

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION DE-10/14

Operational Framework for Lending in Local Currency

WHEREAS, Resolution DE-43/08 authorized Management to use Ordinary Capital resources to purchase and sell such other currencies as may be required for the implementation of the revised Local Currency Facility as provided in Document GN-2365-6, with the exception of the pool-based funding mechanism proposed therein; and

WHEREAS, Management, operating since 2008 under the approvals granted under DE-43/08, has had an opportunity to assess the limited flexibility for funding of Local Currency loans, as well as the risks and advantages provided by a pool-based funding mechanism, and has developed proposed guidelines and reporting obligations relating to such a mechanism; and

WHEREAS, Management, in Document FN-644-5, has presented to the Board of Executive Directors a revised proposal to expand Local Currency funding by means of a pool-based funding mechanism.

THEREFORE, the Board of Executive Directors

RESOLVES:

1. To recognize the Board's previous authorization, as set forth in Resolution DE-43/08, for Management to use Ordinary Capital resources to purchase and sell such other currencies as may be required for the implementation of the revised Local Currency Facility as provided in Document GN-2365-6.
2. To authorize the implementation of a pool-based funding mechanism pursuant to the description and provisions set forth in Sections 5.a and 6.a of Document FN-644-5.
3. Management shall report semi-annually to the Board of Executive Directors on such purchase and sale of currencies pursuant to this Resolution.
4. Resolution DE-43/08 of April 1, 2008 is hereby superseded.

(Adopted on 5 March 2015)