739	(6,060)	1,679
Trinidad and Tobago	19,836	(17,952)	1,884	19,700	(17,535)	2,165
Uruguay	56,069	(49,931)	6,138	55,471	(48,848)	6,623
Venezuela	8,250	(8,250)	-	8,250	(8,250)	-
	<u>\$ 1,443,021</u>	<u>\$ (1,346,430)</u>	<u>\$ 96,591</u>	<u>\$ 1,422,167</u>	<u>\$ (1,313,941)</u>	<u>\$ 108,226</u>

⁽¹⁾ Net of cancellations

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF LOANS AND EQUITY INVESTMENTS

Cumulative to December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

Loans	2020						2019																		
	Country	Approved ⁽¹⁾	Undisbursed	Collections ⁽²⁾	Revaluation	Write-Offs ⁽²⁾	Outstanding	Approved ⁽¹⁾	Undisbursed	Collections ⁽²⁾	Revaluation	Write-Offs ⁽²⁾	Outstanding												
Argentina	\$	9,195	\$	528	\$	6,493	\$	(666)	\$	36	\$	1,472	\$	9,195	\$	1,379	\$	6,493	\$	(666)	\$	36	\$	621	
Bahamas		1,500	-	-	-	-	1,500	1,500	-	-	-	-	-	1,500										1,500	
Barbados		40	-	-	-	40	-	40	-	-	-	40	-											-	
Belize		69	-	-	-	69	-	69	-	-	-	69	-											-	
Bolivia		14,780	1,000	11,754	-	-	2,026	12,780	-	11,283	-	-	-	1,497										1,497	
Brazil		4,700	-	3,105	(725)	120	750	3,950	-	3,105	(725)	120	-											-	
Chile		3,650	2,250	162	-	238	1,000	400	-	162	-	238	-											-	
Colombia		14,530	2,000	11,659	-	-	871	14,530	2,000	11,370	-	-	-	1,160										1,160	
Costa Rica		17,000	3,000	14,000	-	-	-	17,000	3,000	14,000	-	-	-	-										-	
Dominican Republic		1,850	200	1,523	-	-	127	1,850	200	1,500	-	-	-	150										150	
Ecuador		13,700	750	12,500	-	-	450	13,100	600	12,500	-	-	-	-										-	
El Salvador		10,672	-	10,316	(6)	-	350	10,672	-	8,681	(6)	-	1,985											1,985	
Guatemala		7,550	4,500	1,530	(36)	-	1,484	5,550	2,500	1,530	(16)	-	1,504											1,504	
Guyana		74	-	20	(1)	53	-	74	-	20	(1)	53	-											-	
Haiti		500	-	-	-	-	500	1,000	500	-	-	-	500											500	
Honduras		5,724	-	4,609	(445)	61	609	5,724	-	3,640	(445)	61	1,578											1,578	
Mexico		18,500	3,000	9,415	103	1,028	5,160	16,000	2,000	9,037	7	1,028	3,942											3,942	
Nicaragua		9,651	-	7,190	(483)	315	1,663	10,651	2,000	6,853	(483)	315	1,000											1,000	
Panama		5,250	-	5,250	-	-	-	5,250	-	5,250	-	-	-											-	
Paraguay		1,000	-	1,000	-	-	-	1,000	-	1,000	-	-	-											-	
Peru		20,612	1,820	11,033	141	-	7,900	20,192	4,300	11,033	141	-	5,000											5,000	
Regional		74,872	5,950	52,990	(768)	674	14,490	69,972	8,500	52,056	(768)	674	7,974											7,974	
Trinidad and Tobago		3,122	-	2,855	(3)	164	100	3,022	-	2,855	(3)	164	-											-	
Uruguay		1,250	-	1,250	-	-	-	1,250	-	1,250	-	-	-											-	
		<u>\$</u>	<u>239,791</u>	<u>\$</u>	<u>24,998</u>	<u>\$</u>	<u>168,654</u>	<u>\$</u>	<u>(2,889)</u>	<u>\$</u>	<u>2,798</u>	<u>\$</u>	<u>40,452</u>	<u>\$</u>	<u>224,771</u>	<u>\$</u>	<u>26,979</u>	<u>\$</u>	<u>163,618</u>	<u>\$</u>	<u>(2,965)</u>	<u>\$</u>	<u>2,798</u>	<u>\$</u>	<u>28,411</u>

⁽¹⁾ Net of cancellations⁽²⁾ Reflects cumulative recuperations of \$3,160 for loans previously written off.

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF LOANS AND EQUITY INVESTMENTS

Cumulative to December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

<u>Country</u>	<u>2020</u>					<u>2019</u>				
	<u>Approved⁽¹⁾</u>	<u>Undisbursed</u>	<u>Return of Capital</u>	<u>Write-Offs</u>	<u>Outstanding</u>	<u>Approved⁽¹⁾</u>	<u>Undisbursed</u>	<u>Return of Capital</u>	<u>Write-Offs</u>	<u>Outstanding</u>
Argentina	\$ 14,762	\$ 2,991	\$ 2,284	\$ 6,840	\$ 2,647	\$ 14,762	\$ 2,991	\$ 2,284	\$ 6,840	\$ 2,647
Bolivia	6,012	-	2,844	3,168	-	6,012	-	2,844	3,168	-
Brazil	74,561	11,910	29,322	13,807	19,522	74,561	13,873	29,019	13,725	17,944
Chile	16,486	1,731	2,369	3,617	8,769	16,486	2,559	2,369	3,617	7,941
Colombia	20,046	4,066	2,097	3,623	10,260	20,046	4,141	1,977	3,623	10,305
Costa Rica	1,000	-	868	132	-	1,000	-	868	132	-
Dominican Republic	652	-	215	437	-	652	-	215	385	52
Ecuador	2,000	-	-	-	2,000	2,000	-	-	-	2,000
El Salvador	3,717	525	717	-	2,475	3,717	1,925	717	-	1,075
Haiti	4,000	741	210	-	3,049	4,000	894	58	-	3,048
Honduras	10,000	2,526	1,789	2,211	3,474	10,000	3,117	1,789	2,211	2,883
Mexico	67,141	3,134	30,958	10,049	23,000	67,141	3,715	29,064	10,049	24,313
Nicaragua	725	-	600	125	-	725	-	600	-	125
Panama	-	-	-	-	-	-	-	-	-	-
Paraguay	-	-	-	-	-	-	-	-	-	-
Peru	4,150	-	1,731	2,419	-	4,150	-	1,731	2,419	-
Regional	234,382	62,960	76,666	31,557	63,199	214,382	52,620	75,906	31,557	54,299
Trinidad and Tobago	2,732	-	855	1,877	-	2,732	-	855	1,877	-
Uruguay	5,136	-	1,101	231	3,804	5,136	-	1,101	231	3,804
Venezuela	587	-	529	58	-	587	-	529	58	-
	<u>\$ 468,089</u>	<u>\$ 90,584</u>	<u>\$ 155,155</u>	<u>\$ 80,151</u>	<u>\$ 142,199</u>	<u>\$ 448,089</u>	<u>\$ 85,835</u>	<u>\$ 151,926</u>	<u>\$ 79,892</u>	<u>\$ 130,436</u>

⁽¹⁾ Net of cancellations

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF CONTRIBUTION QUOTAS AND VOTING POWER

Cumulative to December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

Donor Members	Currency of Contributions	Contribution Quotas as of December 31, 2020						Contribution Quotas as of December 31, 2019					
		Pledged Contributions	Received in Cash	Contribution discount	Promissory Notes	Contributions Receivable	Voting Power (%) ⁽¹⁾	Pledged Contributions	Received in Cash	Contribution discount	Promissory Notes	Contributions Receivable	Voting Power (%) ⁽¹⁾
Argentina	U.S. dollar	\$ 28,331	\$ 28,331	\$ -	\$ -	\$ -	0.79	\$ 28,331	\$ 28,331	\$ -	\$ -	\$ -	1.10
Bahamas	U.S. dollar	4,100	2,100	-	-	2,000	0.43	4,100	2,100	-	-	2,000	0.60
Barbados	U.S. dollar	1,000	1,000	-	-	-	0.03	1,000	1,000	-	-	-	0.04
Belize	U.S. dollar	1,962	1,295	-	667	-	0.16	1,962	932	-	1,030	-	0.04
Bolivia	U.S. dollar	987	987	-	-	-	0.03	987	987	-	-	-	0.04
Brazil	U.S. dollar	28,331	28,331	-	-	-	0.79	28,331	28,331	-	-	-	1.10
Canada	Canadian dollar	47,122	44,748	-	-	2,374	3.03	47,122	42,374	-	-	4,748	2.88
Chile	U.S. dollar	18,000	11,333	-	-	6,667	1.56	18,000	11,333	-	-	6,667	2.17
China	U.S. dollar	58,700	55,800	-	-	2,900	3.73	58,700	52,900	-	-	5,800	3.57
Colombia	U.S. dollar	8,000	8,000	-	-	-	0.22	8,000	8,000	-	-	-	0.31
Costa Rica	U.S. dollar	962	962	-	-	-	0.03	962	962	-	-	-	0.04
Dominican Republic	U.S. dollar	6,962	962	-	-	6,000	0.03	6,962	962	-	-	6,000	0.04
Ecuador	U.S. dollar	6,962	4,962	-	-	2,000	1.63	6,962	2,962	-	-	4,000	1.15
El Salvador	U.S. dollar	4,962	962	-	-	4,000	0.03	4,962	962	-	-	4,000	0.04
France	U.S. dollar	15,000	15,000	-	-	-	0.42	15,000	15,000	-	-	-	0.59
Guatemala	U.S. dollar	962	962	-	-	-	0.03	962	962	-	-	-	0.04
Guyana	U.S. dollar	1,950	1,950	-	-	-	0.30	1,950	1,617	-	-	333	0.22
Haiti	U.S. dollar	500	300	-	-	200	0.01	500	300	-	-	200	0.01
Honduras	U.S. dollar	5,962	932	-	5,030	-	0.03	5,962	932	-	5,030	-	0.04
Israel	U.S. dollar	3,000	3,000	-	-	-	0.80	3,000	2,000	-	-	1,000	0.56
Italy	Euro	37,000	36,850	150	-	-	2.23	37,000	36,850	150	-	-	1.25
Jamaica	U.S. dollar	4,000	3,000	-	-	1,000	0.83	4,000	2,000	-	-	2,000	0.60
Japan	Japanese yen	655,000	626,667	-	28,333	-	38.71	655,000	598,333	-	56,667	-	38.02
Korea, Republic of	U.S. dollar	69,000	65,827	-	-	3,173	4.02	69,000	62,827	-	-	6,173	2.34
Mexico	U.S. dollar	28,331	28,331	-	-	-	0.79	28,331	28,331	-	-	-	1.10
Netherlands	Euro	21,530	21,530	-	-	-	0.60	21,530	21,530	-	-	-	0.84
Nicaragua	U.S. dollar	5,962	4,295	-	-	1,667	1.36	5,962	2,629	-	-	3,333	0.97
Panama	U.S. dollar	8,962	6,295	-	-	2,667	2.17	8,961	3,629	-	-	5,332	1.52
Paraguay	U.S. dollar	8,050	3,650	-	-	4,400	0.92	1,450	1,450	-	-	-	0.06
Peru	U.S. dollar	14,300	10,967	-	-	3,333	2.79	14,300	7,633	-	-	6,667	2.02
Portugal	Euro	7,000	7,000	-	-	-	0.20	7,000	7,000	-	-	-	0.27
Spain	Euro	137,000	136,490	510	-	-	7.91	137,000	136,490	510	-	-	7.84
Suriname	U.S. dollar	1,700	1,033	-	-	667	0.15	1,700	1,033	-	-	667	0.21
Sweden	U.S. dollar	8,350	8,250	101	-	-	1.04	8,350	8,249	101	-	-	0.82
Switzerland	U.S. dollar	10,500	10,500	-	-	-	1.01	10,500	9,500	-	-	1,000	0.85
Trinidad and Tobago	U.S. dollar	1,200	1,200	-	-	-	0.03	1,200	1,200	-	-	-	0.05
United Kingdom	U.S. dollar	24,778	23,884	-	-	894	1.34	24,778	22,990	-	-	1,788	1.36
United States	U.S. dollar	650,000	624,290	-	-	25,710	17.53	650,000	624,290	-	-	25,710	24.36
Uruguay	U.S. dollar	10,000	8,000	-	-	2,000	1.72	10,000	4,000	-	-	6,000	0.16
Venezuela	U.S. dollar	20,000	20,000	-	-	-	0.56	20,000	20,000	-	-	-	0.78
Historical amounts		\$ 1,966,417	\$ 1,859,976	\$ 761	\$ 34,030	\$ 71,650	100	\$ 1,959,817	\$ 1,802,911	\$ 761	\$ 62,727	\$ 93,418	100
Translation adjustments					699	-					(1,481)	-	
Total					\$ 34,729	\$ 71,650					\$ 61,246	\$ 93,418	

⁽¹⁾ Data is rounded; detail may not add to total.

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND FUND BALANCE BY FUND

Cumulative to December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

	2020				2019			
	Main Fund	Productivity Fund	Haiti Account	Total	Main Fund	Productivity Fund	Haiti Account	Total
ASSETS								
Cash and investments								
Cash	\$ 2,337	\$ 104	\$ 85	\$ 2,526	\$ 9,186	\$ 53	\$ 634	\$ 9,873
Investments	153,680	7,395	3,631	164,706	151,171	7,894	3,058	162,123
Promissory notes receivable from Donors	34,729	-	-	34,729	61,246	-	-	61,246
Due from affiliates	-	-	-	-	1,367	(2)	-	1,365
Loans outstanding	40,452	-	-	40,452	28,411	-	-	28,411
Allowance for loan losses	(4,045)	-	-	(4,045)	(2,841)	-	-	(2,841)
	36,407	-	-	36,407	25,570	-	-	25,570
Equity investments outstanding	142,199	-	-	142,199	130,436	-	-	130,436
Allowance for equity investment losses	(56,880)	-	-	(56,880)	(52,174)	-	-	(52,174)
	85,319	-	-	85,319	78,262	-	-	78,262
Accrued interest on loans	863	-	-	863	650	-	-	650
Total assets	<u>\$ 313,335</u>	<u>\$ 7,499</u>	<u>\$ 3,716</u>	<u>\$ 324,550</u>	<u>\$ 327,452</u>	<u>\$ 7,947</u>	<u>\$ 3,692</u>	<u>\$ 339,089</u>
LIABILITIES AND FUND BALANCE								
Liabilities								
Undisbursed grants and other financings	\$ 96,271	\$ -	\$ 320	\$ 96,591	\$ 108,226	\$ -	\$ -	\$ 108,226
Due to affiliates	6,253	285	-	6,538	-	-	-	-
Deferred trust fund admin fees	5,023	-	-	5,023	3,679	-	-	3,679
Other liabilities	100	-	-	100	232	-	-	232
Total liabilities	107,647	285	320	108,252	112,137	-	-	112,137
Fund Balance								
Contribution quotas authorized and subscribed, net of discounts	1,965,656	-	-	1,965,656	1,959,056	-	-	1,959,056
Contribution quotas receivable from Donors	(71,650)	-	-	(71,650)	(93,418)	-	-	(93,418)
Accumulated excess of expenses over income	(1,779,068)	7,214	3,396	(1,768,458)	(1,739,211)	7,945	3,692	(1,727,574)
Accumulated translation adjustments	90,750	-	-	90,750	88,888	-	-	88,888
Total fund balance	<u>205,688</u>	<u>7,214</u>	<u>3,396</u>	<u>216,298</u>	<u>215,315</u>	<u>7,945</u>	<u>3,692</u>	<u>226,952</u>
Total liabilities and fund balance	<u>\$ 313,335</u>	<u>\$ 7,499</u>	<u>\$ 3,716</u>	<u>\$ 324,550</u>	<u>\$ 327,452</u>	<u>\$ 7,945</u>	<u>\$ 3,692</u>	<u>\$ 339,089</u>

MULTILATERAL INVESTMENT FUND

(Administered by the Inter-American Development Bank)

SPECIAL PURPOSE STATEMENTS OF CHANGES IN FUND BALANCE BY FUND

Year ended December 31, 2020 and 2019

(Expressed in thousands of United States dollars)

	2020				2019			
	Main Fund	Productivity Fund	Haiti Account	Total	Main Fund	Productivity Fund	Haiti Account	Total
Income								
Investment income, net	\$ 1,559	\$ 51	\$ 23	\$ 1,633	\$ 4,206	\$ 190	\$ 84	\$ 4,480
Loan and equity investment income	2,097	-	-	2,097	6,917	-	-	6,917
Other income	300	-	1	301	249	-	-	249
Total income	<u>3,956</u>	<u>51</u>	<u>24</u>	<u>4,031</u>	<u>11,372</u>	<u>190</u>	<u>84</u>	<u>11,646</u>
Expenses								
Grants and other financings	20,534	-	320	20,854	23,682	-	-	23,682
Change in allowance for loan losses	1,204	-	-	1,204	82	-	-	82
Change in allowance for equity investment losses	4,965	-	-	4,965	10,493	-	-	10,493
	26,703	-	320	27,023	34,257	-	-	34,257
Administrative expenses	17,110	-	-	17,110	16,514	-	-	16,514
Other expenses	-	782	-	782	310	777	1	1,088
Total expenses	<u>43,813</u>	<u>782</u>	<u>320</u>	<u>44,915</u>	<u>51,081</u>	<u>777</u>	<u>1</u>	<u>51,859</u>
Excess of (expenses over income)								
income over expenses	(39,857)	(731)	(296)	(40,884)	(39,709)	(587)	83	(40,213)
Accumulated excess of expenses over income beginning of year	(1,739,211)	7,945	3,692	(1,727,574)	(1,699,502)	8,532	3,609	(1,687,361)
Accumulated excess of expenses over income end of year	<u>(1,779,068)</u>	<u>7,214</u>	<u>3,396</u>	<u>(1,768,458)</u>	<u>(1,739,211)</u>	<u>7,945</u>	<u>3,692</u>	<u>(1,727,574)</u>
Accumulated translation adjustments, beginning of year	88,888	-	-	88,888	91,529	-	-	91,529
Translation adjustments	1,862	-	-	1,862	(2,641)	-	-	(2,641)
Accumulated translation adjustments, end of year	<u>90,750</u>	<u>-</u>	<u>-</u>	<u>90,750</u>	<u>88,888</u>	<u>-</u>	<u>-</u>	<u>88,888</u>
Contribution quotas authorized and subscribed, beginning of year	1,959,056	-	-	1,959,056	1,746,763	-	-	1,746,763
Contribution quotas subscribed during the year, net of discounts	6,600	-	-	6,600	212,293	-	-	212,293
Contribution quotas authorized and subscribed, end of year	<u>1,965,656</u>	<u>-</u>	<u>-</u>	<u>1,965,656</u>	<u>1,959,056</u>	<u>-</u>	<u>-</u>	<u>1,959,056</u>
Contribution quotas receivable, beginning of year	(93,418)	-	-	(93,418)	(25,710)	-	-	(25,710)
Collection of contribution quotas receivable during the year	21,768	-	-	21,768	(67,708)	-	-	(67,708)
Contribution quotas receivable, end of year	<u>(71,650)</u>	<u>-</u>	<u>-</u>	<u>(71,650)</u>	<u>(93,418)</u>	<u>-</u>	<u>-</u>	<u>(93,418)</u>
Fund balance, end of year	<u>\$ 205,688</u>	<u>\$ 7,214</u>	<u>\$ 3,396</u>	<u>\$ 216,298</u>	<u>\$ 215,315</u>	<u>\$ 7,945</u>	<u>\$ 3,692</u>	<u>\$ 226,952</u>