

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION DE-6/16

Global Liability Management Authorization

WHEREAS, the Inter-American Development Bank (hereinafter referred to as the “Bank”) has borrowed certain amounts of currencies and units of account from time to time and may be authorized from time to time to borrow further amounts of currencies and units of account, at fixed or floating rates of interest, (all such borrowings being hereinafter individually referred to as a “Borrowing” and collectively as “Borrowings”);

WHEREAS, in accordance with the provisions of the Agreement Establishing the Bank, the Bank has granted financing to its borrowers by making or participating in loans and guarantees and will further continue to make or participate in loans (all such loans being hereinafter individually referred to as a “Loan” and collectively as “Loans”) and guarantees (all such Guarantees being hereinafter individually referred to as a “Guarantee” and collectively as “Guarantees”);

WHEREAS, the Bank is authorized to enter into derivatives transactions (“Derivatives”) with Bank borrowers in connection with their existing outstanding Loans; and

WHEREAS, the Bank may enter into various transactions in order to manage its liabilities arising from such Borrowings, Loans, Guarantees or Derivatives or to fix or limit the potential fluctuations of the interest cost to the Bank of all or a portion of certain Borrowings, Loans, Guarantees or Derivatives in advance of or subsequent to such Borrowings, Loans, Guarantees or Derivatives;

THEREFORE, the Board of Executive Directors

RESOLVES THAT:

1. The Bank is hereby authorized to enter into, in connection with any of its Borrowings, Loans, Guarantees or Derivatives, as the case may be:

(i) currency exchange agreements; interest rate exchange agreements; forward foreign exchange transactions; forward rate agreements; financial futures and options contracts; currency or interest rate options on government obligations; interest rate caps, floors and collars; and any other derivatives instruments, including any combination of the foregoing; and

(ii) anticipatory or deferred rate setting arrangements that will enable the Bank to fix the interest cost of all or a portion of any Borrowing in advance of or subsequent to the date of such Borrowing.

The final maturity of any such transaction in connection with Borrowings shall not exceed the final maturity of the last maturing Borrowing denominated in the same currency as such transaction. The final maturity of any such transaction entered into in connection with Loans, Guarantees or Derivatives shall not exceed the final maturity of the last maturing Loan or Derivative, as applicable, in the same currency as such transaction.

2. Subject to the Bank receiving the prior approval of the government or central bank, as appropriate, of any country whose currency is exchanged or received in such transactions, any transaction contemplated herein shall be entered into only with any of the following:

- (i) a state or other public entity, a multilateral development bank or a corporation
 - (a) whose senior debt securities are rated not less than AA, in the case of a state or a political subdivision of any federal state, and AAA, in the case of another public entity, multilateral development bank or a corporation, or a comparable rating, by a recognized rating agency in the United States; or
 - (b) if it has not issued any securities rated by any such agency, whose creditworthiness is equivalent to the creditworthiness of entities or corporations, as the case may be, meeting the condition under (a) above; or
 - (c) whose payments under such transaction shall be guaranteed by (1) an entity or corporation, as the case may be, meeting the condition under (a) or (b) above or (2) by a bank or other financial institution meeting the condition under (ii) below;
- (ii) a bank or other financial institution whose creditworthiness meets guidelines established for such derivative counterparties;
- (iii) a state, or other public entity whose payments under such transaction shall be guaranteed by its state, provided that the payments to be made to the Bank for purposes of any such transaction (other than those representing the initial exchange, if any) are denominated in the currency of such state; or
- (iv) a corporation, or a bank or other financial institution, or a state or other public entity, not included in any of the foregoing sub-paragraphs of this paragraph 2, provided that the potential financial exposure of the Bank to such corporation, institution or entity, as the case may be, resulting from such transaction, is covered by a financial guarantee, insurance policy or other financial arrangement issued by or entered into with an insurance company, a commercial bank or other financial institution (a) in the case of an insurance company, whose long-term claims paying ability is rated AAA, or in the case of a commercial bank or other financial institution, whose senior debt securities are rated AAA, or a comparable rating by a recognized rating agency in the United States or (b) if its long term claims paying ability or the senior debt securities, as the case may be, are not rated by any such agency, whose creditworthiness is equivalent to the creditworthiness of insurance companies or commercial banks or other financial institutions, as the case may be, meeting the condition under (a) above.

3. Anticipatory and deferred rate setting arrangements shall be entered into only with banks, securities dealers and other financial institutions that meet guidelines established for such financial institutions.

4. The terms and conditions of each transaction authorized hereby shall be as determined by any Authorized Representative, and any Authorized Representative may, in the name and on behalf of the Bank, enter into such agreements (including, without limitation, for the purposes of paragraph 2(iv) hereof financial guarantees or insurance agreements) and execute, publish and deliver such notices, reports and other documents, and do any and all such other acts and things as such Authorized Representative shall deem necessary or desirable in order to fully carry into effect the purposes of this Resolution.

5. For the purposes of the above-granted authorizations, the term "Authorized Representative" shall mean any of the following officers and employees of the Bank: the President; the Executive Vice President; the Vice President for Finance and Administration; the General Manager and Chief Financial Officer, Finance Department; the Division Chief, Treasury-Treasurer; the Head, Funding-Principal Specialist; and any other person designated in writing by the President or the Executive Vice President as an Authorized Representative for the aforesaid purposes.

(Adopted on 9 March 2016)