

Bank lending for "green" environment projects (coastal conservation, river cleanup, watershed/natural resources management, pollution reduction, etc.) has already surpassed \$1 billion in each of the past two years - and further growth is expected. As much as half of the lending falling under the so-called social category will be dedicated to water, sewerage and sanitation projects.

Despite the shift in future IDB lending towards the social sector and poverty-related activities, a full 40% will still be available for traditional infrastructure projects, primarily focused in transportation and energy.

IDB lending for policy-based "sector adjustment" operations, which accounted for 25% of lending over the last four years, will be reduced to 15%.

In recognition of the privatization boom in the region, and the increasing role of the private sector in development projects, the Bank's governors have agreed to the establishment of a new facility permitting the IDB to lend up to 5% of its total resources to private sector infrastructure and public utility projects.

Canada's Participation at the IDB

In April 1994, the IDB shareholders agreed to a capital increase of \$40 billion, known as the 8th replenishment. This caused an adjustment in voting powers for member countries such as Canada, which our shareholding slipping from 4.38% to 4%. However, the Canadian Executive Director at the IDB remains one of only two Executive Directors who represents one country exclusively on the Bank's Board. Canadian membership in the Bank makes Canadian companies eligible to bid on the business opportunities that arise from IDB-funded projects throughout the region. (It is important to note that although Canada is a member of the IDB, it is *not* a member of the Inter-American Investment Corporation nor a signatory to the IDB Multilateral Investment Fund.)

IDB Lending Resources

IDB lending to the region reached just under \$6 billion in 1994. Future lending is expected to average \$5-6 billion over the next 3-5 years as a result of the Bank's 8th replenishment. IDB commitments to the region are comparable to those of the World Bank. Together, these two institutions approve over \$10 billion annually in financing for new projects in Latin America and the Caribbean.