

## RESOLUTION AG-8/17, CII/AG-4/17 AND MIF/DE-13/17

### MULTILATERAL INVESTMENT FUND III

#### WHEREAS:

On April 10, 2016, pursuant to Resolution AG-7/16 and CII/AG-3/16, the Boards of Governors of the Inter-American Development Bank (“IDB”) and the Inter-American Investment Corporation (“IIC”) reaffirmed their commitment to the Multilateral Investment Fund (“MIF”), and instructed Management of the IDB (acting as administrator of the MIF) to develop a proposal on the future and financing of the MIF to be further considered by the Donors Committee and to present a status report on the basis of such proposal at a joint meeting of the Committees of the Boards of Governors of the IDB and IIC;

On October 6, 2016, the Committees of the Boards of Governors of the IDB and IIC discussed the status report and voiced their support to the proposed strategic vision that would be reflected in the “Final Report on the Future and Financing of the Multilateral Investment Fund” and recognized the need for a replenishment of the MIF in the amount of US\$300 million. The Committees of the Boards of Governors of the IDB and IIC agreed with proceeding to prepare the draft of the Agreement Establishing the Multilateral Investment Fund III and the Agreement for the Administration of the Multilateral Investment Fund III (the “MIF III Agreements”) and to begin replenishment negotiations with the intention of concluding them at the 2017 Annual Meeting of the Boards of Governors of the IDB and IIC. The Committees of the Boards of Governors also requested efforts to promote efficiencies and reduce administrative costs of the MIF;

On February 23, 2017, the Committees of the Boards of Governors of the IDB and IIC voiced their support to the progress made in the discussions, reflected in the draft MIF III Agreements, and requested Management to submit revised versions to the Boards of Governors of the IDB and IIC for consideration at the 2017 Annual Meeting of the Boards of Governors of the IDB and IIC. The Committees of the Boards of Governors of the IDB and IIC further instructed Management of the IDB (acting as administrator of the MIF) to continue with the preparation of the “Final Report on the Future and Financing of the Multilateral Investment Fund” for Donors Committee approval, and subsequent consideration by the Boards of Executive Directors and the Committees of the Boards of Governors of the IDB and IIC. In their interventions, Governors stressed the importance of a more efficient and effective MIF, so that a reduction in administrative and operational expenses would lead to a larger share of Donors’ contributions to the replenishment being channeled to the financing of projects in the region. These efforts become a more pressing mandate as some Governors have indicated that their countries will not be able to contribute to the MIF III replenishment, which would translate into a potentially lower replenishment amount;

On March 8, 2017, the Donors Committee approved document MIF/GN-212-4, entitled “Final Report on the Future and Financing of the Multilateral Investment Fund”, to be submitted for consideration by the Boards of Executive Directors of the IDB and IIC as document GN-2862-3, CII/GN-322-3, and subsequently by the Boards of Governors of the IDB and IIC as document CA-581, CII/CA-191;

On March 15 and 16, 2017, the Boards of Executive Directors of the IIC and IDB, respectively, considered document GN-2862-3, CII/GN-322-3, MIF/GN-212-5, entitled "Final Report on the Future and Financing of the Multilateral Investment Fund. Revised version", and submitted it for consideration by the Boards of Governors of the IDB and IIC as document CA-581, CII/CA-191;

On March 16, 2017, Management submitted for consideration a revised version of the draft MIF III Agreements to the Boards of Governors of the IDB and IIC as document CA-571-2, CII/CA-181-2, and CA-572-1, CII/CA-182-1; and

The Governors recognize that this Resolution does not constitute a commitment on the part of any member country to participate in the MIF replenishment.

The Boards of Governors of the IDB and IIC

RESOLVE:

1. To approve the mandate, strategic framework and conclusions detailed in document CA-581, CII/CA-191; entitled "Final Report on the Future and Financing of the Multilateral Investment Fund."

2. To approve the form of the MIF III Agreements in document CA-571-2, CII/CA-181-2, and CA-572-1, CII/CA-182-1.

3. That the IDB President and the Donors Committee shall ensure a more efficient and effective MIF, with lower administrative and operational expenses, in line with its mandate and development objectives, and consistent with the responsibilities defined by the MIF governance and applicable IDB policies.

4. That as of the approval of this Resolution and up to the effective date of the MIF III Agreements, Donors may send to the Secretary of the IDB a written communication pledging contributions in addition to those specified in Schedule A of the form of Agreement Establishing the Multilateral Investment Fund III ("MIF III Agreement"), up to a total of US\$15 million in such additional contributions from Donors.

The Board of Governors of the IDB

RESOLVES:

1. That the President of the IDB, or such representative as he shall designate, shall take any necessary measures required to give effect to the MIF III Agreements.

2. That the President of the IDB, or such representative as he shall designate, shall periodically report to the Donors Committee on the status of paid-in contributions to MIF III. When such report includes payments that are overdue, the report shall also be communicated to the Boards of Executive Directors and Boards of Governors of the IDB and IIC. When the Donors Committee determines that its ability to commit resources for the operations of the MIF is substantially impaired due to such overdue payments, the Donors Committee shall consider options, which could include to recommend that the Chairperson of the Committees of the

Boards of Governors of the IDB and IIC call a meeting of such Committees to discuss further actions to be taken.

The MIF Donors Committee

RESOLVES:

To restate the MIF II Agreements as the MIF III Agreements upon their entry into force at which time all assets and liabilities shall be governed by MIF III.

(Adopted on 2 April 2017)