AGREEMENT ESTABLISHING THE INTER-AMERICAN INVESTMENT CORPORATION

The countries on behalf of which this Agreement is signed agree to create the Inter-American Investment Corporation, which shall be governed by the following provisions:

ARTICLE I

PURPOSE AND FUNCTIONS

Section 1. Purpose

The purpose of the Corporation shall be to promote the economic development of its regional developing member countries by encouraging the establishment, expansion, and modernization of private enterprises, preferably those that are small and medium-scale, in such a way as to supplement the activities of the Inter-American Development Bank (hereinafter referred to as "the Bank").

Enterprises with partial share participation by government or other public entities, whose activities strengthen the private sector of the economy, are eligible for financing by the Corporation.

Section 2. Functions

In order to accomplish its purpose, the Corporation shall undertake the following functions in support of the enterprises referred to in Section 1:

(a) Assist, alone or in association with other lenders or investors, in the financing of the establishment, expansion and modernization of enterprises, utilizing such instruments and/or mechanisms as the Corporation deems appropriate in each instance;

(b) Facilitate their access to private and public capital, domestic and foreign, and to technical and managerial know-how;

(c) Stimulate the development of investment opportunities conducive to the flow of private and public capital, domestic and foreign, into investments in the member countries;

(d) Take in each case the proper and necessary measures for their financing, bearing in mind their needs and principles based on prudent administration of the resources of the Corporation; and

(e) Provide technical cooperation for the preparation, financing and execution of projects, including the transfer of appropriate technology.