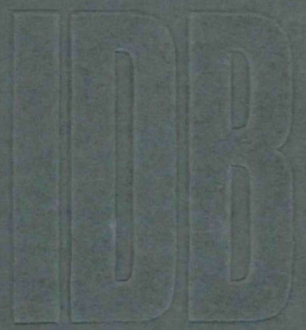


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INTER-AMERICAN
DEVELOPMENT
BANK/1968
NINTH ANNUAL
REPORT



INTER-AMERICAN
DEVELOPMENT
BANK/1968
NINTH ANNUAL
REPORT



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PANAMA
PARAGUAY
PERU
TRINIDAD & TOBAGO
UNITED STATES
URUGUAY
VENEZUELA

As of March 19, 1969.

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PRESIDENT

INTER-AMERICAN DEVELOPMENT BANK
WASHINGTON, D. C. 20577

CABLE ADDRESS
INTAMBANC

March 19, 1969

Mr. Chairman:

Pursuant to Section 2 of the By-Laws of the Bank, the Board of Executive Directors has authorized me to submit the Annual Report of the Bank for 1968 to the Board of Governors.

Part I contains a report on the operations and the audited financial statements of the ordinary capital resources, which are published pursuant to the provisions of Article VIII, Section 6(a), of the Agreement Establishing the Bank.

Part II presents a separate report and the financial statements of the Fund for Special Operations in accordance with the provisions of Article IV, Section 8(d), of the Agreement.

Part III contains a separate summary and the financial statements of the Social Progress Trust Fund, which the Bank, as Administrator, presents pursuant to Section 5.04 of the Agreement signed between the United States Government and the Bank. The Bank has separately published "Socio-Economic Progress in Latin America," the Eighth Annual Report of the Social Progress Trust Fund, 1968. That publication contains a presentation of the institutional reforms and social progress achieved by the borrowing countries.

Part IV summarizes the activities carried out by the Bank with other resources which it has mobilized for Latin America's economic and social development from non-member countries.

The report is prefaced by a section on general aspects which summarizes all of the Bank's activities.

Sincerely yours,

Felipe Herrera

Chairman, Board of Governors
Inter-American Development Bank

GENERAL ASPECTS

The year 1968 marked another year of continuing accomplishment and growth in the Inter-American Development Bank's near decade of support for Latin America's economic and social development.

During 1968 the Bank maintained a near peak lending volume of \$430,828,791, a figure which brought the Bank's cumulative lending in eight years of operations to \$2,797,903,897.¹ The Bank's disbursements, loan repayments and earnings rose substantially also.

During 1968 the increases in the Bank's various sources of funds were greater than in any previous year thanks to the continued support received from its own members, from other countries and from the world's capital markets.

The increases included:

- Payment of \$767,487,000 completing the first two tranches in a \$1.2 billion increase in the Bank's Fund for Special Operations approved by the Bank's membership Dec. 29, 1967. The third tranche is due by the end of 1969.

- Subscription of \$480,765,000—representing the entire first installment due from the Bank's current members—in a \$1 billion increase in the Bank's ordinary callable capital approved by the Bank's membership June 20, 1968. The second is due in 1970.

- Arrangements to borrow the equivalent of \$176,877,082 in the world's capital markets through long-term bond issues of \$70 million in the United States, \$8,287,293 in the Netherlands, \$25 million in Germany, \$13,720,558 in Switzerland and \$5,769,231 in Austria; a borrowing of \$10 million in Japan and one of \$1.1 million in Finland, and a short-term bond issue for \$43 million sold to central banks and other governmental institutions in the Bank's Latin American member countries and Israel. The issue refunded short-term bonds maturing in 1968.

As of Dec. 31, 1968, the Bank's funded debt stood at \$632,320,977, of which sum \$400 million was owed in the United States market, \$164,320,977 in markets of non-member countries and \$68 million in short-term issues primarily in Latin America.

During 1968 the Government of Canada contributed an additional 10 million Canadian dollars to the resources which it channels towards Latin America's development through the Bank. This raised the total resources which Canada has entrusted to the Bank to 50 million Canadian dollars. The Government of the Netherlands also increased the resources which it is devoting to Latin America's development on a cooperative basis with the Bank to 90 million guilders (equivalent to \$25 million). The Netherlands initiated this arrangement in 1965 with a sum of 36 million guilders.

The financial support the Bank has received from non-member countries during its years of operations is given in detail in Part IV of this report.

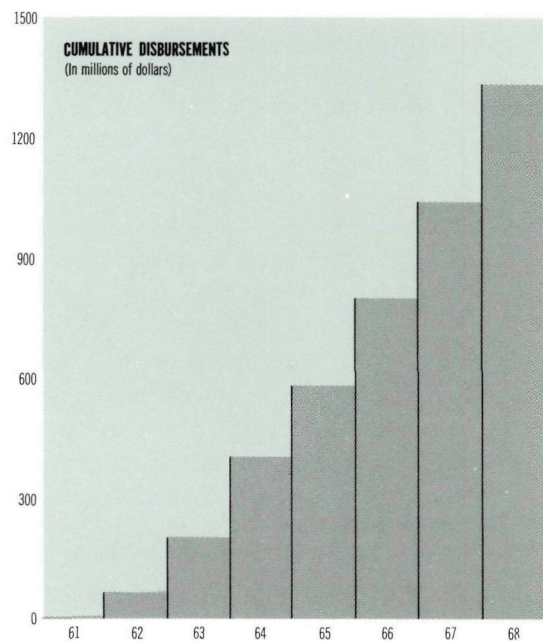
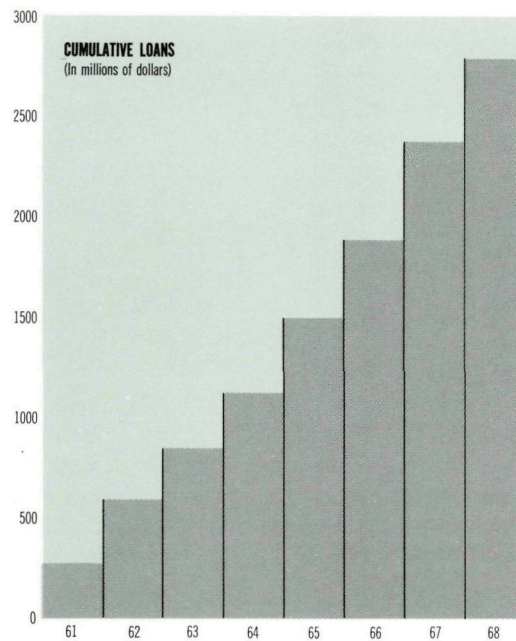
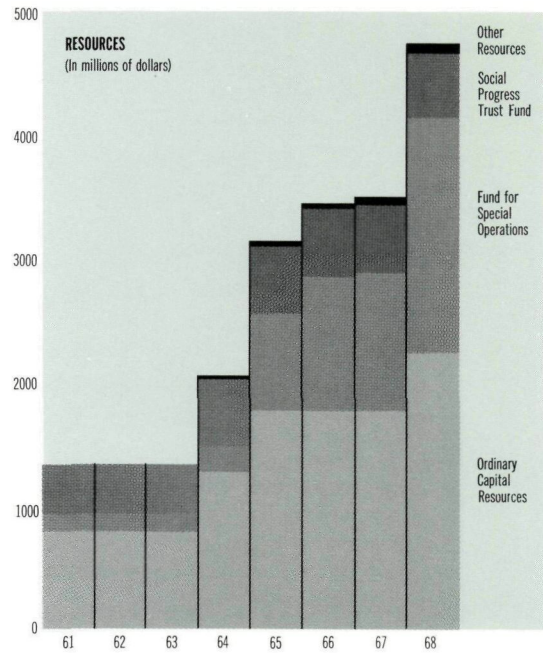
During 1968 the Bank sold participations amounting to \$8,304,278 in its ordinary capital loans to private commercial banks and other institutions. These brought

¹ In this report dollar figures used may include, as appropriate, the U.S. dollar equivalent of amounts in other currencies.

GENERAL ASPECTS

1968 HIGHLIGHTS:

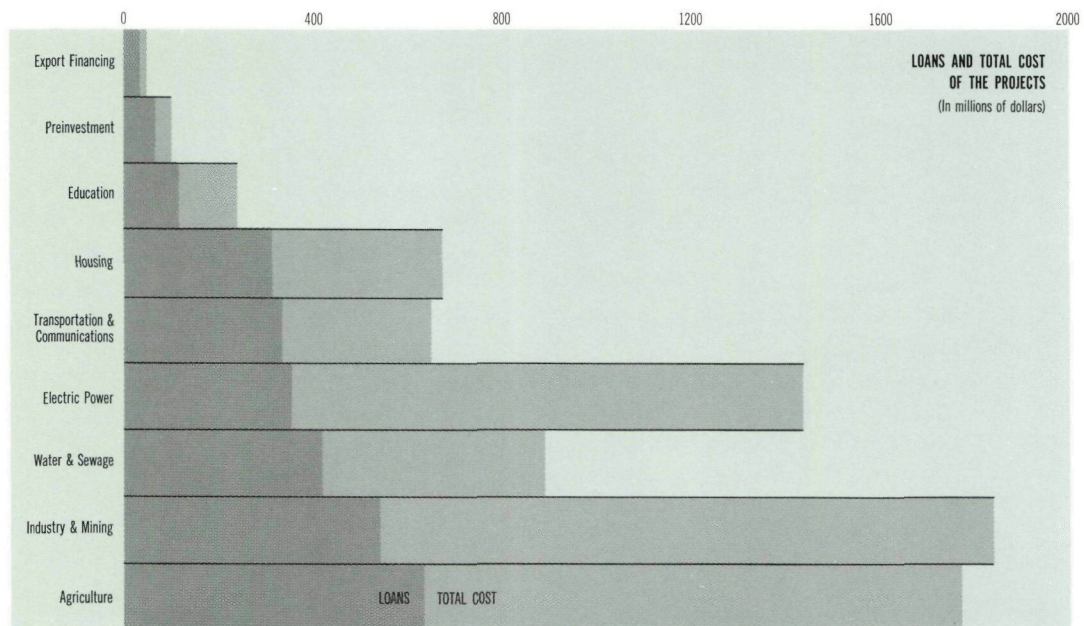
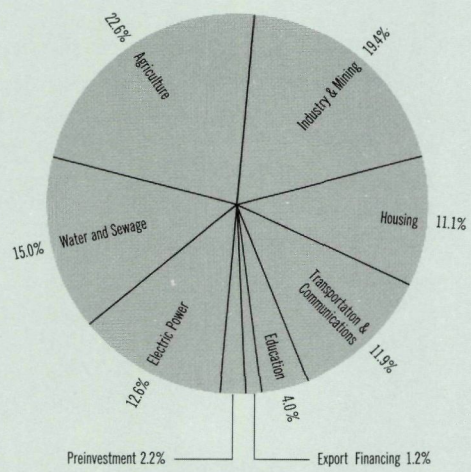
Resources rise toward \$5 billion mark,
loans approach \$3 billion and disbursements
climb near \$1.5 billion



1961-68 SECTORAL LENDING:

Agriculture and industry account for about 45%, economic infrastructure sectors for 25% and social sectors for 30% of the Bank's loans

DISTRIBUTION OF BANK LOANS



GENERAL ASPECTS

cumulative participations in loans extended from the ordinary capital resources as of Dec. 31, 1968, to \$46,244,980.

During 1968 the Bank authorized 55 loans for \$430,828,791, a figure surpassed only in 1967. The 1968 authorizations brought the Bank's cumulative lending, net of cancellations and exchange adjustments, to 498 loans amounting to \$2,797,903,897 as of Dec. 31, 1968.

A summary of the loans authorized from the Bank's various sources of funds in 1968, as well as cumulative year end totals, is shown below:

- *Ordinary capital resources:* 17 loans totaling \$193,550,331, bringing the net cumulative total of ordinary capital loans to 168 for \$1,081,687,468.
- *Fund for Special Operations:* 32 loans totaling \$210,055,000, bringing the net cumulative total of Fund for Special Operations loans to 197 for \$1,169,807,330.
- *Other resources:* 6 loans equivalent to \$27,223,460, bringing the net cumulative total of loans from the resources which the Bank administers for Canada, Sweden and the United Kingdom to 17 for \$47,690,067.

The Bank's cumulative loan portfolio also includes 116 loans amounting to \$498,719,032 authorized from the *Social Progress Trust Fund*, the special fund which the Bank has administered for the United States Government since 1961 within the framework of the Alliance for Progress. The Trust Fund's original resources had all been virtually committed by the end of 1965. Financing for social development purposes is now being provided with the increased resources of the Fund for Special Operations. In addition repayments on Trust Fund loans are being used in participations of appropriate projects financed with the Fund for Special Operations.

Since the Bank began its lending operations in 1961 its disbursement rate has shown a steadily rising trend. In this regard, disbursements in 1968, which amounted to \$290,925,592, were higher than those of any previous year. As of Dec. 31, 1968, cumulative disbursements had risen to \$1,331,751,439, a figure which represents 48 per cent of the loan volume authorized by the Bank as of that date.

It is worth emphasizing that the volume of resources which Latin America itself is marshaling in support of the projects and programs being financed by the Bank is far greater than the volume lent by the Bank. Thus Bank loans of some \$2.8 billion are helping to execute nearly 500 development projects and programs costing nearly \$7.6 billion, or, in other terms, the Bank is financing 37 per cent of the total cost of those projects, with 63 per cent coming primarily from Latin America itself.

As shown in the following table, agriculture and industry account for 42 per cent of the Bank's cumulative lending, economic infrastructure for 24.5 per cent, social infrastructure for 26.1 per cent and other sectors for 7.4 per cent.

DISTRIBUTION OF LOANS (In millions of dollars)			
	1968	1961-68	%
Agriculture	\$ 75.1	\$ 632.7	22.6
Industry and Mining	58.4	541.4	19.4
Water Supply and Sewage Systems	26.8	420.9	15.0
Electric Power	127.7	352.6	12.6
Transportation and Communications	81.3	333.2	11.9
Housing	26.0	311.8	11.1
Education	9.4	110.5	4.0
Preinvestment	10.0	61.2	2.2
Export Financing	16.1	33.6	1.2
TOTAL	\$430.8	\$2,797.9	100.0

As indicated, the Bank gave special support during 1968 to helping Latin America to strengthen its economic infrastructure and at the same time fostered the development of other sectors basic to the growth of the region's productive capacity.

Thus, the Bank provided loans totaling \$127.7 million for the development of Latin America's *electric power*—the highest yearly total in the Bank's history. These included loans for \$58.5 million—the Bank's largest single financing to date—for a 340,000-kilowatt hydroelectric project in Colombia; \$15 million for rural electrification in Argentina; \$16 million for hydroelectric power generation and distribution in Venezuela; \$22.9 million for hydroelectric power in the Dominican Republic, and \$15 million to increase generation and distribution facilities in the metropolitan area of Buenos Aires.

The Bank devoted \$81,350,000 to *transportation and communications* in 1968. Loans in those sectors will not only improve such systems in individual Latin American countries, but will also contribute to the region's economic integration. They included \$12.7 million to finance the Caribbean Transverse Highway in Colombia; \$14.8 million to improve two major highways in Uruguay; \$9,350,000 to help Uruguay modernize and expand the Port of Montevideo; \$9.5 million to modernize Bolivia's telecommunications network, and \$35 million to complete the basic highway network for Brazil's underdeveloped Northeast.

The Bank's support for Latin America's *agricultural* development in 1968 totaled \$75.1 million. The Bank aided Mexico's efforts to expand its arable land with loans totaling \$39.2 million for irrigation projects; continued its assistance to small- and medium-scale farmers through loans totaling \$17 million for agricultural credit in Chile, El Salvador and Nicaragua; provided \$13.8 million for farm settlement projects in Colombia and Ecuador, and approved loans for \$5.3 million to aid Chile and Paraguay to control and then eradicate foot-and-mouth disease.

FARM OUTPUT in Latin America is improved under impetus of Bank loans. Shown are farmers in Yucatán, Mexico, who have benefited from small credits provided from Bank loans.



The Bank devoted loans totaling \$58.4 million to the *industrial* sector, including \$11 million to help Brazil's largest iron ore mining enterprise to carry out the second stage in a broad expansion program; \$29,859,200 to provide credit for small- and medium-scale private enterprises in Latin America through loans to development banks in Argentina, Colombia and Peru; \$1.3 million to help a Paraguayan firm to expand its production of industrial and edible oils, and \$16.2 million to assist Venezuela build a major fertilizer complex which will help improve agricultural productivity.

The Bank's support for *water and sewage* systems, which totaled \$26.8 million, included loans for \$16.5 million to help improve the system of the metropolitan area of São Paulo; \$8.3 million to improve the water, sewage and storm drainage system of Asunción, Paraguay, and \$2 million to provide water supply systems to 75 rural communities in Nicaragua.

In the *housing* field the Bank loaned \$12,580,000 and \$9.1 million, respectively, to continue supporting housing programs in Peru and Colombia, and \$4.3 million for a new housing program being initiated by Trinidad and Tobago.

In the field of *education* the Bank loaned \$6.6 million to build a new campus for the *Universidad del Valle* in Cali, Colombia, and \$2.8 million to improve the *Universidad Nacional Autónoma de Honduras* in Tegucigalpa.

In the *preinvestment* field the Bank loaned \$4.1 million in Colombia, \$700,000 in Trinidad and Tobago and \$1 million in El Salvador to help establish preinvestment funds designed to speed up the preparation of investment projects and programs. In addition, the Bank provided \$2.5 million to help Mexico carry out preinvestment studies in the Lerma-Chapala-Santiago Basin; \$250,000 to help Nicaragua plan a new university campus in Managua; \$355,000 for a pilot farm colonization project in the Dominican Republic; \$350,000 to improve the administration of the Port of Montevideo, and \$784,300 for a feasibility study of a supersonic jet airport in Brazil.

The Bank's *export financing* credits included \$3 million to enable Venezuela to initiate an export financing program; \$4.9 million to help Mexico finance exports of railroad freight car components to Colombia; and \$4,390,000 also to help Mexico finance exports of goods and services used in the construction of an oil pipeline in Colombia's Department of Caldas. In addition revolving lines approved in prior years were increased by \$3,810,000 through repayments on previous credits.

One of the most gratifying aspects of the Bank's lending activity has been the steadily rising number of projects and programs which have been completed throughout Latin America as a result of the Bank's financing. By the end of 1968 some 169 of the nearly 500 projects and programs which the Bank is helping to finance had already been completed. A year-end summary shows that the Bank's total lending is helping to bring about the following physical accomplishments:

- The improvement or bringing into production of some 5.3 million acres of land. As of Dec. 31, 1968, some 2,464,000 had already been brought into production. In addition 593,657 individual credits had been made available to small- and medium-scale farmers throughout Latin America through loans extended by the Bank to development institutions. Bank-financed projects and programs are benefiting some 5 million persons throughout the hemisphere.

- The construction or expansion of 49 large industrial plants of which 35 have been completed. From loans extended by the Bank to development institutions, an additional 3,352 credits have been extended to improve and modernize small- and medium-sized private industries.

- The expansion of electric generating capacity by 5.8 million kilowatts; the installation of 19,250 miles of transmission lines, and the construction of distribution facilities in 300 communities. As of Dec. 31, 1968, units generating 376,000 kilowatts were on stream; 5,900 miles of transmission lines had been strung, and distribution facilities in 146 communities had been completed.

- The construction or improvement of 3,080 miles of main highways and 10,600 miles of access roads. As of Dec. 31, 1968, a total of 1,098 miles of main and 4,544 miles of access roads had been completed. Bank loans are also modernizing seven major ports in Latin America, are providing grain elevator facilities in six other ports, and are helping to construct or improve two major national telecommunications systems and the Central American telecommunications system, all of which will form part of the projected Inter-American Telecommunications Network.

- The construction of 3,595 city and rural water systems and 265 sewage systems, which will benefit 47,793,000 inhabitants throughout Latin America. As of Dec. 31, 1968, 1,835 water and 180 sewage systems had been completed.

- The construction of 305,600 housing units for low-income families, which will benefit 1,983,000 persons. As of Dec. 31, 1968, some 187,000 units had been completed and another 42,200 were in construction.

- The modernization or expansion of 171 learning centers benefiting 384,400 persons throughout Latin America, with special emphasis on improving teaching in the basic sciences. Some 51 per cent of the Bank's loan resources are being devoted to the acquisition of equipment, 39 per cent to the construction of buildings, 3 per cent to technical assistance and 7 per cent to other improvements. In projects in which disbursements have been made, some 42 per cent of the equipment has been acquired, 44 per cent of the construction has been carried out, 26 per cent of the

GENERAL ASPECTS

ACARAY HYDROELECTRIC PROJECT
in Paraguay, built with Bank
financing, began operations in 1968.
Plant will provide needed power not
only for Paraguay but also for
neighboring areas in Brazil and
Argentina.



library material has been bought and 26 per cent of the technical assistance has been provided.

- The financing of capital goods exports with an invoice value of \$25,466,400 among its Latin America member countries under the program adopted by the Bank in 1963 to stimulate the development of the capital goods industry and foster economic integration in Latin America.

- The authorization of 114 credits for the execution of studies of specific development projects under loans extended by the Bank to Latin American institutions for the establishment of revolving preinvestment funds. With other loans, 32 preinvestment studies of individual projects have been executed under the Bank's technical assistance program.

Some specific examples of works completed during the year include the dedication of the first stage in a 90,000-kilowatt hydroelectric power plant on the Acaray River in Paraguay. The plant, for which the Bank has provided financing from the earliest feasibility stage through successive expansion programs, began operations in December with an initial output of 45,000 kilowatts. Already improving life in Eastern Paraguay, the plant will provide electric power to the neighboring State of Paraná in Brazil and the Province of Misiones in Argentina. Early in 1969 the Bank authorized a loan to enable the State of Paraná to tap and distribute surplus Acaray power in its zone of influence, and had under consideration a similar loan in Misiones.

Another example was the dedication in Argentina of a petrochemical complex, *Petrosur*, S.A.I.C., financed with the help of a Bank loan of \$10,025,000. The plant will produce 135,000 metric tons of fertilizer a year, thus enabling Argentina to increase the productivity of its rich farmlands. Still another project which went into operation during the year was the water system for the historic city of Cartagena in Colombia.

Through its technical assistance programs, the Bank has made available increasing contributions to Latin America's development by helping to improve the operation of its borrowers, by contributing to the preparation of well-conceived development programs and projects and by helping to train Latin American professional, technical and administrative personnel in economic development techniques.

During 1968 the Bank authorized a total of \$16,757,884 in technical assistance to contribute to the growth of its Latin American member countries. Of that sum, a total of \$13,093,659 was provided in reimbursable form primarily in individual loans or portions of loans and \$3,664,225 was extended on a grant basis.

These authorizations brought the Bank's net total technical assistance, as of Dec. 31, 1968, to \$112,780,804, of which sum \$88,777,354 was reimbursable and \$24,003,450 was non-reimbursable.

TECHNICAL ASSISTANCE COMMITMENTS, 1960-68			
By Fields of Activity			
(In millions of dollars)			
	Repayable	Grant	Total
GENERAL			
Specific Projects	\$85.8	\$ 7.2	\$ 93.0
Training	—	3.6	3.6
Studies and Promotional Activities	—	6.7	6.7
Total	\$85.8	\$17.5	\$103.3
ECONOMIC INTEGRATION			
Preinvestment	\$ 3.0	\$ 4.5	\$ 7.5
Training and Promotional Activities	—	2.0	2.0
Total	\$ 3.0	\$ 6.5	\$ 9.5
GRAND TOTAL	\$88.8	\$24.0	\$112.8

The Bank's 1968 overall earnings were higher than those of any previous year. The net income of the ordinary capital resources was \$14,288,755, compared with \$9,146,644 in 1967; that of the Fund for Special Operations was \$3,042,074, prior to deducting technical assistance expenses, compared with \$4,236,518 in 1967, and that of the Social Progress Trust Fund was \$6,622,266, before deducting charges for technical assistance and currency adjustments, compared with \$5,317,475 in 1967.

These earnings resulted in substantial increases in the Bank's reserves. As of Dec. 31, 1968, the reserves of the ordinary capital resources had risen to \$59,954,627, compared with \$43,212,423 at the end of 1967, and those of the Fund for Special Operations had gone to \$10,719,841, compared with \$8,968,657 in 1967.

Repayments on loans extended from the ordinary capital resources, the Fund for Special Operations and the Social Progress Trust Fund during the year amounted to \$62,567,911, compared with \$36,443,125 in 1967, and brought cumulative total repayments of loans at the end of the year to \$166,274,618.

Continuing emphasis was placed by the Bank during 1968, as in previous years, on fostering Latin America's economic integration process as the Bank not only supported the individual growth of its members but also accelerated their joint development. In doing so the Bank was carrying out mandates of its Board of Governors as well as the Presidents of America who in their Declaration at Punta del Este

GENERAL ASPECTS

April 14, 1967, called for the progressive creation, beginning in 1970, of the Latin American Common Market.

The Bank is financing Latin American economic integration not only through its lending program but also through the Preinvestment Fund for Latin American Integration—which the Bank established at the request of its Board of Governors, April 28, 1966. The following table shows the Bank's total support for integration through Dec. 31, 1968:

SUPPORT FOR LATIN AMERICA'S ECONOMIC INTEGRATION, 1960-68		
By Fields of Activity (In millions of dollars)		
	Bank Commitments	Total Cost of Projects
EXPORT FINANCING PROGRAM	\$ 33.6	\$ 47.9
DEVELOPMENT PROJECTS:		
Transportation	148.7	284.6
Electric Power	31.8	54.8
Telecommunications	19.8	27.5
Industry	21.2	38.9
Agriculture	5.1	21.1
Higher Education	2.9	10.4
PREINVESTMENT STUDIES:		
Sectoral Studies	3.0	5.0
Transportation	2.4	2.8
Communications	0.9	2.9
Electric Power	0.6	0.6
Industry	0.5	1.4
Agriculture	0.2	0.2
Border and Multinational Zones	0.8	3.2
TRAINING AND RESEARCH	2.1	3.5
INSTITUTIONAL SUPPORT	1.7	1.7
TOTAL	\$275.3	\$506.5

During 1968 the Bank approved a total of \$68.1 million in loans which will have a direct impact on the Latin American integration process. These included the previously mentioned loans to help Chile and Paraguay control foot-and-mouth disease; to Bolivia to modernize its national telecommunications network and tie it in with the proposed Inter-American Telecommunications Network; to Colombia for a highway skirting its Caribbean coast which will improve its communications with Venezuela; to Uruguay for a similar highway which will help improve its communications with



TELECOMMUNICATIONS NETWORK for Latin America moves closer to reality as United Nations Development Programme (UNDP) and Bank join efforts. Shown signing cooperative agreement are UNDP Administrator Paul G. Hoffman and Bank President Felipe Herrera.

Brazil; to Uruguay to improve the port of Montevideo, and to Mexico and Venezuela to help finance exports of capital goods to other Latin American member countries of the Bank. In addition the Bank authorized the Central American Bank for Economic Integration to use \$3 million of a \$10 million loan approved previously to help build a telecommunications network linking the five Central American countries.

With the resources of its Preinvestment Fund for Latin American Integration, the Bank made substantial progress during 1968 on a variety of studies designed to speed up the flow of specific integration projects in Latin America. These included:

- Further studies designed to lead to the establishment of an integrated Inter-American Telecommunications Network. The Bank initiated the studies in 1966. During 1968 the Bank completed a feasibility study of the general requirements for building such a system, which would internationally interconnect the domestic systems of Latin America and link them to the rest of the world. The network would consist basically of a 960-channel system of terrestrial segments of national networks and of space segments connected through earth satellite stations.

Late in 1968 the Bank initiated studies of the specific requirements needed to build the individual segments of the network. In the preparation of these detailed technical-economic surveys the Bank is being supported with \$955,400 provided by the United Nations Development Programme, which on July 16, 1968, named the Bank as its executing agency for the program. This was the first time a regional organization not directly associated with the U.N. has been named such an agency.

- A continuation of studies, with special emphasis on identifying specific projects suitable for execution, designed to bring about the integrated development of the 1,235,000-square-mile River Plate Basin. The Bank is carrying out the studies at the request of the five countries which occupy the basin—Argentina, Bolivia, Brazil, Paraguay and Uruguay. The Bank devoted \$250,000 to the study in 1968.

- The initiation of a study to determine the technical and economic feasibility of building a highway from the Peruvian port of Ilo in Peru to La Paz in Bolivia. The study will seek to determine, if found feasible, the terms of reference for the final engineering designs and specifications for the road. Such a highway would provide Bolivia with a short route to expedite the flow of its foreign trade. The Bank assigned \$190,000 for the study.

In addition the Bank fostered a variety of training, research, advisory and information services on the economic integration process through its Institute for Latin

American Integration which completed its third full year of operation in Buenos Aires during 1968. Its activities are detailed on page 142.

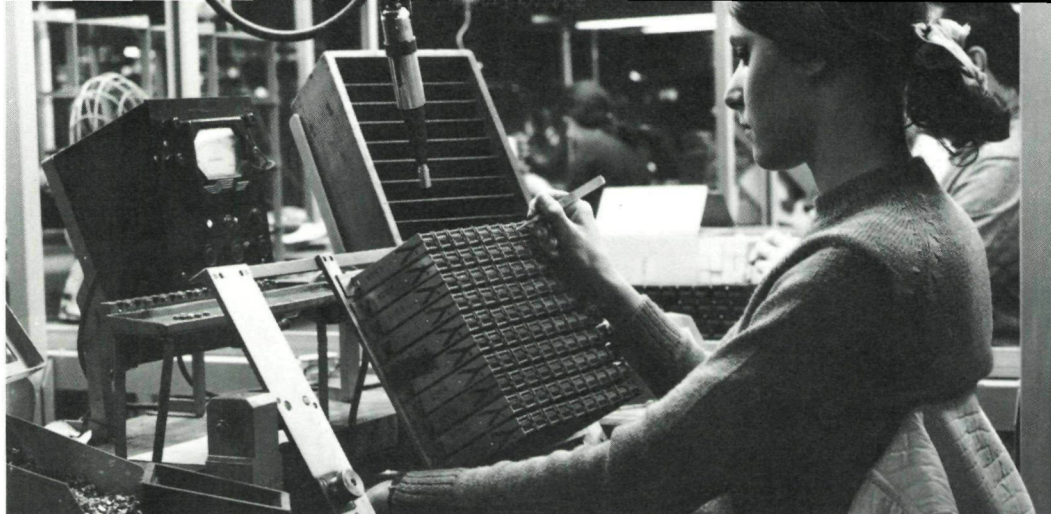
During 1968 another hemisphere nation—the Caribbean island of Barbados—applied for membership in the Bank. The application was made Oct. 10, 1968, after Barbados had joined the Organization of American States on Nov. 15, 1967. On Nov. 30, 1968, the Board of Governors unanimously approved the application and Barbados was scheduled to become the Bank's 22nd member on completing the necessary requirements.¹ In 1967 Trinidad and Tobago had become the Bank's 21st member.

At its Ninth Annual Meeting in Bogotá, Colombia, April 22-26, 1968, the Bank's Board of Governors adopted a variety of resolutions which included:

- A recommendation that the Bank undertake, in conjunction with the Inter-American Committee on the Alliance for Progress, to initiate the establishment of a task force to develop a five-year plan and action program for physical integration projects in Latin America. In developing the plan, the Bank was to consider, among other factors, the urgency of the establishment, interconnection and expansion of systems of land, sea, river and air transportation in the hemisphere and of telecommunications and electric power systems and pipelines; means of facilitating the participation in the physical integration process of countries at a relatively lower stage of economic development and those not having direct access to the sea, and the resources estimated to be needed for the preparation of studies for projects which can be initiated within the five-year period and the cost of their execution.
- A recommendation to the Board of Executive Directors "to place greater emphasis when formulating the operating plans of the Bank on the principle of extending preferential treatment to the countries of relatively less economic development and, to the required extent, to those of insufficient market."
- An expression of satisfaction with the work accomplished by the Institute for Latin American Integration during its initial period of operations and of support of its continuation and the expansion of its operations.
- Approval of the financial statements of the ordinary capital resources and the Fund for Special Operations for Fiscal Year 1967.
- Selection of Guatemala City as the site of the Tenth Annual Meeting in April 1969.
- The re-election of the President of the Bank, Felipe Herrera, for an additional five-year term beginning July 1, 1969.

As is traditional practice, the Bank sponsored a round-table discussion at the annual meeting. The topic reflected once more the Bank's continuing concern with practical methods of fostering Latin American economic integration. It dealt with Multi-

¹ On March 19, 1969, Barbados fulfilled these requirements and formally became a member.



TECHNOLOGICAL ADVANCES are being stressed in Bank's loans for industry and other sectors. This girl works in electric components plant in Buenos Aires which has received financing to export equipment to other Latin American countries of the Bank.

national Investment in the Economic Development and Integration of Latin America. The proceedings of that discussion were published by the Bank in 1968.

One of the characteristics that has marked the action of the Inter-American Bank since it began operations nearly a decade ago has been its continuing search for new approaches designed to speed Latin America's economic and social growth. This has led the Bank to pursue a policy of financing projects in a wide variety of fields which previously had merited scant or no support from international financing agencies.

Thus from the start of its operations the Bank has placed heavy emphasis on Latin America's agricultural development; supported urban and rural development programs, with loans for housing, water supply and sanitation facilities, and given assistance first to higher education and then to vocational and technical education. It also embarked on a program to finance exports of capital goods among its Latin American member countries and established a preinvestment fund to foster projects of economic integration in Latin America.

During 1968 the Bank's search for further means of supporting Latin America's development embraced these important areas:

- It initiated a policy of helping its member countries in South America to launch campaigns designed to control and eradicate foot-and-mouth disease. The disease has caused heavy economic losses in all of South America where it is endemic. During the year the Bank made loans to help Chile and Paraguay embark on such campaigns and at year end was considering additional loans in various other South American countries. The program is a cooperative and coordinated effort being carried out by the South American countries themselves with the assistance of the Bank and the Pan American Health Organization.

- The Bank decided greatly to broaden its role in supporting projects and programs designed to accelerate the application of science and technology to foster Latin America's development. In its previous lending activities, particularly in education, the Bank contributed substantially to increasing the number of scientists and engineers and to the development of research in the basic and applied sciences. In the future, the Bank will, in addition, strive to give a broader impetus to science and technology in the loans it authorizes in the fields of agriculture and industry. The Bank will also emphasize support for technological research institutions and for entities involved in the establishment of standards, including weights and measures.

- After careful consideration of the development role which the tourist industry plays in Latin America the Bank adopted a policy to consider loan requests on an ad hoc basis for tourist projects. Loans extended by the Bank in this field would be related to projects which would contribute significantly to a member country's balance of payments, increase its revenues or create additional employment. The Bank is willing to participate in the financing of tourist infrastructure projects, particularly

GENERAL ASPECTS

access facilities such as roads, airports, communications and ports and public services such as water and sewage systems, electric power and transportation.

Seeking still further means of aiding the progress of its members, the Inter-American Bank initiated an overall evaluation of problems related to Latin America's development financing, following up on a suggestion made by Dr. Carlos Lleras Restrepo, President of Colombia, at the Bank's Ninth Annual Meeting. The principal aim of the study is to make recommendations for increasing the volume and improving the conditions of external financing, for mobilizing additional internal resources and ensuring their more effective use, and for providing guidance to the Bank in its future efforts to finance Latin American development.

During 1968 the following changes took place in the Bank's Board of Executive Directors:

On Feb. 1, 1968, Carlos S. Brignone of Argentina became the Executive Director for Argentina and Peru, and on Dec. 1, 1968, Mr. Brignone designated Armando Prugue of Peru as his alternate. On April 30, 1968, Edward Clark was designated United States Executive Director for a three-year term. On July 1, 1968, Carlos Sanguinetti of Uruguay, became the Executive Director for Bolivia, Paraguay and Uruguay and the same day designated Julio César Gutiérrez of Paraguay as his alternate Executive Director. On July 20, 1968, Raul Barbosa became the Executive Director for Brazil, Ecuador and Haiti.

On Sept. 12, 1968, Robert B. Menapace, the Bank's Financial Manager died. Mr. Menapace had been associated with the Bank since it was established in 1960, first as its Executive Vice President, and then as Financial Advisor and Financial Manager. He had previously been Deputy Managing Director of the United States Development Loan Fund and a Vice President of the Morgan Guaranty Trust Company of New York.

During 1968, the following managers were appointed: João Oliveira Santos as Operations Manager, Cecilio J. Morales as Technical Manager and Alfonso Grados as Administrative Manager. In addition, the Bank established a new Secretariat Department, which embraces the Office of the Secretary and the Division of Information. Jorge Hazera, Secretary of the Bank, was named head of the new Department.

During the year, the Board of Executive Directors established a system for the comprehensive and continuing audit of the Bank's operations and activities to enable the Bank to fully assess the results of its lending and technical assistance operations and thus ensure their maximum effectiveness. The Board of Executive Directors selected a three-man group of auditors to carry out the continuing review. The group consists of Luis Larrosa of Argentina, Horace L. Sanford of the United States and Néstor Vega Moreno of Ecuador.

In fostering Latin America's economic and social development the Bank in 1968 worked cooperatively with various other regional and international organizations. At the regional level the Bank participated in a number of meetings, including:

- The Second Meeting of Foreign Ministers of the River Plate Basin in Santa Cruz, Bolivia, at which the regulations for the River Plate Intergovernmental Coordinating Committee were approved and a number of specific projects for the development of the Basin were considered, and a meeting in Lima of the same foreign ministers to consider programs for the interconnection of the Argentine and Paraguayan highway networks with the Bolivian segment of the proposed Bolivarian Jungle Highway.

- The Seventh Extraordinary Meeting of the Inter-American Economic and Social Council at the Ministerial Level in Washington, D.C., at which CIAP was asked to intensify the joint efforts it has been making with the Bank, by means of already established mechanisms, to carry out studies directed towards accelerating the region's physical integration."

- The Third Regular Meeting of the Inter-American Telecommunications Commission in Rio de Janeiro at which approval was given to the feasibility study on the Inter-American Telecommunications Network prepared by the Bank at the request of the Commission.

- The Sixth Meeting of the Inter-American Savings and Loans Association in Rio de Janeiro.

- A meeting of the Pan American Health Organization in Washington D.C., to analyze the problem of foot-and-mouth disease in the continent and to devise programs to eradicate it.

- The meeting held at its headquarters at which it was agreed to establish an Inter-American Association of Development Financing Institutions which would have its headquarters in Lima, Peru.

As technical advisor to the Inter-American Committee on the Alliance for Progress in connection with development financing the Bank maintained close coordination with CIAP in the country reviews carried out to evaluate the development plans and analyze the financing needs of its Latin American member countries.

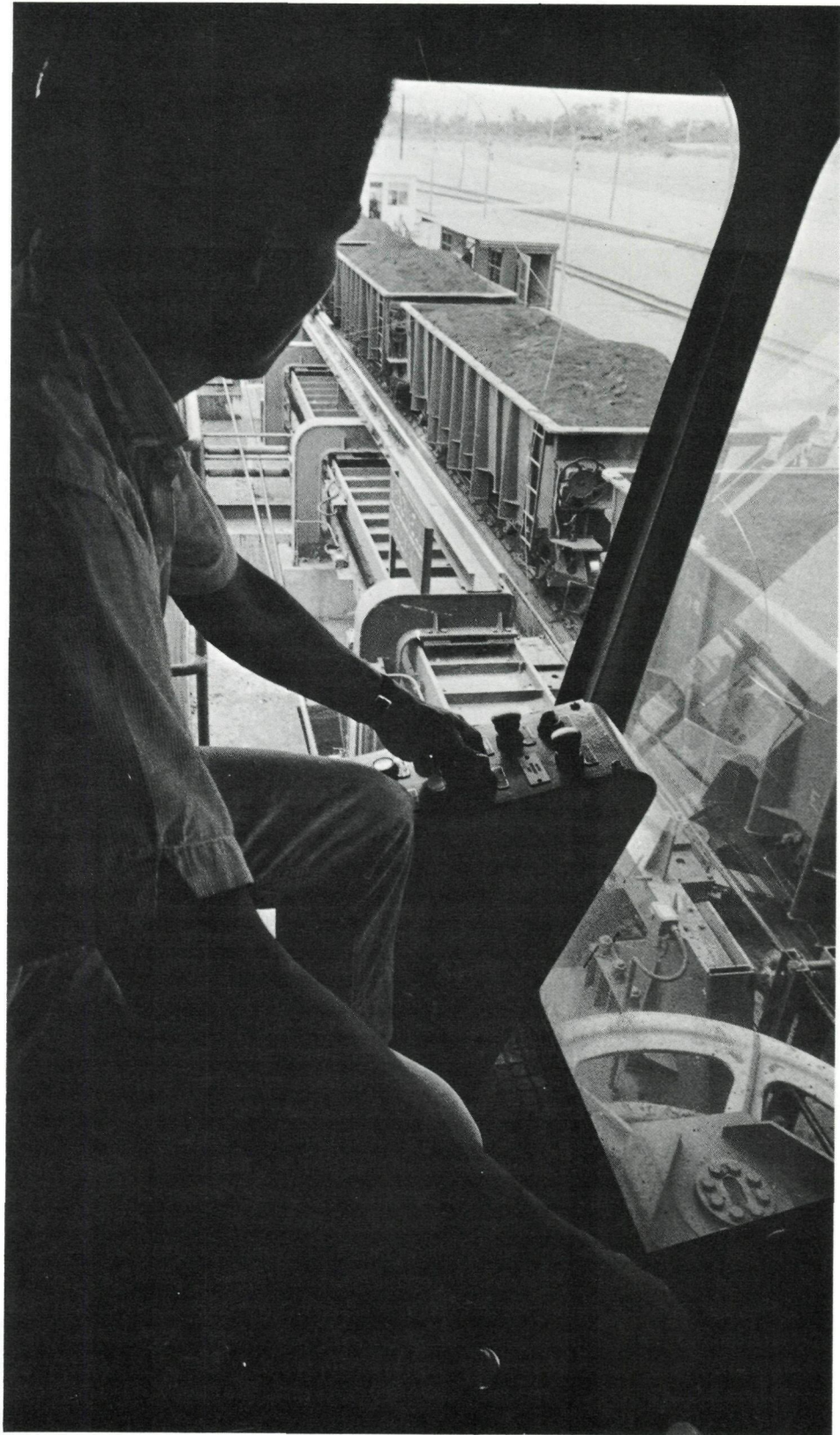
At the international level the Bank participated in the Second Meeting of the United Nations Conference on Trade and Development (UNCTAD) in New Delhi where it presented a report on its activities and an analysis of the problems encountered by Latin America in international trade and development financing.

At the Second Commission of the General Assembly of the United Nations on problems of the Development Decade of the 1970's, the Bank also presented an analysis of Latin America's development problems and the importance of dealing with the area's needs from a regional viewpoint.

The Bank also participated in the annual meetings of the World Bank and the International Monetary Fund in Washington, D.C.; of the Asian Development Bank in Manila, and of the African Bank in Nairobi, Kenya.

Part I
ORDINARY
CAPITAL
RESOURCES
Operations/
Fiscal Year 1968

LARGEST IRON ORE MINING enterprise in Brazil, Companhia Vale do Rio Doce, is in midst of \$290 million expansion program assisted by two Bank loans for \$38.8 million. The company, most of whose production is exported, is Brazil's leading single foreign exchange earner.



Resources

The \$193,550,331 in loans authorized by the Bank from its ordinary capital resources in 1968 was made possible by the substantial support which the Bank obtained in the world's capital markets. During the year the Bank borrowed or arranged to borrow a total of \$176,877,082, a figure which brought the Bank's cumulative net borrowings as of Dec. 31, 1968, to \$632,320,977.

The Bank's capacity to borrow funds on the world's capital market rests on its authorized *callable* capital which constitutes, in effect, a guarantee for its securities. In order to give the Bank additional *callable* backing for its borrowing program over the next few years, the Bank's Board of Governors on June 20, 1968, increased the authorized *callable* capital by \$1 billion from \$2.15 billion to \$3.15 billion. The United States share of the increase is \$411,760,000; that of the other member countries is \$549,770,000, and \$38,470,000 is available for subscription by new members.

Member countries were to subscribe half their increase in 1968 and the other half in 1970. As of Dec. 31, 1968, the first *tranche* amounting to \$480,765,000—all of the respective quotas of the Bank's present membership—had been subscribed.

The subscriptions already made to the ordinary capital resources as well as the final *tranche* due in 1970 are shown in the accompanying table.

The \$176,877,082 which the Bank arranged to borrow in the world's capital markets in 1968 included \$70 million in the United States; \$63,877,082 in five European countries (Austria, Finland, Germany, the Netherlands and Switzerland) and Japan, and \$43 million borrowed on a short-term basis in Latin America and Israel.

The funds borrowed in 1968 included the following bond issues:

- \$70 million placed in the United States market Nov. 1, 1968, by a nationwide group of 100 investment banking houses and commercial banks under the joint management of Blyth & Co., Inc.,

Lazard Frères & Co. and Lehman Brothers. The 6½ per cent, 25-year bonds, rated Triple A, were offered to the public at 99½ per cent plus accrued interest. The Bank will redeem \$52.5 million of the bonds through a sinking fund of \$3.5 million in each of the years 1978 through 1992 at par plus accrued interest. The sinking fund will retire approximately 75 per cent of the issue prior to maturity. The bonds will not otherwise be redeemable prior to Nov. 1, 1978. On that date and through Oct. 31, 1979, they will be subject to optional redemption, in whole or in part, at 103⅛ per cent plus accrued interest, at decreasing prices thereafter through Oct. 31, 1968, and at par thereafter.

In support of the Bank's efforts to mobilize funds for Latin America's development in the markets of countries which are not members of the Bank, the South African Reserve Bank purchased \$2.5 million of this issue directly from the Bank at the public offering price.

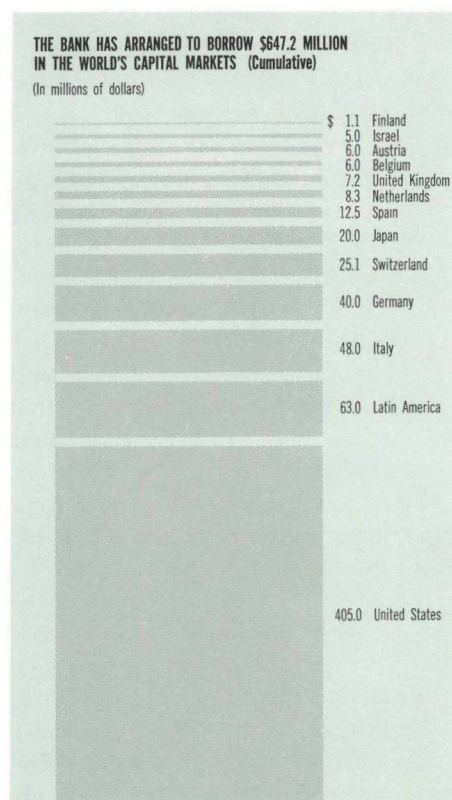
- 30 million Netherlands guilders (equivalent to \$8,287,293), representing the first bond issue sold by the Bank in the Netherlands market. The 7 per cent, 20-year bonds, were underwritten by a group of banks headed by *Algemene Bank Nederland N.V.*, and including the *Amsterdam-Rotterdam Bank N.V.*, *Hollandsche Bank-Unie N.V.*; *Mees & Hope*, and *Pierson, Heldring & Pierson*. The issue, dated July 15, 1968, was priced at 99 per cent and will mature July 15, 1988. It will be redeemed at par in 10 equal annual installments of 3 million guilders each beginning July 15, 1979. The Bank will have the right to redeem the issue in whole or in part at 101½ per cent from July 15, 1979, through July 14, 1983, and thereafter at 101 per cent.

- 100 million Deutsche marks (equivalent to \$25 million), representing the second bond issue sold by the Bank in Germany. The 6¾ per cent, 15-year bonds, were priced at 99 per cent

SUBSCRIPTIONS ORDINARY CAPITAL RESOURCES (Expressed in United States Dollars)

	Paid in	Callable	Callable due in 1970	Total after 1970
Argentina	\$ 51,570,000	\$ 233,580,000	\$ 60,670,000	\$ 345,820,000
Bolivia	4,140,000	18,750,000	4,870,000	27,760,000
Brazil	51,570,000	233,580,000	60,670,000	345,820,000
Chile	14,160,000	64,140,000	16,660,000	94,960,000
Colombia	14,150,000	64,085,000	16,645,000	94,880,000
Costa Rica	2,070,000	9,375,000	2,435,000	13,880,000
Dominican Rep.	2,760,000	12,510,000	3,250,000	18,520,000
Ecuador	2,760,000	12,510,000	3,250,000	18,520,000
El Salvador	2,070,000	9,375,000	2,435,000	13,880,000
Guatemala	2,760,000	12,510,000	3,250,000	18,520,000
Haiti	2,070,000	9,375,000	2,435,000	13,880,000
Honduras	2,070,000	9,375,000	2,435,000	13,880,000
Mexico	33,150,000	150,150,000	39,000,000	222,300,000
Nicaragua	2,070,000	9,375,000	2,435,000	13,880,000
Panama	2,070,000	9,375,000	2,435,000	13,880,000
Paraguay	2,070,000	9,375,000	2,435,000	13,880,000
Peru	6,910,000	31,300,000	8,130,000	46,340,000
Trinidad & Tobago ..	2,070,000	9,375,000	2,435,000	13,880,000
United States	150,000,000	817,640,000	205,880,000	1,173,520,000
Uruguay	5,530,000	25,045,000	6,505,000	37,080,000
Venezuela	27,630,000	125,145,000	32,505,000	185,280,000
TOTAL	\$383,650,000	\$1,875,945,000	\$480,765,000	\$2,740,360,000
Unassigned	91,350,000	299,055,000	19,235,000	409,640,000
GRAND TOTAL	\$475,000,000	\$2,175,000,000	\$500,000,000	\$3,150,000,000

ORDINARY CAPITAL RESOURCES



and were marketed by a syndicate of 35 German Banks, represented by *Deutsche Bank A.G.*, as manager, and *Dresdner Bank A.G.*, as co-manager, both of Frankfurt, Germany. Dated July 1, 1968, the bond issue will mature in 1983. Through a sinking fund the Bank will redeem the issue at par beginning in 1972 in 12 annual installments in each of the years 1972 through 1983, so that the entire issue will be retired by July 1, 1983. The Bank will have the right to redeem the issue on July 1, 1972, or on any subsequent interest payment date.

- 60 million Swiss francs (equivalent to \$13,720,558), representing the second issue the Bank has sold in Switzerland. The 5½ per cent, 15-year bonds, were priced at 99 per cent. Dated Sept. 30, 1968, the issue was underwritten by a group of Swiss banks headed by the Swiss Credit Bank, the Union Bank of Switzerland and the Swiss Bank Corpo-

ration. It will mature Sept. 30, 1983. The Bank will redeem the issue at par in 6 annual installments of 10 million Swiss francs each on Sept. 30 of each of the years 1978 through 1983, so that the entire issue will be redeemed by Sept. 30, 1983. The Bank may redeem all or part of the bonds at par on Sept. 30, 1978, or on any subsequent interest payment date.

- 150 million Austrian schillings (equivalent to \$5,769,231), representing the first bond issue sold by the Bank in Austria. The 6¾ per cent, 12-year bonds, were dated Dec. 1, 1968, were priced at 96¾ per cent and will mature Nov. 30, 1980. The Bank will redeem the issue at par in 8 annual installments of 18,750,000 schillings each on Dec. 1 of each of the years 1973 through 1980, so that the entire issue will be retired by Nov. 30, 1980. The Bank will have the right to redeem the bonds on Dec. 1, 1973, or on any subsequent interest payment date.

The other borrowings arranged by the Bank included:

- 3.6 billion yen (equivalent to \$10 million), representing the second borrowing made by the Bank from the Export-Import Bank of Japan. The loan, dated Oct. 2, 1968, was extended for a term of 15 years, including a three-year grace period, at an interest rate of 6½ per cent annually on amounts actually drawn down. The Bank may effect drawings chargeable to the loan over a 27-month period ending Dec. 31, 1970. The loan will be repaid in 24 equal semiannual installments, beginning Aug. 20, 1971.

- \$1.1 million representing the first borrowing made in Finland by the Bank. The U.S. dollar loan was obtained Nov. 1, 1968, from the Bank of Finland. It will mature in 5 years and will carry a yearly interest rate of 6 per cent. In addition to this arrangement, Finland pledged to make available a further \$10

million through Finnish Export Credit, Ltd., up to 1970. Portions of the \$10 million may be drawn down in the form of 6 per cent promissory notes on or before each June 15 and Dec. 15 during the period. The quantities drawn would be related to the amount of additional purchases generated in Finland by the Bank's lending operations during each semester.

On April 15, 1968, the Bank sold its third short-term dollar bond issue of \$43 million to central banks or other governmental financial agencies in 14 member countries and Israel. A total of \$17,650,000 of the issue were one-year bonds due April 15, 1969, with an interest rate of 5⅞ per cent; the remaining \$25,350,000 were two-year bonds due April 15, 1970, carrying an interest of 6 per cent per annum.

The issue was used to refund \$16 million of one-year bonds and \$27 million of two-year bonds due April 15, 1968. The member countries participating in the bond issue were; Argentina, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Honduras, Mexico, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

In addition to these borrowings, the Bank in 1968 sold participations without its guarantee to private commercial banks amounting to \$8,304,278 in its ordinary capital loans. These included participations amounting to \$8,158,278 in 10 of the loans authorized in 1968 and a portfolio sale amounting to \$146,000.

As of Dec. 31, 1968, cumulative participations in ordinary capital loans had reached \$46,244,980. A total of 67 commercial banks and other private financial institutions in the United States, Canada, Europe and Japan, as well as the United Nations Special Fund and the *Instituto Español de Moneda Extranjera* of Spain have purchased participations in such loans.

Loans

During 1968 the Bank authorized 17 loans totaling \$193,550,331 from its ordinary capital resources, bringing the cumulative total to 168 loans for \$1,081,687,468, net of cancellations and exchange adjustments.

Disbursements on ordinary capital loans during the year totaled \$112,910,610, bringing total disbursements on ordinary capital loans to \$603,632,063 as of Dec. 31, 1968.

The total cost of the projects which these loans are helping to finance is estimated at about \$4 billion. The Bank's loans are financing 27 per cent and the remaining 73 per cent is being provided primarily by the borrowers themselves.

Bank lending from the ordinary capital resources in 1968 was heavily concentrated on helping to build up Latin America's economic infrastructure and supporting the growth of its agricultural and industrial sectors.

By sectors, the Bank's ordinary lending included three loans for \$71.6 million for *electric power*; six for \$44.4 million for *industry and mining*; three totaling \$40.6 million for *agriculture*, one for \$11.5 million for *water supply*; one for \$9,350,000 for *transportation*, and three totaling \$12,290,000 for *export financing*. In addition, as of Dec. 31, 1968, previously approved revolving lines of credit for export financing had been increased by \$3,810,331 as a result of repayments.

The three *electric power* loans included \$43.3 million (along with \$15.5 million from the resources which the Bank administers for the Government of Canada)—the largest financing extended so far by the Bank—to the *Corporación Autónoma Regional del Cauca* and the *Central Hidroeléctrica del Río Anchicayá* to finance the construction of a 340,000-kilowatt hydroelectric power plant near Cali, Colombia; \$13.3 million

(along with \$2.7 million from the Fund for Special Operations) to the *C. A. de Administración y Fomento Eléctrico* to finance the initial stage in the construction of a 240,000-kilowatt hydroelectric power project to supply the western part of Venezuela, and \$15 million to the *Compañía Italo-Argentina de Electricidad* to improve and expand the electric power supply of the city of Buenos Aires.

The *industrial* loans included three for specific projects and three extended to development financing agencies in Latin America to enable them to provide credit facilities to small- and medium-sized private enterprises. The individual project loans included \$13.1 million (along with \$3.1 million from the Fund for Special Operations) to the *Instituto Venezolano de Petroquímica* to finance the construction of a petrochemical complex designed to supply Venezuela's fertilizer needs through 1985; \$11 million to enable the *Companhia Vale do Rio Doce* to carry out a \$170 million expansion program in its iron ore mining enterprise in Brazil's Northeast, and \$1.3 million to help the *Compañía Algodonera Paraguaya, S.A.*, to expand its production of industrial and edible oils.

The three loans extended to development agencies, all of which have benefited from previous Bank loans, included \$6.5 million (along with \$2.5 million from the Fund for Special Operations and \$859,200 from the resources which the Bank administers for the United Kingdom) to the *Banco Industrial del Perú*; \$10 million to the *Banco Industrial de la República Argentina*, and \$2.5 million (along with \$7.5 million from the Fund for Special Operations) to the *Instituto de Fomento Industrial* in Colombia.

The *agricultural* loans included \$10.5 million to *Nacional Financiera, S.A.*, to carry out an irrigation project on 82,500 acres of farm land in the Lerma-Chapala-Santiago basin in central

Mexico; \$27.5 million (along with \$1.2 million from the Fund for Special Operations), also to *Nacional Financiera S.A.*, to help carry out a project to irrigate 103,740 acres of farm land in Mexico's northeastern State of Tamaulipas, and \$2.6 million (along with \$2.4 million from the Fund for Special Operations) to the *Instituto de Fomento Nacional* to help Nicaragua diversify its agricultural production.

The *water supply* loan, one for \$11.5 million (along with \$5 million from the fund which the Bank administers for the Government of Sweden), was extended to the State of São Paulo to improve and expand the water supply system of the metropolitan area of São Paulo.

The *transportation* loan, one for \$9,350,000 (along with a technical assistance loan of \$350,000 from the Fund for Special Operations), was extended to the *Administración Nacional de Puertos* in Uruguay to improve and expand the port of Montevideo.

The *export financing* credits extended during the year included \$3 million to the *Corporación Venezolana de Fomento* to enable Venezuela to initiate an export financing program and credits to *Nacional Financiera, S.A.*, of Mexico for \$4.9 million to finance exports for the construction of 1,200 railroad freight cars to Colombia and \$4,390,000 to finance exports of capital goods used in the construction of a gas pipeline in the Department of Caldas in Colombia.

During 1968 loans extended from the ordinary capital resources were made at a basic interest rate of $7\frac{3}{4}$ per cent per annum, although the interest rate on the lines of credit to finance exports of capital goods was $6\frac{1}{2}$ per cent. The Bank's interest rates reflect the current high cost of borrowing funds on the world's capital markets. The interest rates charged included the 1 per cent special commission allocated to the Bank's special reserve. The Bank also charged a $1\frac{1}{4}$ per

ORDINARY CAPITAL RESOURCES

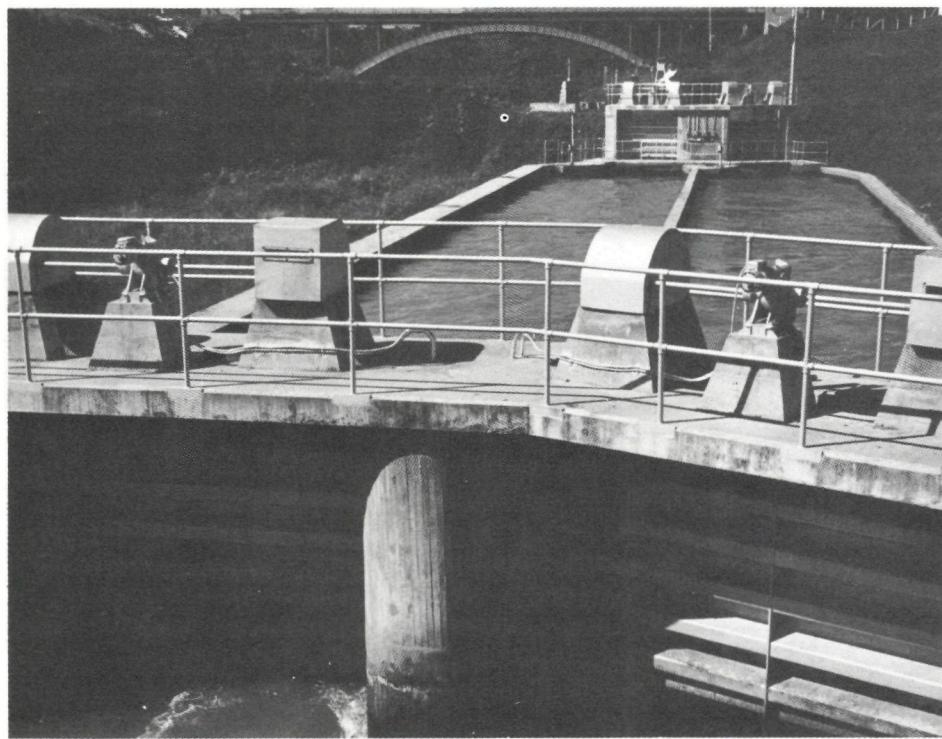
cent commitment fee on undisbursed balances of loans. As in previous years, the Bank charged a service commission and a higher commitment fee on portions of loans extended from funds borrowed in non-member countries, due to the higher cost of borrowing in those markets.

Loans authorized in 1968 from the ordinary capital resources were extended for terms ranging from 12 to 20 years, with the exception of the lines of credit to finance exports of capital goods which were made for lesser periods.

The loans extended from the ordinary capital resources in 1968 are described in the following section under these categories:

- Electric Power
- Industry and Mining
- Agriculture
- Water Supply
- Transportation
- Export Financing

POWER FOR GUATEMALA CITY is provided by Los Esclavos hydroelectric project built southeast of the city with assistance of Bank loan.



ELECTRIC POWER

ARGENTINA

POWER GENERATION AND TRANSMISSION
\$15 million 15-year 7¾% loan of Dec. 19, 1968
(\$6 million and 36 million Deutsche marks)¹

Borrower: **COMPAÑIA ITALO-ARGENTINA DE ELECTRICIDAD**

Approximately 15 per cent of the electric power of Buenos Aires is provided by the *Compañía Italo-Argentina de Electricidad (CIAE)*, a private company; the other 85 per cent by *Servicios Eléctricos del Gran Buenos Aires* and by *Agua y Energía Eléctrica*, two public corporations. *CIAE* supplies electricity to 255,000 consumers in the Federal Capital and four of the municipalities—Avellaneda, Lanús, Lomas de Zamora and Quilmes—that form part of the Greater Buenos Aires area.

In order to improve and extend its services, *CIAE* is carrying out an investment program costing \$118 million. The program includes the installation at

¹ See conditions applicable to loans containing Deutsche marks on page 55.

Puerto Nuevo of steam generators with a capacity of 250,000 kilowatts which will enter into operation in 1969. With that increase its total capacity will rise to 510,000 kilowatts.

This loan will finance a further expansion which provides for the installation in Buenos Aires of two gas turbines of 15,000 kilowatts each to meet peaking requirements; the installation of transmission lines, distribution lines and meters, and the purchase of a computer and supplementary equipment.

The total cost of the project is \$54.3 million, of which 27.6 per cent will be financed by the Bank, 39.8 per cent by *CIAE* and 32.6 per cent by foreign suppliers and banks. The Bank loan will be used to purchase the gas turbines, the equipment and materials for the transmission and distribution systems and the computer. It will also be used to finance engineering, supervision and inspection costs.

The loan is guaranteed by the *Banco Industrial de la República Argentina*.

PARTICIPATIONS — *Société Générale de Banque*, Brussels, Belgium; Continental Illinois National Bank and Trust Company of Chicago; Marine Midland Grace Trust Company of New York; Wells Fargo Bank, San Francisco, and Crocker-Citizens National Bank, San Francisco, are participating in the loan for a total of \$988,000.

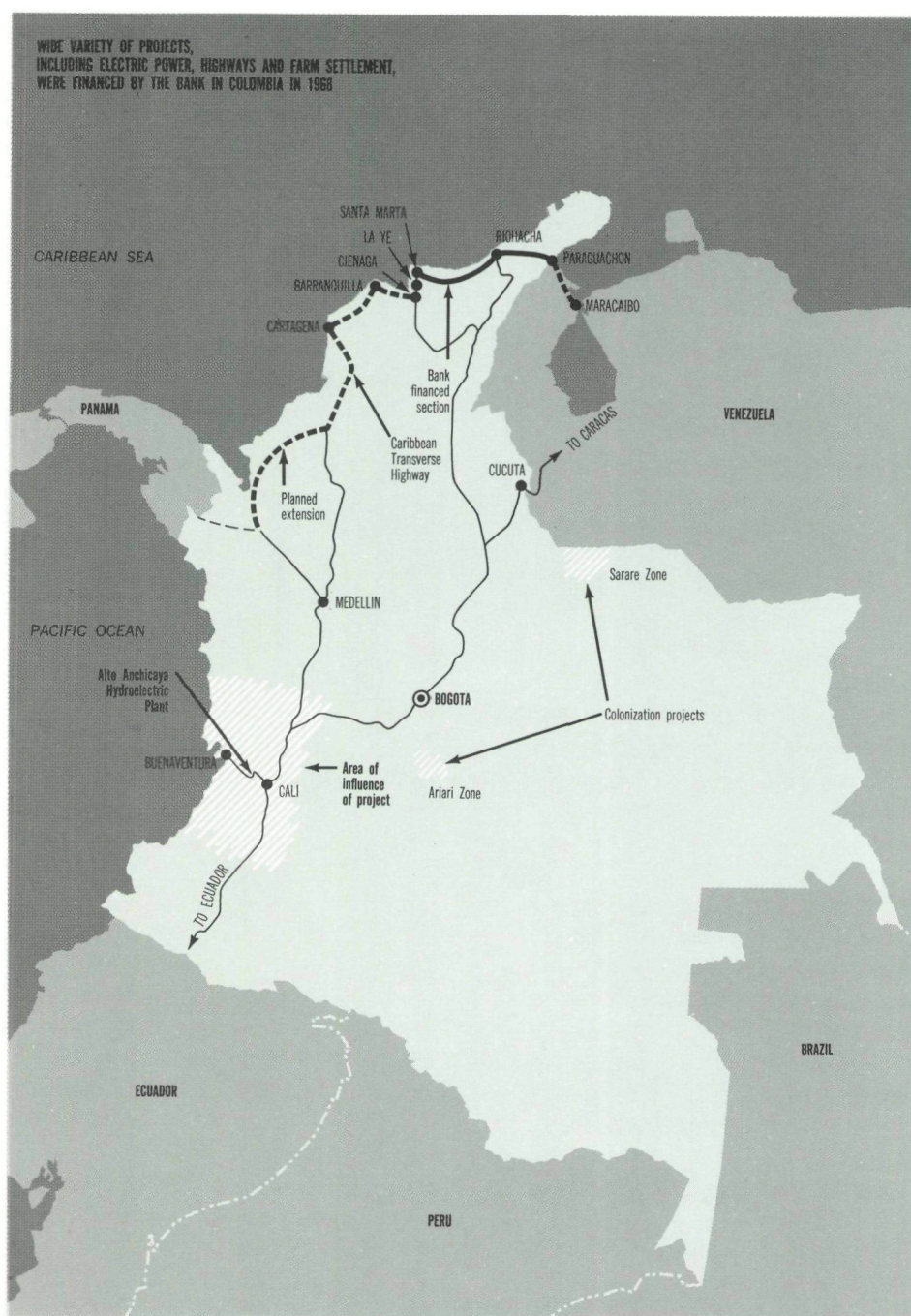
COLOMBIA

CAUCA VALLEY HYDROELECTRIC PROJECT
\$43.3 million 20-year 7¾% loan of Dec. 30, 1968

Borrowers: **CORPORACION AUTONOMA REGIONAL DEL CAUCA AND CENTRAL HIDROELECTRICA DEL RIO ANCHICAYA, LTDA.**

The Cauca Valley Region in Colombia, which includes the Department of Valle and the northern portion of the Department of Cauca, is one of the nation's most developed areas. The 11,600-square-mile area contains 988,000 acres of rich agricultural lands and a highly developed industrial structure. The area,

WIDE VARIETY OF PROJECTS,
INCLUDING ELECTRIC POWER, HIGHWAYS AND FARM SETTLEMENT,
WERE FINANCED BY THE BANK IN COLOMBIA IN 1968



which has a population of 2.3 million, also has a good highway network linking it with the important consuming centers of the nation and with Buenaventura, Colombia's main Pacific port.

Since 1954 a special valley authority—the *Corporación Autónoma Regional*

del Cauca (CVC)—has been engaged exclusively in fostering the development of the basin. CVC has made good strides in promoting the electrification of the area so that installed capacity has risen from 59,300 kilowatts in 1955 to 270,000 kilowatts in 1968—an increase in 13

years of 356 per cent. The transmission network also has grown from 31 miles in 1961 to 517 miles in 1968.

This loan, the largest extended by the Bank so far, along with one for 16,740,000 Canadian dollars (equivalent to \$15.5 million) from the resources which the Bank administers for the Government of Canada, will help provide the Cauca Valley's anticipated needs through 1977 by financing the construction of a 340,000-kilowatt hydroelectric plant on the upper Anchicayá River, 31 miles west of Cali. The two loans will cover 66.4 per cent of the \$88.5 million cost of the project; the remainder will be provided by domestic resources.

The plant, which will have four generating units of 85,000 kilowatts each, will be Colombia's largest. The project calls for the construction of a dam; a 5.6-mile long tunnel; an underground powerhouse for the four generating units; the installation of a 62-mile-long, 220-kv transmission line from the plant to substations at Yumbo and Pance, and for the expansion of the 110-kv transmission system to meet the increased demands of the primary supply system.

This loan will be used to cover foreign currency costs connected with the installation of the electrical and mechanical equipment, transmission system, auxiliary works and other costs.

The loan is guaranteed by the Republic of Colombia.

VENEZUELA

HYDROELECTRIC POWER

\$13.3 million 20-year 7½% loan of Nov. 29, 1968 (\$4.8 million, 148.2 million Austrian schillings, 50 million Belgian francs and \$1.8 million in bolivars)¹

Borrower: **C.A. DE ADMINISTRACION Y FOMENTO ELECTRICO**

Venezuela has a larger electric power generating capacity in per capita terms than any other country in Latin America. In 1967 installed capacity per

¹ See conditions applicable to loans containing Austrian schillings and Belgian francs on page 55.

ORDINARY CAPITAL RESOURCES

capita was 266 watts, compared with a Latin American average of 100 watts. This is one of the factors that has fostered a relatively high development rate in the country.

However, in the Andean region of Venezuela, where demand for electric power is rising at a rate of 11 per cent yearly, consumption has lagged behind more developed areas. For this reason it is vitally necessary to increase power output in the region and the Venezuelan Government, through the *C.A. de Administración y Fomento Eléctrico (CA-DAFE)*, has embarked on a project to build a hydroelectric plant at the confluence of the Santo Domingo and Aracay Rivers in Venezuela's Andes region. The power plant will have an eventual capacity of 240,000 kilowatts, from four 60,000-kilowatt generators.

The Bank is contributing \$16 million—this loan for \$13.3 million and \$2.7 million from the Fund for Special Operations (page 63)—to help finance the first stage of the project which includes the construction of the dam and the hydroelectric plant and the installation of the first two generators and the related transmission systems. The total cost of the project is \$48,475,000. The Bank's loans will cover 33 per cent, the Venezuelan Government 57.3 per cent and suppliers 9.7 per cent.

The loan is guaranteed by the *Corporación Venezolana de Fomento*.

PARTICIPATION—The Seattle-First National Bank is participating in the loan for a total of \$75,000.

INDUSTRY AND MINING

ARGENTINA

INDUSTRIAL CREDITS

\$10 million 15-year 7½% loan of Aug. 15, 1968

Borrower: **BANCO INDUSTRIAL DE LA REPUBLICA ARGENTINA**

In 1965 the Inter-American Bank extended a loan for \$15 million from its ordinary capital resources to the *Banco*

Industrial de la República Argentina to help finance a \$57.5 million development program for small- and medium-scale industries. The proceeds of that loan were committed in financing 56 industrial projects whose total investment amounted to \$88 million, a figure 54 per cent higher than the original target.

This new \$10 million loan will finance 30 per cent of a \$33 million additional program. *Banco Industrial* will contribute 30 per cent and the ultimate borrowers the remaining 40 per cent. *Banco Industrial* will relend the proceeds in credits of up to \$1.5 million for fixed investments related to the installation, expansion and improvement of private industrial plants.

This new industrial loan for \$10 million will be devoted to the following industrial sectors: light mechanical equipment; cellulose and paper; mining and metallurgy; cold storage plants, and other industrial lines approved by the National Development Council.

Priority will be given to projects contributing to a greater utilization of the nation's natural resources, increasing exports, replacing imports, leading to a greater regional distribution of industry or mobilizing additional domestic financial resources.

The new program is expected to lead to an increase in the gross value of Argentina's national production of \$56 million and to result in foreign exchange savings of about \$16 million a year through import substitution.

PARTICIPATIONS—National Bank of North America, New York; The Bank of New York; Continental Illinois National Bank and Trust Company of Chicago; Mellon National Bank and Trust Company, Pittsburgh; The Philadelphia National Bank; *Banco Crédito y Ahorro Ponceño*, Ponce, Puerto Rico; United California Bank, Los Angeles; Crocker-Citizens National Bank, San Francisco; The Fidelity Bank, Phila-

AUTOMOBILE PLANT in Buenos Aires has received financing channeled through Banco Central de la República Argentina to foster exports to other member countries of the Bank.



delphia; Girard Trust Bank, Philadelphia; American International Bank, New York; The First National Bank of Chicago; The First Pennsylvania Banking and Trust Co., Philadelphia; First Western Bank and Trust Company, Los Angeles; First Wisconsin National Bank of Milwaukee; Marine Midland Grace Trust Company of New York; Marine Midland Trust Company of Western New York, Buffalo; Union Bank, Los Angeles; Wells Fargo Bank, San Francisco; The Chase Manhattan Bank (National Association), New York; Manufacturers Hanover Trust Company, New York; The Bank of California National Association, San Francisco, and the Citizens and Southern National Bank, Atlanta, are participating in the loan for a total of \$1,666,664.

BRAZIL

IRON ORE PRODUCTION

\$11 million 15-year 7¾% loan of Dec. 5, 1968 (\$7 million and 200 million Belgian francs)¹

Borrower: **COMPANHIA VALE DO RIO DOCE**

In 1964 the *Companhia Vale do Rio Doce (CVRD)* launched a program designed to greatly expand its production and exports of iron ore. The company is the nation's largest iron ore producer and leading single foreign exchange earner and is the world's sixth leading exporter of iron ore. The first phase of that effort, being carried out at a total cost of \$118 million and being partially financed with a \$28.8 million loan from the Inter-American Bank, is now nearly complete and will double the company's production.

This loan will finance 6.5 per cent of the second phase being carried out at a cost of \$170 million. *CVRD* itself is putting up \$110,495,000 or 65 per cent of that cost. Other sources contributing to the program are the Export-Import Bank of the United States with 10.4 per cent; Austrian suppliers (*VOEST*) 7 per cent; German sources (*Kreditanstalt, Deutsche Bank* and *Kraus Maffei*) 6.5 per cent; the *Banco Nacional do Desenvolvimento* of Brazil 2.7 per cent; the Export Credits Insurance Corporation of Canada 1.3 per cent, and U.S. Steel Corporation 0.6 per cent.

A 91 per cent government-owned firm, *CVRD* has its operational headquarters in Itabira, State of Minas Gerais, 348 miles from the ports of Vitória and Tubarão. The bulk of its mining activities are carried out in the watershed area of the Doce River and most of its production is exported, primarily to Japan and Western Europe. Its iron ore output in 1967 was 12.4 million tons and its exports were 11.8 million tons, including 900,000 tons shipped for other mining companies.

Execution of the program will enable *CVRD* to increase its iron ore pro-

duction to 21.8 million tons a year, to reduce unit costs and to improve and diversify its line of export products.

It calls for the expansion of its mining, railroad and port facilities; the installation of an ore washing and concentration plant, and the construction of a second pellet plant with a 2-million-ton-a-year capacity.

Beginning in 1972, after the second phase is well underway, the project is expected to lead to an increase of \$38 million a year in Brazil's export earnings. By that year the company's exports will account for a net total of about \$120 million annually in the nation's foreign exchange income.

The loan is guaranteed by the Federal Republic of Brazil.

PARTICIPATIONS—Bank of Montreal (New York Agency); The Fidelity Bank, Philadelphia; Union Bank, Los Angeles; American International Bank, New York; *Banco Crédito y Ahorro Ponceño*, Ponce, Puerto Rico; Central National Bank of Cleveland; Crocker-Citizens National Bank, San Francisco; The Citizens and Southern National Bank, Atlanta; Mellon National Bank and Trust Company, Pittsburgh; United California Bank, Los Angeles; Morgan Guaranty Trust Company, New York; The Northern Trust Co., Chicago; The First Pennsylvania Banking and Trust Co., Philadelphia, and the First Western Bank and Trust Company, Los Angeles, are participating in the loan for a total of \$764,000.

COLOMBIA

INDUSTRIAL CREDIT

\$2.5 million 15-year 7¾% loan of Dec. 13, 1968 (\$1 million and 6 million Deutsche marks)¹

Borrower: **INSTITUTO DE FOMENTO INDUSTRIAL**

This loan, together with another for \$7.5 million from the Fund for Special Operations (page 68), will help the Colombian Government's *Instituto de Fomento Industrial (IFI)* to carry

out a \$20 million credit program for small- and medium-sized industries.

This loan will aid medium industries; the Fund for Special Operations loan will be devoted to small ones. For program purposes, industries employing 100 to 200 persons and having fixed investments of between \$60,000 and \$600,000 are considered medium.

The credit resources will enable medium-scale industry to purchase goods and services abroad in order to increase production of manufactured goods, as well as to develop the processing of agricultural, fishery, forestry and mineral resources.

In recent years the rate of growth for the small and medium industrial sector has lagged behind that of large industry. In order to aid Colombia's slower-growing industrial sectors, the government has provided both new and established firms with *IFI* credit opportunities. In the selection of projects, special attention will be given to the favorable impact they will exert on Colombia's balance of payments situation by replacing imports or by increasing the nation's exports.

The loan is guaranteed by the Republic of Colombia.

PARAGUAY

EDIBLE OILS PLANT

\$1.3 million 12-year 7¾% loan of April 21, 1968 (\$1 million and \$300,000 in guaranties)

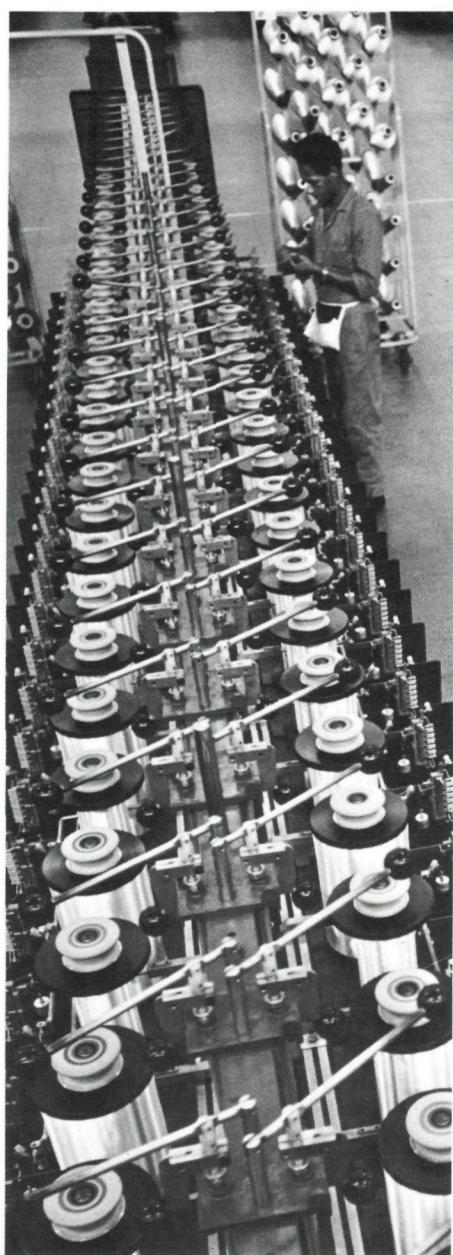
Borrower: **COMPAÑIA ALGODONERA PARAGUAYA, S.A.**

In 1961 the Inter-American Bank extended a loan for \$550,000 to the *Compañia Algodonera Paraguaya, S.A., (CAPSA)* to enable it to expand its production of vegetable oils and processed tobacco. The expansion project was carried out with better results than originally foreseen.

This new loan will enable *CAPSA*, a private enterprise located in Asunción, to embark on a much broader expansion program. It calls for the installation of a plant for the extraction of primary

¹ See conditions applicable to loans containing Belgian francs on page 55.

¹ See conditions applicable to loans containing Deutsche marks on page 55.



SYNTHETIC FIBER PLANT in Girardota, Colombia, was built with capital provided by Colombian and Netherlands investors and aid of a Bank loan.

oils in Pirapó, in the upper Paraná River, the center of tung and soybean cultivation, and for the expansion of the firm's plant at Capiatá which will be provided with equipment for refining crude oils and producing edible fats, fatty acids, glycerine and other products.

Working at full capacity, *CAPSA* is expected by 1972 to utilize 31 per cent of the nation's cotton output; 50 per cent of its soybean production, 31 per cent of its palm production, and 62 per cent of its tung nut production. The project is expected to have a net favorable impact on Paraguay's balance of payments of \$3.2 million per annum.

This loan will finance 37 per cent of the \$4,015,000 cost of the project, *CAPSA* will contribute 34 per cent, and the remainder will come from suppliers, the Atlantic Community Development Group for Latin America, and Paraguay's National Development Bank. Execution of the project will enable Paraguay to increase its exports of vegetable oils and related products, particularly to Argentina, Brazil, Chile, the United States, Japan and Europe. The project will exert a favorable effect on Latin America's economic integration process since more than 30 per cent of the firm's new output will be exported to member nations of the Latin American Free Trade Association, in which Paraguay receives preferential treatment for oleaginous products.

The loan is guaranteed by the *Banco Nacional de Fomento*.

PERU

INDUSTRIAL CREDIT

\$6.5 million 15-year 6½% loan of Feb. 16, 1968 (\$5.1 million and 875 million Italian lire)¹

Borrower: **BANCO INDUSTRIAL DEL PERU**

The *Banco Industrial del Perú* is the most important source of credit for industry in Peru, accounting for about 40 per cent of the yearly credit volume supplied to that sector.

The Inter-American Bank has supported the *Banco Industrial's* efforts in this field with three loans totaling \$14.5 million extended in 1962, 1963 and 1965. With these loans and its own resources the *Banco Industrial* extended

¹ See conditions applicable to loans containing Italian lire on page 55.

some 209 credits to help finance projects calling for a total investment of about \$30 million, in the sectors of food and beverages; textiles, clothing and footwear; wood, paper and cellulose; electric power; chemicals, and machinery.

During 1968 the Bank authorized three new loans, totaling \$9,859,200 to help finance additional projects in such sectors, costing a total of nearly \$40 million.

The loans included this one for \$6.5 million, \$2.5 million from the Fund for Special Operations (page 68) and 358,000 pounds sterling (equivalent to \$859,200) extended from the resources which the Bank administers for the United Kingdom (page 138). The Bank's financing will provide about 25 per cent of the cost of the new program, the *Banco Industrial* 25 per cent, and the beneficiaries the remaining 50 per cent.

The loan is guaranteed by the Republic of Peru.

PARTICIPATION — Crocker-Citizens National Bank, San Francisco, is participating in the loan for a total of \$100,000.

VENEZUELA

FERTILIZER COMPLEX

\$13.1 million 13-year 7¼% loan of Sept. 19, 1968

Borrower: **INSTITUTO VENEZOLANO DE PETROQUIMICA**

One of the primary requirements for the growth of Latin America's agricultural production is the intensive use of fertilizers. This has been demonstrated particularly in Venezuela, where farmers have found over the past decade that it is more profitable to expand production by increasing the use of fertilizers than by increasing the use of manpower, land or capital.

During the past ten years consumption of fertilizers has increased by an annual average rate of 14.3 per cent, rising by 18.5 per cent in 1963 and by 36 per cent in 1967.

To help Venezuela meet its rapidly growing demand for farm fertilizers, as

well as provide exportable surpluses to other Latin American countries, the *Instituto Venezolano de Petroquímica (IVP)*, a public corporation in charge of operating industries utilizing Venezuela's mineral and oil resources, embarked in 1968 on a project to build a \$54 million petrochemical complex.

This loan, along with one for \$3.1 million from the Fund for Special Operations (page 69), will finance 30 per cent of the total cost of the project which calls for a five-fold increase in the capacity of *IVP's* fertilizer complex located at Morón, a city some 100 miles west of Caracas. Japanese suppliers' credits are providing 17.3 per cent of the cost and Venezuela is contributing the remaining 52.7 per cent.

The loan is guaranteed by the Republic of Venezuela.

PARTICIPATIONS—The Bank of Nova Scotia, Toronto, Canada; *Banco Crédito y Ahorro Ponceño*, Ponce, Puerto Rico; Franklin National Bank, New York; National Bank of North America, New York; First National City Bank, New York; Central National Bank of Cleveland; First Wisconsin National Bank of Milwaukee; Irving Trust Company, New York; United California Bank, Los Angeles; Crocker-Citizens National Bank, San Francisco; Marine Midland Grace Trust Company of New York; The Bank of California National Association, San Francisco; The Fidelity Bank, Philadelphia; Morgan Guaranty Trust Company of New York; The Northern Trust Co., Chicago; The First National Bank of Memphis; Bank of America N.T. and S.A., San Francisco; Chemical Bank New York Trust Company; The Citizens and Southern National Bank, Atlanta; The First National Bank of Chicago; The First Pennsylvania Banking and Trust Co., Philadelphia; Manufacturers Hanover Trust Company, New York; Marine Midland Trust Company of Western New York, Buffalo, and J.

Henry Schroder Banking Corporation, New York, are participating in the loan for a total of \$2,530,500.

AGRICULTURE

MEXICO

EL ROSARIO-EL MEZQUITE IRRIGATION PROJECT
\$10.5 million 20-year 7¾% loan of Nov. 14, 1968 (\$2.5 million, 21,720,000 Netherlands guilders and \$2 million in Mexican pesos)¹

Borrower: **NACIONAL FINANCIERA, S.A.**

Some 63 per cent of Mexico's total land area is arid, 31 per cent is semi-arid and only 6 per cent can be considered humid. For this reason irrigation programs have traditionally received high priority in the Mexican Government's investment efforts.

Reflecting this priority, nearly 62.2 per cent of the Bank's total lending in Mexico has been devoted to the agricultural sector, primarily to irrigation projects.

In 1968 the Bank again gave support to Mexico's efforts to develop the 50,000-square-mile Lerma-Chapala-Santiago Basin located in the central part of the country. This region accounts for 7 per cent of Mexico's area and about 17 per cent of its total population. Due to the lack of rainfall productivity is low and the region enjoys a much lower income than the national average. Its annual per capita product was little more than \$100 in 1963, compared with a national average of more than \$180.

In order to improve this situation the Mexican Government has been engaged in a broad program to develop the area under the Lerma Plan. Since 1963 the Bank has extended eight loans totaling \$28.6 million to support different aspects of this development program.

This loan will finance 48.3 per cent of the cost of another project in the program—the \$21.7 million El

Rosario-El Mezquite irrigation project, being carried out at the juncture of the States of Jalisco, Michoacán and Guanajuato. The project calls for the construction of a dam, a storage reservoir and a system of drainage and irrigation canals using the waters of the Angulo River and the surplus flow of the Lerma River.

The project will irrigate 82,500 acres of farm land which will benefit some 40,000 persons. Once in full operation, it is expected to lead to an increase of 13 per cent annually in the gross product per farmer for the first 12 years of operation, resulting in an increase in the average annual income of the farmer of from \$121 today to \$1,500.

The loan is guaranteed by the United Mexican States.

PARTICIPATION — Mellon National Bank and Trust Company, Pittsburgh, is participating in the loan for a total of \$294,116.

LAS ADJUNTAS IRRIGATION PROJECT

\$27.5 million 20-year 7¾% loan of Nov. 21, 1968 (\$9 million, 64 million Deutsche marks and \$2.5 million in Mexican pesos)¹

Borrower: **NACIONAL FINANCIERA, S.A.**

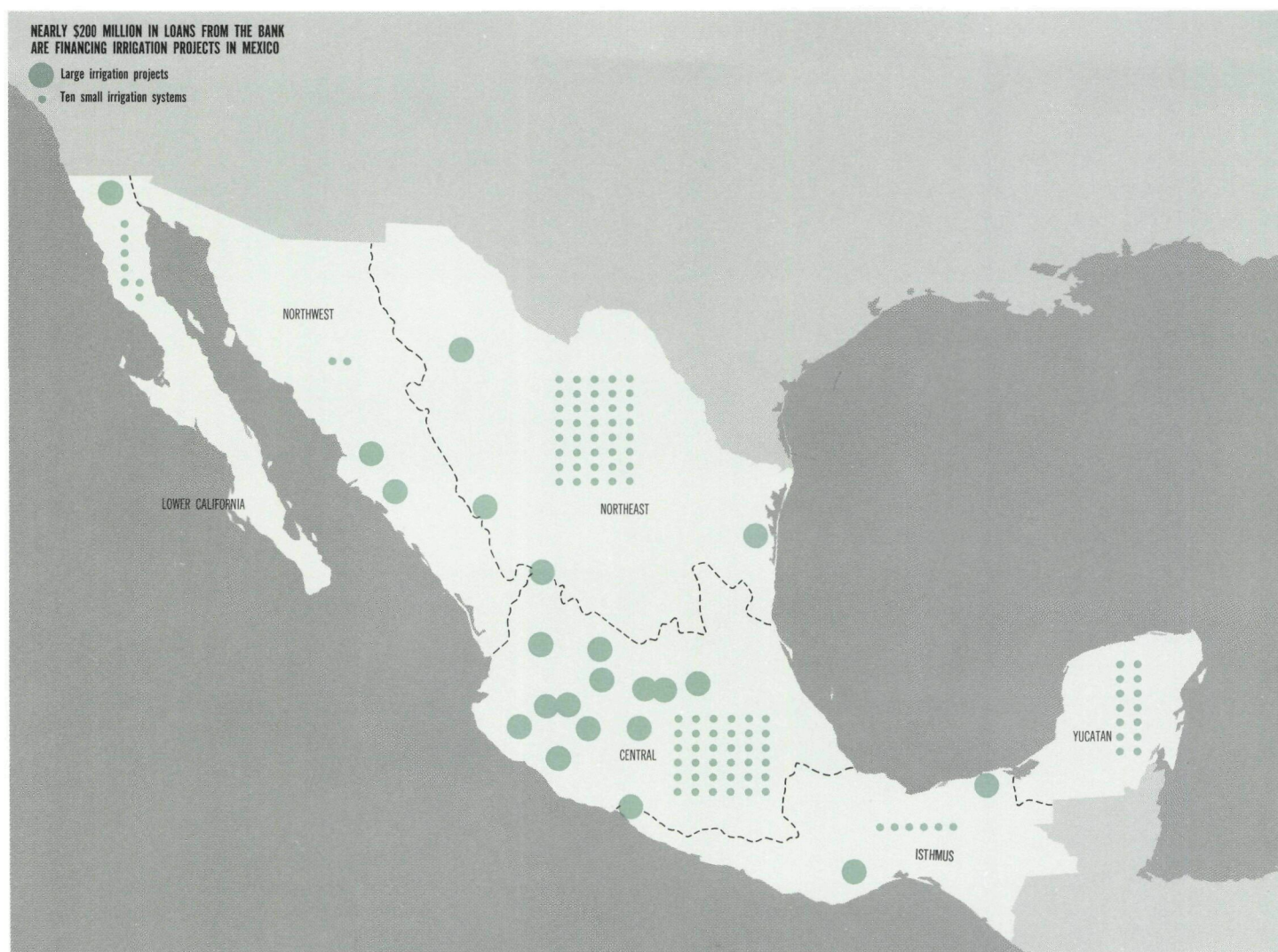
Mexico's Northeast State of Tamaulipas occupies an area of 30,822 square miles, or some 4 per cent of the nation's total territory. It has a population of 1.3 million, of whom 475,000 inhabitants are employed in primary economic activities. The northern part of the state, which has 95 per cent of the state's irrigated land and 60 per cent of its population is intensively farmed with high-yield crops. In contrast, agriculture in the central and southern parts of the state is of a subsistence nature, employing dry farming methods.

This loan, along with \$1.2 million from the Fund for Special Operations (page 65), will finance 46.1 per cent of the cost of a \$62.3 million project—

¹ See conditions applicable to loans containing Netherlands guilders on page 55.

¹ See conditions applicable to loans containing Deutsche marks on page 55.

ORDINARY CAPITAL RESOURCES



called Las Adjuntas—designed to contribute to more balanced growth in the state by bringing some 103,740 acres of land in the Jiménez Valley in Central Tamaulipas under cultivation.

The project will benefit some 16,000 persons who will be settled in the area and will lead to an increase in the zone's farm production of from \$184,000 a year at present to about \$21 million in the fourth year of production. This will represent an increase in the yearly income of the farmers in the area of from \$86 a year to \$2,700.

Specifically the project provides for the construction of the Las Adjuntas

Dam to store and control the waters of the Soto La Marina River and to use these waters through the Las Alazanas diversion dam and a 2½-mile-long tunnel to irrigate the area.

The loan is guaranteed by the United Mexican States.

PARTICIPATIONS—Union Bank, Los Angeles; *Banco de Ponce*, Ponce, Puerto Rico; Marine Midland Grace Trust Company of New York; First Wisconsin National Bank of Milwaukee; Crocker-Citizens National Bank, San Francisco; American Security and Trust Company, Washington; The Fidelity Bank, Philadelphia; *Banco Crédito y*

Aborro Ponceño, Ponce, Puerto Rico; The Bank of Nova Scotia, Toronto, Canada; Central National Bank of Cleveland; Morgan Guaranty Trust Company of New York; National Bank of North America, New York; Seattle-First National Bank; Wells Fargo Bank, San Francisco; The First National Bank of Chicago; The First Pennsylvania Banking and Trust Co., Philadelphia; Marine Midland Trust Company of Western New York, Buffalo; J. Henry Schroder Banking Corporation, New York, and The Citizens and Southern National Bank, Atlanta, are participating in the loan for a total of \$940,000.

NICARAGUA

AGRICULTURAL DIVERSIFICATION

\$2.6 million 15-year 7¼% loan of Nov. 29, 1968 (\$800,000, 50 million Belgian francs and \$800,000 in cordobas)¹

Borrower: **INSTITUTO DE FOMENTO NACIONAL**

Agriculture generates about a third of Nicaragua's gross domestic product and represents about 70 per cent of the total value of its exports. However, two export crops—coffee and cotton—predominate in the country's economy. In order to reduce this imbalance, the Government of Nicaragua has carried out various projects designed to diversify farm output. As a result, production of such basic foods as rice, corn, and beans has risen steadily in recent years; Havana leaf tobacco is being grown with good results, and a new variety of banana has been introduced on the Pacific coast. Livestock production is also showing a growth trend.

This loan, along with \$2.4 million from the Fund for Special Operations (page 66), will finance 55.9 per cent of the cost of an \$8,939,000 program designed to continue this diversification trend. The loans will help the *Instituto de Fomento Nacional (INFONAC)* in carrying out a program designed to expand the nation's dairy and pork production, extend irrigation and increase tobacco output.

This loan will be devoted entirely to the dairy development phase of the project, which will benefit some 255 farms in the country's major milk-producing areas around Matagalpa. These farms will be assisted with credits and technical assistance to improve and expand dairy herds and milk productivity. By the eighth year of operation, the project is expected to increase Nicaragua's gross domestic production by \$2 million. The pork and irrigation facets will be carried out with the Fund for Special Operations loan and the tobacco project

will be carried out by *INFONAC* with its own resources.

The loan is guaranteed by the Republic of Nicaragua.

PARTICIPATION — Union Commerce Bank, Cleveland, is participating in the loan for a total of \$199,998.

WATER SUPPLY

BRAZIL

SÃO PAULO WATER SYSTEM

\$11.5 million 20-year 7¼% loan of April 25, 1968 (\$11 million and \$500,000 in cruzeiros)

Borrower: **STATE OF SÃO PAULO**

One of the chief characteristics of the Bank's lending policy in Brazil has been the support it has provided for the nation's intensive efforts to improve potable water and sewage systems for its people. At year end, such support totaled nearly \$130 million and had been extended to Rio de Janeiro and other major urban centers, as well as to a vast number of smaller communities throughout the nation.

During 1968 the Bank extended its assistance in this field to include the metropolitan area of São Paulo, currently carrying out an \$82 million expansion program of its water systems.

With a population of 6.8 million persons, São Paulo is the third largest metropolitan area in Latin America. Its rapid growth in recent years has outstripped the capacity of its potable water system. The flow of 14 cubic meters of water per second obtained from present sources supplies only 53 per cent of the population.

This loan will help finance a project to tap the waters of the Juquerí and Atibainha Rivers and build pumping stations, treatment plants and other works and to expand the distribution system. Execution of the program will bring water to an additional 2 million persons, thus raising those served to 72 per cent of the area's total. In addition

it will provide more water for industry, which frequently relies now on its own high cost systems.

This loan, along with one for \$5 million from the resources which the Bank administers for Sweden (page 136), will finance 20.1 per cent of the cost of the project; the State of São Paulo will provide the remaining 79.9 per cent.

Up to \$270,000 of the loan will be used to provide technical assistance advisory services to the *Companhia Metropolitana de Aguas do Estado de São Paulo*, the agency in charge of carrying out the project.

The loan is guaranteed by the Federal Republic of Brazil.

PARTICIPATIONS — The First National Bank of Chicago; Girard Trust Bank, Philadelphia; Irving Trust Company, New York; Marine Midland Grace Trust Company of New York; National Bank of North America, New York, and Swiss Credit Bank, Zurich, Switzerland, are participating in the loan for a total of \$600,000.

TRANSPORTATION

URUGUAY

IMPROVEMENT IN PORT OF MONTEVIDEO

\$9,350,000 20-year 7¼% loan of Nov. 29, 1968 (\$7.1 million and 8,145,000 Netherlands guilders)¹

Borrower: **ADMINISTRACION NACIONAL DE PUERTOS**

Due to the limited size of its domestic market and a shortage of natural resources, the development of Uruguay's economy is closely linked to the expansion of its foreign trade, and the port of Montevideo, which handles 95 per cent of the country's total imports and exports, is the key to that trade.

For this reason, the Government of Uruguay has given high priority in its economic and social development plans to programs designed, first, to reconstruct present harbor and port facilities

¹ See conditions applicable to loans containing Belgian francs on page 55.

¹ See conditions applicable to loans containing Netherlands guilders on page 55.

ORDINARY CAPITAL RESOURCES

and, second, to carry out a long-range program to transform it into a leading port of the River Plate Basin.

This loan, along with \$350,000 from the Fund for Special Operations (page 73) and a \$3,250,000 parallel loan provided by the Government of the Netherlands (page 134), will be devoted to the first facet. The Bank's loans will finance 55.1 per cent of the \$17.6 million total cost of the project, the Netherlands loan 18.5 per cent and the borrower, the *Administración Nacional de Puertos*, 26.4 per cent.

The investments to be made provide for the expansion and repair of the docks and other civil works in the port, the clearing and deepening of the entrance channel, the acquisition of new equipment, and the improvement of handling, towing and salvage services.

The loan is guaranteed by the Republic of Uruguay.

EXPORT FINANCING

MEXICO

RAIL CAR EXPORTS

\$4.9 million 6½% line of credit of June 19, 1968
Borrower: **NACIONAL FINANCIERA, S.A.**

Mexico has been one of the chief beneficiaries of the capital goods export financing program which the Inter-American Bank established in 1963 to stimulate the capital goods industry and promote Latin America's economic integration through increased regional trade.

Through 1968, Mexico had utilized two revolving lines of credit totaling \$7,874,165 in financing exports of various types of Mexican capital goods to other Latin American countries. With the help of those two lines of credit, Mexico financed the export of goods whose total invoice value was \$10,549,563. During 1968 the Bank extended two new lines of credit, this one and the one described below, to enable Mexico to provide ex-



port financing for two specific development projects in Colombia.

This credit is being used by *Nacional Financiera, S.A.*, to finance the export of components and spare parts valued at \$6,995,869 to assemble 1,200 freight cars in Colombia for that nation's railway network, *Ferrocarriles Nacionales*. The exporter is *Empresa Mexicana Constructora Nacional de Carros de Ferrocarril, S.A.* The exports include the basic components needed to assemble 250 platform cars, 800 closed cars and 150 gondolas, along with their spare parts. Supplementary components are being manufactured in Colombia.

PIPELINE EXPORTS

\$4,390,000 6½% line of credit of Nov. 29, 1968
Borrower: **NACIONAL FINANCIERA, S.A.**

During 1968 the *Compañía Oleoducto de Caldas, Ltda.*, completed a multi-purpose pipeline going from Puerto Salgar through Mariquita, Mani-

PORT OF MONTEVIDEO will be improved and modernized with help of ordinary capital loan authorized by the Bank in 1968.

zales and Pereira to Cartago to meet the needs of the Department of Caldas.

More than half the cost of the construction of the pipeline was represented by exports of capital goods and services from Mexico to Colombia. These included some \$4.5 million worth of steel tubing and accessories, valves, pumps and tanks, electrical products, rust resistant materials and other services.

This line of credit extended by the Bank to *Nacional Financiera, S.A.*, is providing medium-term financing for the export of the capital goods and related services. *Nacional Financiera* is using the line of credit to finance a special export credit granted by the *Banco de México, S.A.*, through its Fund for the Promotion of Exports of Manufactured Products, to the Mexican supplying firm of *PROTEXA, S.A.*



RAIL CAR COMPONENTS built in Mexico are shipped to Colombia with help of export financing credit provided by the Inter-American Bank.

VENEZUELA

CAPITAL GOODS EXPORTS

\$3 million 6½% line of credit of Feb. 26, 1968

Borrower: **CORPORACION VENEZOLANA DE FOMENTO**

Petroleum and its derivatives account for 92 per cent of Venezuela's total exports. In view of this preponderant reliance on one commodity, export diversification is one of the most pressing objectives of the nation's development strategy.

Although Venezuela does not yet produce a wide variety of capital goods, it does manufacture such products as electric cables, seamless pipe, other components for the oil industry and fishing vessels, all products which would be susceptible to export.

This line of credit will enable the *Corporación Venezolana de Fomento (CVF)* to contribute to this diversification by making credit facilities available to finance the export of Venezuelan capital goods to other Latin American member nations of the Bank.

The credit will be used by *CVF* exclusively in discounting at the Inter-American Bank credit documents it issues in connection with the medium-term financing of the export of goods.

Financial Highlights

The *net income* of the Bank's ordinary capital resources in 1968 amounted to \$14,288,755, compared to \$9,146,644 in 1967.

The *gross income* was \$55,028,827, compared with \$44,767,929 in 1967. The year's gross income included \$21,628,769 derived from interest on loans; \$3,391,861 derived from commitment charges; \$4,298,598 from the 1 per cent commission charged on loans which is allocated to the Bank's special reserve; \$24,758,418 derived from investments, and \$951,181 from other sources.

As of Dec. 31, 1968, the total *reserves* of the ordinary capital resources, including the general reserve and the special reserve, had risen to \$59,954,627, compared to \$43,212,423 in 1967.

The *general reserve*, made up of net earnings, reached \$45,267,343 as of Dec. 31, 1968, compared with \$32,823,737 in 1967. The special reserve had risen to \$14,687,284, at the end of 1968, compared with \$10,388,686 in 1967.

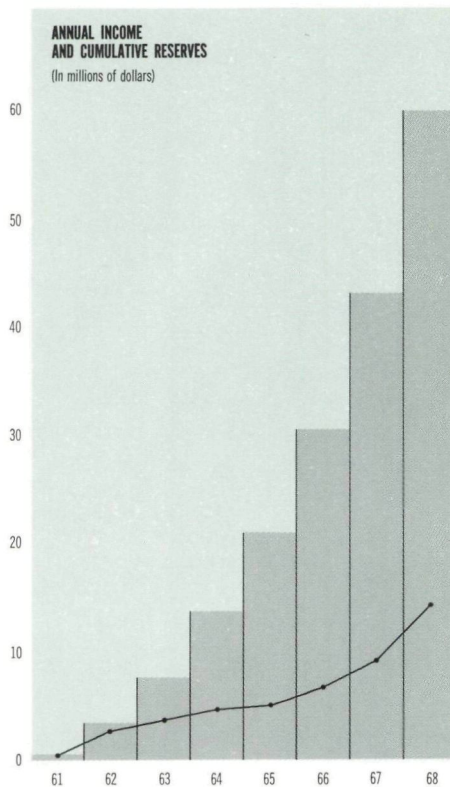
The total *administrative expenses* of the Bank chargeable to the ordinary cap-

ital resources in 1968 were \$8,003,424, and the interest paid by the Bank on its funded debt and the amortization of debt discount and expenses in 1968 were \$28,438,050. As of Dec. 31, 1968, the Bank's funded debt was \$632,320,977 compared with \$513,556,059 in 1967.

Disbursements on loans extended from the ordinary capital resources in 1968 amounted to \$112,910,610, compared with \$112,958,585 in 1967. This brought cumulative disbursements on ordinary capital loans, as of Dec. 31, 1968, to \$603,632,063.

In 1968 borrowers repaid \$40,163,899 on ordinary capital loans compared with \$29,503,477 in 1967. These brought total repayments at the end of the year to \$102,276,386.

The audited financial statements of the ordinary capital resources as well as a statement on the loans extended from the ordinary capital resources through Dec. 31, 1968, follow:



ORDINARY CAPITAL RESOURCES
FINANCIAL STATEMENTS

OPINION OF INDEPENDENT ACCOUNTANTS
ORDINARY CAPITAL

Board of Governors
Inter-American Development Bank

In our opinion, the accompanying financial statements (Appendices I-1 to I-7) present fairly, in terms of United States currency, the financial position of Inter-American Development Bank—Ordinary Capital at December 31, 1968, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Washington, D.C.
February 10, 1969



	APPENDIX
Balance Sheet	I-1
Statement of Income and Expenses and General Reserve	I-2
Funded Debt of the Bank	I-3
Summary Statement of Loans	I-4
Statement of Subscriptions to Capital Stock and Voting Power	I-5
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Notes to Financial Statements	I-7

ORDINARY CAPITAL RESOURCES

APPENDIX I-1

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

BALANCE SHEET

DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix I-7

ASSETS

Due from banks (Appendix I-6) (Note B)

Unrestricted

United States dollars	\$ 355,537		\$ 869,297	
Member currencies other than United States dollars	18,708,662		21,739,768	
Non-member currencies	1,187,034		585,474	

Restricted (Note C)

Member currencies other than United States dollars	8,775,986	\$ 29,027,219 *	7,938,969	\$ 31,133,508
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Investments

United States Government obligations (at amortized cost-face amount 1968—\$6,000,000; 1967—\$27,500,000)	5,953,630		27,524,250	
Time deposits				
United States dollars	398,841,441		347,233,539	
Non-member currencies	87,394,063		46,986,161	
Accrued interest	15,056,899	507,246,033	12,158,789	433,902,739

Loans outstanding held by Bank (Appendix I-4) (Note I)

Total loans approved by Bank since inception, less cancellations	1,081,687,468		901,058,765	
Less principal repayments to Bank	81,896,286		46,272,768	
Less loans sold or agreed to be sold	46,244,980		38,048,533	
Approved loans held by Bank	953,546,202		816,737,464	
Less undisbursed balance of approved loans held by Bank	466,354,442	487,191,760	399,253,254	417,484,210

Accrued charges on loans held by Bank (Note I)		7,944,471		6,069,026
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Due from members (Note D)

Capital subscriptions receivable				
United States dollars or gold	414,000		828,000	
Member currencies other than United States dollars	414,000		828,000	
Non-negotiable, non-interest-bearing demand obligations, denominated in members' currencies (Appendix I-6)	19,276,615	20,104,615	20,526,316	22,182,316

Receivable from the sale of bonds (Appendix I-3)		1,691,500		11,726,250
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Land and building (Appendix II-7, Note G)	10,014,465		10,014,465	
Less reserve for depreciation	673,875	9,340,590	527,427	9,487,038

Unamortized debt discount and expense		9,883,852		7,366,764
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Other assets (Note I)		2,118,933		1,177,965
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Special reserve assets (Note F)

Due from banks	137,900		270,889	
Investments in United States Government obligations (at cost or amortized cost-face amount 1968—\$13,323,000; 1967—\$9,188,000)	13,172,890		9,099,724	
Accrued loan commissions	1,376,494	14,687,284	1,018,073	10,388,686

Staff Retirement Plan assets

(Segregated and held in trust)		9,613,292		7,657,731
Total assets		<u>\$1,098,849,549</u>		<u>\$958,576,233</u>

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

BALANCE SHEET

DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix I-7

LIABILITIES, RESERVES, FUND BALANCE AND CAPITAL

Liabilities

	1968	1967
Accrued interest on borrowings	\$ 7,404,724	\$ 5,133,464
Accrued expenses and accounts payable	775,902	626,555
Mortgage payable	4,135,503	4,274,704
Funded debt (Appendix I-3)	632,320,977	513,556,059
Special Reserve (Note F)	14,687,284	10,388,686
Staff Retirement Plan Reserve (Note L)	9,613,292	7,657,731
Fund for Special Supervision and Inspection of loans (Note K)	994,524	465,297
Capital		
Capital Stock (Appendix I-5) (Note D)		
Authorized December 31, 1968—315,000 shares; December 31, 1967—215,000 shares; of \$10,000 par value each		
Subscribed shares 1968—225,959½; 1967—177,883	\$2,259,595,000	\$1,778,830,000
Less—Callable portion	1,875,945,000	1,395,180,000
	383,650,000	383,650,000
General reserve (Appendix I-2) (Notes E, H and I)	45,267,343	32,823,737
Contingent liability—Loan participation as of December 31, 1968 sold under guarantee (Note J) \$316,670		
Total liabilities, reserves, fund balance and capital	\$1,098,849,549	\$958,576,233

ORDINARY CAPITAL RESOURCES

APPENDIX I-2

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

STATEMENT OF INCOME AND EXPENSES AND GENERAL RESERVE

FOR THE YEARS ENDED DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix I-7

Income

	1968	1967
From loans (Note I)		
Interest	\$21,628,769	\$17,723,981
Commitment charges	3,391,861	3,127,859
Commissions (Note F)	4,298,598	3,578,258
	<u>\$29,319,228</u>	<u>\$24,430,098</u>
From investments	24,758,418	20,256,364
From other sources	951,181	81,467
Gross income	<u>55,028,827</u>	<u>44,767,929</u>
Deduct commissions allocated to Special Reserve (Note F)	4,298,598	3,578,258
Gross income less reserve deduction	<u>50,730,229</u>	<u>41,189,671</u>

Expenses

Administrative expenses (Notes G and L)		
Board of Governors		
Annual meeting	104,901	121,820
Board of Executive Directors		
Salaries	180,420	234,559
Other compensation and benefits	45,308	65,746
Travel	66,050	82,794
Review and evaluation group	14,590	
Staff		
Salaries	3,752,888	4,762,631
Other compensation and benefits	1,242,725	1,602,228
Travel	458,328	636,431
Other administrative expenses		
Communications	248,940	347,052
Office occupancy	509,353	564,295
Publications and printing	68,601	121,207
Supplies and equipment	251,711	217,792
Miscellaneous (Note I)	585,305	756,669
Field offices		
Salaries	295,669	324,686
Other	848,793	1,115,414
	<u>8,673,582</u>	<u>10,953,324</u>
Depreciation (Appendix II-7, Note G)	67,366	97,617
	<u>8,740,948</u>	<u>11,050,941</u>
Less amounts charged to Social Progress Trust Fund for indirect and overhead expenses by Bank as Administrator (Appendix III-6, Note B)	737,524	1,057,984
Total administrative expenses including depreciation	<u>8,003,424</u>	<u>9,992,957</u>
Interest on borrowings	27,615,251	21,373,642
Amortization of debt discount and expense	822,799	676,428
	<u>36,441,474</u>	<u>32,043,027</u>
Net income (Notes E, H and I)	14,288,755	9,146,644
General reserve beginning of year	32,823,737	23,677,093
Less special charge (Note I)	1,845,149	
General reserve end of year (Notes E, H and I)	<u>\$45,267,343</u>	<u>\$32,823,737</u>

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

FUNDED DEBT OF THE BANK

DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix I-7

Payable in United States dollars:

	1968	1967
4¼% Twenty-Year Bonds of 1962, due December 15, 1982 (*)	\$ 70,000,000	\$ 75,000,000
4½% Twenty-Year Bonds of 1964, due April 1, 1984 (*)	50,000,000	50,000,000
4½% Twenty-Year Bonds of 1964, due November 1, 1984 (*)	100,000,000	100,000,000
5.20% Twenty-Five Year Bonds of 1967, due January 15, 1992 (*)	50,000,000	50,000,000
6½% Twenty-Five Year Bonds of 1967, due November 15, 1992 (including \$11,800,000 sold on May 15, 1968 under delayed delivery contracts—proceeds \$11,726,250) (*)	60,000,000	60,000,000
6½% Twenty-Five Year Bonds of 1968, due November 1, 1993 (including \$1,700,000 obligated for sale on May 1, 1969 under delayed delivery contracts—proceeds \$1,691,500) (*)	70,000,000	
4¾% Loan of April 1, 1965 from Instituto Español de Moneda Extranjera, Spain, payable in annual installments from 1970 through 1977	12,500,000	12,500,000
6% Loan of November 1, 1968 from Bank of Finland due November 1, 1973	1,100,000	
Short-Term Bonds, First Issue April 15, 1966—		
5½% Two-Year Bonds due April 15, 1968 (paid at maturity)		29,000,000
5¼% Five-Year Bonds due April 15, 1971	11,000,000	11,000,000
Short-Term Bonds, Second Issue April 15, 1967—		
5% One-Year Bonds due April 15, 1968 (paid at maturity)		16,000,000
5½% Two-Year Bonds due April 15, 1969	14,000,000	14,000,000
Short-Term Bonds, Third Issue April 15, 1968—		
5½% One-Year Bonds due April 15, 1969	17,650,000	
6% Two-Year Bonds due April 15, 1970	25,350,000	

Payable in non-member currencies:

5% Italian Lire Bonds of 1962, due April 1, 1982 (Lit. 15,000,000,000)	24,000,000	24,000,000
5½% German Deutsche Mark Bonds of 1964, due July 1, 1979 payable in annual installments from 1970 through 1979 (DM 60,000,000)	15,000,000	15,000,000
5½% English Sterling Stock of 1964, due October 1, 1984 (£3,000,000) (*)	7,200,000	7,200,000
6% Italian Lire Bonds of 1966, due January 1, 1986 (Lit. 15,000,000,000) (*)	24,000,000	24,000,000
5% Loan from the Export-Import Bank of Japan under agreement dated June 27, 1966 which provides a maximum of Yen 3,600,000,000 (equivalent to U.S. \$10,000,000) repayable in semi-annual installments from 1971 through 1981—borrowed as of December 31, 1968, Yen 3,600,000,000; as of December 31, 1967, Yen 3,032,013,890	10,000,000	8,422,261
5¾% Swiss Franc Bonds of 1966, due September 15, 1981 redeemable in annual installments from 1972 through 1981 (Sw. F. 50,000,000)	11,433,798	11,433,798
7% Belgian Franc Bonds of 1967, due November 30, 1982 redeemable in annual installments from 1973 through 1982 (BF 300,000,000)	6,000,000	6,000,000
6¾% German Deutsche Mark Bonds of 1968, due July 1, 1983 payable in annual installments from 1972 through 1983 (DM. 100,000,000)	25,000,000	
7% Dutch Guilder Bonds of 1968, due July 15, 1988 payable in annual installments from 1979 through 1988 (F. 30,000,000)	8,287,293	
5½% Swiss Franc Bonds of 1968, due September 30, 1983 redeemable in annual installments from 1978 through 1983 (Sw. F. 60,000,000)	13,720,558	
6½% Loan from the Export-Import Bank of Japan under agreement dated October 2, 1968 which provides a maximum of Yen 3,600,000,000 (equivalent to U.S. \$10,000,000) repayable in semi-annual installments from 1971 through 1983—borrowed as of December 31, 1968, Yen 111,634,867	310,097	
6¾% Austrian Schilling Bonds of 1968, due December 1, 1980 payable in annual installments from 1973 through 1980 (S. 150,000,000)	5,769,231	
Total	\$632,320,977	\$513,556,059

Each issue is subject to redemption prior to maturity at the option of the Bank at the prices and upon the conditions stated in the respective bonds and notes except the first installment of the loan from Instituto Español de Moneda Extranjera, Spain and the Short-Term Bonds, which may not be paid prior to maturity. The issues indicated by asterisk (*) are subject to sinking fund requirements to redeem a portion of the bonds prior to their maturity. Sinking fund requirements and funded debt

maturities for the years 1969 through 1973 aggregate the equivalent of approximately \$37,000,000, \$42,000,000, \$28,000,000, \$22,000,000 and \$24,000,000, respectively.

In January 1969 the Bank completed negotiations for a borrowing in the dollar equivalent of \$25,000,000 in a non-member country and is currently negotiating with another non-member country for a borrowing in the dollar equivalent of \$24,000,000.

ORDINARY CAPITAL RESOURCES

APPENDIX I-4

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

SUMMARY STATEMENT OF LOANS

DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix I-7

Member in whose territory loans have been made (1)	Total loans approved by Bank since inception, less cancellations (2)	Principal repayments to Bank	Loans sold or agreed to be sold	Approved loans held by Bank			Currency in which outstanding portion of approved loans held by Bank is repayable		
				Total	Undisbursed	Outstanding	United States dollars	Member's currency	Non-member currency
Argentina	\$ 180,242,882	\$16,079,865	\$ 6,406,230	\$157,756,787	\$ 72,856,596	\$ 84,900,191	\$ 56,535,131	\$14,584,990	\$13,780,070
Brazil	261,946,172	15,043,961	3,548,094	243,354,117	116,142,973	127,211,144	95,607,970	23,205,157	8,398,017
Chile	88,377,876	11,237,717	5,978,600	71,161,559	14,391,073	56,770,486	37,923,565	6,159,411	12,687,510
Colombia	132,111,601	7,231,369	3,743,554	121,136,678	70,081,777	51,054,901	37,920,825	5,590,996	7,543,080
Costa Rica	13,071,840	1,758,300	1,550,325	9,763,215	1,070,686	8,692,529	7,889,891	802,638	
Dominican Republic	6,000,000	442,122	200,000	5,357,878	1,869,656	3,488,222	1,535,387	855,556	1,097,279
Ecuador	9,336,330	472,330	257,143	8,606,857	3,721,461	4,885,396	4,776,396	84,000	25,000
El Salvador	6,958,163	748,991	250,500	5,958,672	1,680,981	4,277,691	3,539,770	737,921	
Guatemala	11,291,666	2,159,408	725,000	8,407,258	1,847,322	6,559,936	5,597,837	962,099	
Honduras	460,474	390,427	60,000	10,047		10,047	10,047		
Mexico	174,682,576	12,559,481	8,074,420	154,048,675	86,703,408	67,345,267	49,041,547	9,838,389	8,465,331
Nicaragua	15,830,000	744,554	1,919,000	13,166,446	5,606,684	7,559,762	7,190,692	8,912	360,158
Panama	1,500,000			1,500,000	936,239	563,761	259,725	304,036	
Paraguay	6,049,996	1,040,383	429,286	4,580,327	3,112,655	1,467,672	1,357,672	110,000	
Peru	34,383,917	3,287,824	3,072,125	28,023,968	8,387,795	19,636,173	15,470,741	2,783,211	1,382,221
Uruguay	34,393,000	2,802,018	951,395	30,639,587	22,591,866	8,047,721	6,361,706	1,443,544	242,471
Venezuela	85,050,975	5,897,536	8,079,308	71,074,131	41,613,674	29,460,457	19,631,499	8,686,852	1,142,106
Regional	20,000,000		1,000,000	19,000,000	13,739,596	5,260,404	3,697,743		1,562,661
Total	\$1,081,687,468	\$81,896,286	\$46,244,980	\$953,546,202	\$466,354,442(3)	\$487,191,760	\$354,348,144	\$76,157,712	\$56,685,904

(1) The Bank makes loans to its members or political subdivisions of its members or to private enterprises located in the territories of its members. For loans to borrowers other than members and central banks, the Bank in many instances has received either the member's guarantee or other security deemed appropriate by the Bank.

(2) All of the loans have been approved by the Bank, but certain loans have not become effective and disbursements thereunder will not begin until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank.

(3) Of the undisbursed balances, the Bank has entered into irrevocable commitments to disburse approximately \$25,500,000.

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix I-7

Member	Shares	Percent of total	Total subscribed capital	Amount received or to be received (Note D)			Callable portion of subscribed capital	Number of votes	Percent of total
				United States dollars	Member currency	Non-negotiable, non-interest- bearing demand obligations			
Argentina	28,515	12.62	\$ 285,150,000	\$ 25,785,000	\$15,051,199	\$10,733,801	\$ 233,580,000	28,650	12.52
Bolivia	2,289	1.01	22,890,000	2,070,000	220,000	1,850,000	18,750,000	2,424	1.06
Brazil	28,515	12.62	285,150,000	25,785,000	25,785,000		233,580,000	28,650	12.52
Chile	7,830	3.47	78,300,000	7,080,000	7,080,000		64,140,000	7,965	3.48
Colombia	7,823½	3.46	78,235,000	7,075,000	7,075,000		64,085,000	7,958½	3.48
Costa Rica	1,144½	.51	11,445,000	1,035,000	1,035,000		9,375,000	1,279½	.56
Dominican Republic	1,527	.67	15,270,000	1,380,000	1,380,000		12,510,000	1,662	.73
Ecuador	1,527	.67	15,270,000	1,380,000	1,380,000		12,510,000	1,662	.73
El Salvador	1,144½	.51	11,445,000	1,035,000	1,035,000		9,375,000	1,279½	.56
Guatemala	1,527	.67	15,270,000	1,380,000	1,380,000		12,510,000	1,662	.73
Haiti	1,144½	.51	11,445,000	1,035,000	1,035,000		9,375,000	1,279½	.56
Honduras	1,144½	.51	11,445,000	1,035,000	1,035,000		9,375,000	1,279½	.56
Mexico	18,330	8.11	183,300,000	16,575,000	16,575,000		150,150,000	18,465	8.07
Nicaragua	1,144½	.51	11,445,000	1,035,000	1,035,000		9,375,000	1,279½	.56
Panama	1,144½	.51	11,445,000	1,035,000	782,000	253,000	9,375,000	1,279½	.56
Paraguay	1,144½	.51	11,445,000	1,035,000	1,035,000		9,375,000	1,279½	.56
Peru	3,821	1.69	38,210,000	3,455,000	3,455,000		31,300,000	3,956	1.72
Trinidad and Tobago (Note D)	1,144½	.51	11,445,000	1,035,000	474,020	560,980	9,375,000	1,279½	.56
United States	96,764	42.82	967,640,000	150,000,000			817,640,000	96,899	42.35
Uruguay	3,057½	1.35	30,575,000	2,765,000	1,855,563	909,437	25,045,000	3,192½	1.40
Venezuela	15,277½	6.76	152,775,000	13,815,000	8,845,603	4,969,397	125,145,000	15,412½	6.73
Total	225,959½	100.00	\$2,259,595,000	\$266,825,000	\$97,548,385	\$19,276,615	\$1,875,945,000	228,794½	100.00

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

STATEMENT OF CURRENCIES AND DEMAND OBLIGATIONS HELD BY THE BANK

DECEMBER 31, 1968

See Notes to Financial Statements—Appendix I-7

Member	Unit of currency	Due from banks		Non-negotiable, non-interest-bearing demand obligations		Total	
		Amount in local currency	Expressed in United States dollars	Amount in local currency	Expressed in United States dollars	Amount in local currency	Expressed in United States dollars
Argentina	Peso	781,601,150	\$ 2,233,146	3,756,830,459	\$10,733,801	4,538,431,609	\$12,966,947
Bolivia	Peso Boliviano	221,327	18,638	21,968,750	1,850,000	22,190,077	1,868,638
Brazil	Cruzeiro	17,401,776	4,789,387			17,401,776	4,789,387
Chile	Escudo	10,334,908	1,363,445			10,334,908	1,363,445
Colombia	Peso	33,510,381	2,142,586			33,510,381	2,142,586
Costa Rica	Colon	2,006,863	302,011			2,006,863	302,011
Dominican Republic	Peso	428,922	428,922			428,922	428,922
Ecuador	Sucre	20,015,875	1,111,993			20,015,875	1,111,993
El Salvador	Colon	711,633	284,653			711,633	284,653
Guatemala	Quetzal	287,270	287,270			287,270	287,270
Haiti	Gourde	4,843,304	968,661			4,843,304	968,661
Honduras	Lempira	1,752,395	876,197			1,752,395	876,197
Mexico (Note C)	Peso	109,699,824	8,775,986			109,699,824	8,775,986
Nicaragua	Cordoba	6,514,303	930,615			6,514,303	930,615
Panama	Balboa	300,223	300,223	253,000	253,000	553,223	553,223
Paraguay	Guarani	100,184,399	795,114			100,184,399	795,114
Peru	Sol	31,716,090	812,370			31,716,090	812,370
Trinidad and Tobago	T.T. Dollar	31,088	15,544	1,121,960	560,980	1,153,048	576,524
United States	Dollar	355,537	355,537			355,537	355,537
Uruguay	Peso	93,664,816	374,659	227,359,323	909,437	321,024,139	1,284,096
Venezuela	Bolivar	3,044,972	673,228	22,362,285	4,969,397	25,407,257	5,642,625
			27,840,185		19,276,615		47,116,800
Non-member							
Austria	Austrian Schilling	76,927	2,959			76,927	2,959
Belgium	Belgian Franc	296,883	5,938			296,883	5,938
England	Pound Sterling	90,786	217,886			90,786	217,886
Germany	Deutsche Mark	2,952,640	738,160			2,952,640	738,160
Italy	Lira	40,539,548	64,863			40,539,548	64,863
Japan	Japanese Yen	12,808,260	35,578			12,808,260	35,578
Netherlands	Netherland Guilder	290,864	80,349			290,864	80,349
Switzerland	Swiss Franc	180,608	41,301			180,608	41,301
			1,187,034				1,187,034
Total expressed in United States dollars			\$29,027,219		\$19,276,615		\$48,303,834

INTER-AMERICAN DEVELOPMENT BANK—ORDINARY CAPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1968

Note A

Amounts in member currencies other than United States dollars have been translated into United States dollars at the rates at which the amounts were received or loaned by the Bank, except for the undisbursed balances and accrued charges on certain loans denominated in member currencies other than United States dollars which have been translated into United States dollars at the approximate market rates of exchange existing at December 31, 1968. The non-member currency proceeds of the funded debt have been translated into United States dollars at par value rates of exchange. Amounts of loans approved and loans sold or agreed to be sold which are denominated in other non-member currencies have been translated into United States dollars at the approximate market rates of exchange existing at December 31, 1968. No representation is made that any of such currencies is convertible into any other of such currencies at any rate or rates.

Note B

In accordance with Article V, Section 3 of the Agreement Establishing the Bank (Agreement), each member is required, if the par value of its currency is reduced or if the foreign exchange value of its currency depreciates to a significant extent, to pay to the Bank (Ordinary Capital) an additional amount of its own currency sufficient to maintain the value of all the currency of the member held by the Bank, excepting currency derived from borrowings by the Bank; likewise the Bank (Ordinary Capital) is required, if the par value of a member's currency is increased or the foreign exchange value of such member's currency appreciates to a significant extent, to pay such member an amount of its currency equal to the increase in value of such member's currency which is held by the Bank, excepting currency derived from borrowings by the Bank. The standard of value for these purposes shall be the United States dollar of the weight and fineness in effect on January 1, 1959.

Note C

In accordance with the provisions of Article V, Section 1 of the Agreement the use of these funds by the Bank or any recipient from the Bank has been restricted by the member to making payments for goods and services produced in its territory.

Note D

As of December 31, 1967 the authorized ordinary capital of the Bank was \$2,150,000,000 in terms of United States dollars of the weight and fineness in effect on January 1, 1959. Of the authorized capital \$475,000,000 is "paid-in" capital and \$1,675,000,000 is "callable" capital. The authorized capital includes \$300,000,000 (of which \$75,000,000 is "paid-in" and \$225,000,000 is "callable") approved by the Board of Governors in 1964 as capital to be available in the case of expansion of the Bank's membership.

In 1967 Trinidad and Tobago became a member of the Bank having subscribed to 901 shares of capital stock for a total of \$9,010,000 of which \$2,070,000 is "paid-in" and \$6,940,000 is "callable". Of the subscribed "paid-in" capital, 60% has been paid by Trinidad and Tobago and the balance of 40% is to be paid not later than July 10, 1969.

As of December 31, 1967 member countries had subscribed to a total of 177.883 shares of authorized capital equal to \$1,778.830,000 of which \$383,650,000 is "paid-in" capital and \$1,395,180,000 is "callable" capital.

On June 20, 1968 the Board of Governors approved an increase of \$1,000,000,000 in authorized callable capital at the subscription price of \$10,000 per share. The subscriptions to this increase are to be effected in two equal installments, the first by October 31, 1968 and the second by a date in 1970 to be determined by the Board of Executive Directors. Each installment of the subscription of each member will become effective only upon the fulfillment of a number of conditions, including the subscription by members of at least 75% of the total of the respective installments of all members. This increase in authorized callable capital raised the total authorized capital to 315,000 shares equal to \$3,150,000,000 of which \$475,000,000 is "paid-in" capital and \$2,675,000,000 is "callable" capital. As of December 31, 1968, all member countries had subscribed to one-half of their respective quotas of the increase in callable capital for 48,076 1/2 shares equal to \$480,765,000. These subscriptions to additional shares of callable capital raised the total of subscribed capital to \$2,259,595,000 of which \$383,650,000 is "paid-in" capital and \$1,875,945,000 is "callable" capital.

The subscribed "paid-in" capital has been or is to be paid 50% in gold and/or United States dollars and 50% in the currency of the respective member except that non-negotiable, non-interest-bearing demand obligations have been accepted or will be accepted, as permitted under the provisions of Article V, Section 4 of the Agreement, in lieu of part of the payment required to be made in the member's currency. The subscribed "callable" portion of the authorized Ordinary Capital shall be called only when required to meet the obligations of the Bank created by borrowing or by guaranteeing loans with respect to the Ordinary Capital and is payable at the option of the member either in gold, United States dollars or the currency required to discharge the obligation of the Bank for the purpose for which the call is made.

ORDINARY CAPITAL RESOURCES

FINANCIAL STATEMENTS

In December 1968 the Board of Governors authorized the President of the Bank to accept Barbados as a member of the Bank upon fulfillment of the formal conditions for membership.

Note E

Pursuant to actions of the Board of Governors the net income from the Ordinary Capital resources of the Bank has been allocated to a general reserve for possible future losses and, until further action by the Board of Governors, the net income of each year will be allocated automatically to such reserve.

Note F

The amount of commissions received by the Bank on loans made out of or by commitment of the Ordinary Capital resources is required under Article III, Section 13 of the Agreement to be set aside as a special reserve to be kept available for meeting the Bank's obligations created by borrowing or by guaranteeing loans. On all loans granted to date the rate of commission is 1% per annum.

Note G

Article III, Section 3 (b) of the Agreement provides: "Expenses pertaining directly to ordinary operations shall be charged to the ordinary capital resources of the Bank. Expenses pertaining directly to special operations shall be charged to the resources of the Fund [for Special Operations]. Other expenses shall be charged as the Bank determines". For each of the years through 1968 expenses which have been deemed to be not identifiable as pertaining directly to either the Ordinary Capital or the Fund for Special Operations have been distributed pursuant to the decisions of the Board of Executive Directors. In 1967 these expenses were charged $\frac{2}{3}$ to the income of the Ordinary Capital and $\frac{1}{3}$ to the income of the Fund for Special Operations.

Due to the increase in lending activities of the Fund for Special Operations, the Board of Executive Directors decided that commencing with the year 1968, the administrative expenses of the Bank not identifiable as pertaining directly to either the ordinary operations or the special operations of the Bank, shall be charged to the income from the Ordinary Capital and to the income from the Fund for Special Operations, respectively, in the proportions, rounded to the nearest whole per cent, which the cumulative loan commitments (adjusted for cancellations, principal repayments and participations sold) of each resource bear to the total of such adjusted commitments at the close of the preceding year. During 1968 expenses which have been deemed to be not identifiable as pertaining directly to either the Ordinary Capital or the Fund for Special Operations have been charged 46% to the income of the Ordinary Capital and 54% to the income of the Fund for Special Operations. In 1968 the administrative expenses of the Ordinary Capital are approximately \$3,475,000 less than they would have been had the rate of distribution applied in 1967 been used.

Note H

Under the provisions of Article VI of the Agreement the Bank may, at the request of any member or members or of private firms that may obtain loans from it, provide technical advice and assistance.

At December 31, 1968 the amount approved by the Bank for expenditures in the future for technical assistance projects was \$1,855,911. Pursuant to resolutions passed by the Board of Executive Directors all technical assistance expenditures after January 1, 1963 are to be charged first to the net income of the Fund for Special Operations, including income accumulated in the general reserve of that Fund, and thereafter to the net income of the Ordinary Capital.

Note I

One of the Bank's borrowers, a private enterprise in Brazil, defaulted on the interest and principal payments due June 15, 1966, on two loans. The Bank instituted foreclosure proceedings in November 1966, under the first mortgages held by the Bank on the plant, equipment and forest lands to secure its claim against the borrower. The total amount of these loans as of that date was the equivalent of US\$8,400,345, including the unpaid principal amount of US\$7,981,692 and accrued interest of US\$418,653 from December 15, 1965. The Brazilian court of the first instance authorized the seizure of the mortgaged property by the Bank's representative, and on June 30, 1967, upheld the Bank's right to foreclose on the properties. In December 1968 the Supreme Court of Brazil upheld the Bank's right to foreclose on the properties. Subject to additional legal requirements as to procedure, the mortgaged properties will be offered for sale at public auction. The amount to be obtained from sale or other disposition of the properties cannot be determined at this time.

Another of the Bank's borrowers, a private enterprise in Argentina, defaulted on interest and principal payments which were due June 15 and December 15, 1966 on two loans. The Bank instituted foreclosure proceedings on March 31, 1967 under the first mortgage on the land and under

chattel mortgages on improvements and the equipment. As of that date the total amount of these loans was the equivalent of US\$2,799,271 including the unpaid principal amount of US\$2,651,609 and accrued interest of US\$147,662 from December 15, 1965 through December 31, 1966. Under the proceedings the Bank has been adjudicated the legal owner of the mortgaged property. During the period from September 1968 to December 1968 the Bank sold at public auction the machinery, equipment and land and buildings for the equivalent of US\$954,122. As of December 31, 1968 cash proceeds of \$388,915 had been received and the balance in the equivalent of US\$565,207 which is secured by chattel mortgages and a mortgage on the real estate is to be paid in semiannual installments with interest through 1972. The total amount received and to be received (US\$954,122) was applied against the outstanding amounts owed by the borrower and in December 1968 the balance (US\$1,845,149) was charged against the General Reserve of the Ordinary Capital upon approval by the Board of Executive Directors.

Costs and expenses associated with these loans are being charged to expense as incurred. In the years ended December 31, 1967 and December 31, 1968 the amounts so charged were \$398,588 and \$263,008, respectively.

Note J

In 1966 the Bank sold a participation in the amount of \$400,000 in one of its loans on which the payment of both interest and principal is unconditionally guaranteed by the Bank. The participation bears interest at $4\frac{3}{4}\%$ per annum and is repayable in 24 semiannual installments with the final payment due May 16, 1978. The outstanding balance at December 31, 1968 is \$316,670.

Note K

In accordance with the loan contracts borrowers have agreed to special charges to cover costs of extraordinary supervision and inspection services performed in connection with projects financed under the loans. Beginning in 1966 the Bank established a special fund in each of the separate windows of the Bank (Ordinary Capital, Fund for Special Operations and Social Progress Trust Fund) to accumulate the amounts charged under the special provisions of the loans. Each loan is charged pursuant to the contract and the offsetting credit is accumulated in an account called "Fund for Special Supervision and Inspection of loans". Expenses associated with supervision and inspection of these loans which are over and above those normally and routinely performed by the Bank are charged to the respective accounts. There follows a summary of transactions in the Ordinary Capital account for 1968 and 1967.

	1968	1967
Balance beginning of period	\$465,297	\$ 27,046
Charges against loans	855,303	488,914
Less expenses incurred in special supervision and inspection of loan projects, principally salaries of specialists	326,076	50,663
Balance end of period	<u>\$994,524</u>	<u>\$465,297</u>

Note L

The Bank has a Staff Retirement Plan for the benefit of its employees which became effective as of February 1, 1961 and was last amended as of July 1, 1965. Every staff member under 65 becomes a participant as a condition of service. Each participant contributes a percentage of his remuneration to the Plan and the Bank contributes the part of the cost and expenses of the Plan not provided by the contributions of participants. Contributions by the Bank are charged to expense. Contributions to the Plan during 1968 by the Bank—Ordinary Capital and the Bank—Fund for Special Operations were \$607,435 and \$713,076 respectively. There was no unfunded liability as of December 31, 1967, the latest date through which actuarial computations have been made for the Plan.

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans		Repaid	Outstanding	Approved (Signed)	Interest (Maturity)
ARGENTINA											
Banco de la Provincia de Entre Ríos	Industrial, mining and agricultural credits (\$30,000,000)	Project completed; 17 agricultural credits for \$1,168,202 and 138 industrial credits for \$12,414,150 financing projects worth \$58,063,195 authorized	Pesos ¹	668,497	668,497	246,936	421,561	7/13/61	5¼%	(1966-73)	
Banco Provincial de Santa Fe)			U.S. dollars	11,755,653	11,755,653	4,311,103	7,444,550	(8/18/61)			
Banco de la Provincia de Córdoba			Total in U.S. dollars	12,424,150	12,424,150	4,558,039	7,866,111				
Public entities											
Agua y Energía Eléctrica, Empresa del Estado (Republic of Argentina)	Feasibility study of hydro-electric project in Northern Patagonia (\$630,000)	Project completed	Pesos ¹	252,000	252,000	252,000		8/3/61	5¼%	(Repaid)	
Public entity			U.S. dollars	378,000	378,000	378,000		(8/28/61)			
			Total in U.S. dollars	630,000	630,000	630,000					
Tool Research Argentina, Sociedad Anónima Industrial y Comercial (Banco Provincial de Santa Fe)	Construction of auto components plant in Santa Fe (\$2,039,000)	Project completed	U.S. dollars	252,000	252,000	126,000	126,000	10/5/61	5¼%	(1964-73)	
Private entity								(12/13/61)			
Vialsa, S.A.	Construction of prefabricated housing plant in Buenos Aires (\$3,526,000)	Project terminated	U.S. dollars	1,174,122	1,174,122	1,174,122		12/14/61	5¼%	(Repaid)	
Private entity								(12/15/61)			
Sociedad Anónima "La Merced" (Garovaglio y Zorraquín, Ltda.)	Irrigation of private agricultural property in Province of Jujuy (\$1,457,000)	Project completed; 9,527 acres under cultivation	Pesos		7,221,500	6,052,059	1,169,441	12/21/61	5¼%	(1965-74)	
Private entity			U.S. dollars	429,706	429,706	170,186	259,520	(3/5/62)			
			Total in U.S. dollars	487,651	487,651	192,720	294,931				
Agua y Energía Eléctrica, Empresa del Estado (Republic of Argentina)	Expansion of electric power generating, transmission and distribution facilities in Santa Fe and Rosario (\$40,000,000)	Project completed	Pesos		232,400,000	96,559,974	135,840,026	12/21/61	5¼%	(1966-77)	
Public entity			U.S. dollars	8,000,000	8,000,000	1,522,028	6,477,972	(3/22/62)			
			Total in U.S. dollars	9,671,765	9,671,756	1,840,086	7,831,670				
Corporación Entrerriana de Citrus, Sociedad Anónima de Economía Mixta, Industrial, Comercial y Financiera (Province of Entre Ríos)	Construction of citrus processing plant in Concordia (\$3,413,000)	Project completed	Pesos ¹	337,000	337,000	337,000		2/21/62	5¼%	(1964-76)	
Public entity			U.S. dollars	1,300,000	1,300,000	151,192	1,148,808	(4/6/62)			
			Total in U.S. dollars	1,637,000	1,637,000	488,192	1,148,808				
Armetal, Industria Argentina de Metales, S.A. (Banco Industrial de la República Argentina)	Construction of auto components plant in Pacheco, Province of Buenos Aires (\$5,169,000)	Project completed	Pesos ¹	170,000	170,000	106,250	63,750	3/8/62	5¼% ²	(1964-70)	
Private entity			Italian lire	293,878,955	293,878,955	183,674,345	110,204,610	(5/31/62)			
			U.S. dollars	848,002	848,002	721,729	126,273				
			Total in U.S. dollars	1,488,208	1,488,208	1,121,858	366,350				
COMINCO, Sociedad Anónima, Comercial, Industrial, Inmobiliaria y Financiera (Banco Industrial de la República Argentina)	Construction of chipboard plant at Partido del Tigre, Province of Buenos Aires (\$1,216,000)	Project completed	Pesos ¹	29,000	29,000	21,091	7,909	2/21/63	5¼%	(1965-70)	
Private entity			U.S. dollars	201,706	201,706	146,695	55,011	(8/13/63)			
			Total in U.S. dollars	230,706	230,706	167,786	62,920				
Banco de la Nación Argentina	Credits for agricultural mechanization (\$83,293,000)	Project completed	Pesos ¹	7,500,000	7,500,000	978,261	6,521,739	4/16/63	5¼% ²	(1967-78)	
Public entity			Italian lire	3,100,000,000	3,100,000,000	404,347,827	2,695,652,173	(6/27/63)			
			U.S. dollars	12,500,000	12,500,000	1,630,435	10,869,565				
			Total in U.S. dollars	24,960,000	24,960,000	3,255,652	21,704,348				
CARBOCLOR, Industrias Químicas, S.A.I.C. (Banco Industrial de la República Argentina)	Construction of petrochemical plant near Buenos Aires (\$10,220,000)	Project completed	U.S. dollars	2,500,000	2,500,000		2,500,000	6/20/63	5¼%	(1970-76)	
Private entity							(7/12/63)				
Frigoríficos Argentinos, S.A.I.C. (Banco Industrial de la República Argentina)	Expansion of meat packing plant (\$4,903,000)	Project completed	Pesos ¹	189,000	189,000	63,000	126,000	12/17/63	5¼%	(1966-73)	
Private entity			U.S. dollars	1,328,000	1,328,000	442,667	885,333	(12/18/63)			
			Total in U.S. dollars	1,517,000	1,517,000	505,667	1,011,333				

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
ARGENTINA (Cont'd.)									
Banco Central de la República Argentina Public entity	Capital goods exports (\$6,636,000)	Exports of capital goods whose invoice value is \$5,711,800	Original commitment	3,000,000				4/8/64 (4/15/64)	6½% (1965-72)
			Available from repay- ments	1,645,290					
			Total in U.S. dollars	4,645,290	3,222,303	1,645,290	1,577,013		
Empresa Provincial de Energía de Córdoba (Province of Córdoba) Public entity	Expansion of electric power generating and transmission facilities in Córdoba (\$10,029,000)	Project underway	Pesos ¹	2,000,000	128,571		128,571	7/30/64 (2/21/67)	5¾% (1970-72)
			U.S. dollars	2,500,000	9,000	9,000			
			Total in U.S. dollars	4,500,000	137,571	137,571			
ADAMAS, Sociedad Anónima, Industrial, Comercial e Inmobiliaria (Banco Industrial de la República Argentina) Private entity	Expansion of specialty paper and cardboard plant in San Justo near Buenos Aires (\$3,054,000)	Project completed	Deutsche marks	3,000,000	3,000,000	400,000	2,600,000	10/15/64 (1/28/65)	6% ⁴ (1968-75)
			U.S. dollars	750,000	750,000	100,000	650,000		
			Total in U.S. dollars	1,500,000	1,500,000	200,000	1,300,000		
Banco de la Nación Argentina Public entity	Continuation of credits for agricultural mechanization (\$207,300,000)	Project completed; 81,149 credits for \$130,000,000 author- ized with this and loan for \$24,960,000 shown above	Pesos ¹	3,000,000	3,000,000	360,000	2,640,000	12/10/64 (12/11/64)	6% ⁴ (1967-79)
			Deutsche marks	24,000,000	24,000,000	2,880,000	21,120,000		
			U.S. dollars	6,000,000	6,000,000	720,000	5,280,000		
			Total in U.S. dollars	15,000,000	15,000,000	1,800,000	13,200,000		
Petrosur, S.A.I.C. (Banco Industrial de la República Argentina) Private entity	Construction of petrochemi- cal complex at Campana, Buenos Aires Province (\$21,050,000)	Project completed	Pesos ¹	500,000	500,000		500,000	4/8/65 (12/6/65)	6% ⁵ (1969-75)
			Pounds sterling	1,250,000	1,250,000		1,250,000		
			U.S. dollars	6,525,000	5,632,460		5,632,460		
			Total in U.S. dollars	10,025,000	9,132,460		9,132,460		
Banco Industrial de la República Argentina Public entity	Industrial credits (\$57,500,000)	50 credits for projects worth \$97,971,985 authorized	U.S. dollars	15,000,000	11,374,349		11,374,349	4/8/65 (7/8/65)	6% (1969-80)
Municipalidad de la Ciudad de Buenos Aires (Republic of Argentina) Public entity	Construction of water, sewage, power and street facilities for urban renewal project in Buenos Aires (\$45,030,000)	Project 25% complete	Pesos ¹	4,000,000	968,359		968,359	11/3/66 (2/21/67)	6% (1970-87)
			U.S. dollars	3,000,000	726,269		726,269		
			Total in U.S. dollars	7,000,000	1,694,627		1,694,627		
Agua y Energía Eléctrica, Empresa del Estado (Republic of Argentina) Public entity	Expansion of electric power facilities in Mar del Plata, Santiago del Estero and Mendoza (\$42,670,000)	Construction of Mendoza and Mar del Plata facilities initiated	Pesos ¹	3,000,000	1,028,596		1,028,596	2/2/67 (2/21/67)	6½% ⁶ (1971-83)
			Swiss francs	17,492,000	1,502,538		1,502,538		
			U.S. dollars	13,650,000	1,043,008		1,043,008		
			Total in U.S. dollars	20,650,000	2,415,199		2,415,199		
Republic of Argentina Public entity	Improvement of grain ele- vators in ports of Concep- ción del Uruguay, Rosario, San Nicolás, Buenos Aires, Quequén and Ingeniero White (\$14,362,000)		Pesos ¹	3,600,000	789,396		789,396	7/20/67 (12/5/67)	6½% (1971-82)
			Yen	60,157,721	60,157,721		60,157,721		
			U.S. dollars	3,332,895	350,000		350,000		
			Total in U.S. dollars	7,100,000	1,306,501		1,306,501		
Republic of Argentina Public entity	Improvement of highways to Chile and Bolivia, and con- struction of Paraná River bridge between Corrientes and Chaco Provinces (\$27,234,000)		Pesos ¹	1,200,000				12/28/67	7¾% (1972-83)
			U.S. dollars	11,650,000					
			Total in U.S. dollars	12,850,000					
Banco Industrial de la República Argentina Public entity	Industrial credits (\$33,000,000)		U.S. dollars	10,000,000				8/15/68 (10/31/68)	7¾% (1972-83)
Compañía Italo-Argentina de Electricidad (Banco Industrial de la República Argentina) Private entity	Expansion of electric power for Buenos Aires (\$54,300,000)		Deutsche marks	36,000,000				12/19/68	7¾% ¹¹ (1973-84)
			U.S. dollars	6,000,000					
			Total in U.S. dollars	15,000,000					
TOTAL LOANS TO ARGENTINA EXPRESSED IN U.S. DOLLARS				180,242,882	102,755,603	17,705,412	85,050,191		
Less: Participations				6,406,230	1,775,547	1,625,547	150,000		
Net total loans to Argentina expressed in U.S. dollars				173,836,652	100,980,056	16,079,865	84,900,191		

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
BRAZIL									
Lutcher S.A. Celulose e Papel Private entity	Construction of pulp mill at Guarapuava, State of Paraná (\$13,000,000)	Project terminated	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	2,200,000 2,500,000 4,700,000	2,200,000 2,500,000 4,700,000	330,000 375,000 705,000	1,870,000 2,125,000 3,995,000	3/31/61 (6/14/61)	5¼% (1963-71)
Lutcher S.A. Celulose e Papel Private entity	Expansion of pulp mill at Guarapuava, State of Paraná (\$7,500,000)	Project terminated	U.S. dollars	4,000,000	3,986,692		3,986,692	4/17/64 (5/1/64)	5¼% (1971-75)
Sifco do Brasil S.A. Private entity	Expansion of auto compo- nents plant in São Paulo (\$1,480,000)	Project completed	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	180,000 570,000 750,000	180,000 570,000 750,000	154,224 488,376 642,600	25,776 81,624 107,400	6/28/61 (11/21/61)	5¼% (1963-69)
Industria Brasileira de Equipamentos S.A. (Directors of the Borrower) Private entity	Construction of oil drilling tool plant in Bahia (\$1,230,000)	Project completed	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	87,000 528,000 615,000	87,000 528,000 615,000	46,400 288,630 335,030	40,600 239,370 279,970	10/19/61 (1/24/62)	5¼% (1964-72)
Papel e Celulose Catarinense Ltda. (Banco Nacional do Desenvolvimento Econômico) Public entity	Construction of integrated kraft pulp and paper mill in Lajes, State of Santa Catarina (\$30,848,000)	65% of construction work completed	U.S. dollars	3,300,000	3,300,000	100,000	3,200,000	12/14/61 (1/22/62) (5/17/66)	6% (1969-76)
Centrais Elétricas de Minas Gerais S.A. (Banco Mineiro da Produção) Public entity	Expansion of electric power transmission facilities in State of Minas Gerais (\$34,996,000)	Project completed	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	1,500,000 3,495,972 4,995,972	1,500,000 3,495,972 4,995,972	299,413 694,603 994,016	1,200,587 2,801,369 4,001,956	12/14/61 (6/5/62)	5¼% (1966-76)
Fundição Tupy S.A. Private entity	Expansion of automobile parts plant in Joinville, State of Santa Catarina (\$1,630,000)	Project completed	U.S. dollars	560,000	560,000	410,000	150,000	2/15/62 (5/16/62)	5¼% (1964-70)
Companhia Agrícola, Imobiliária e Colonizadora (Banco do Estado de São Paulo) Public entity	Farm mechanization project in State of São Paulo (\$10,647,000)	Project completed; 243 heavy duty tractors and 6 tournapulls and spare parts purchased	Italian lire U.S. dollars Total in U.S. dollars	620,000,000 3,500,000 4,492,000	620,000,000 3,500,000 4,492,000	389,510,616 2,198,850 2,822,067	230,489,384 1,301,150 1,669,933	6/28/62 (12/6/62)	5¼% ² (1965-70)
Companhia Pernambucana de Borracha Sintética (Banco Nacional do Desenvolvimento Econômico) Public entity	Construction of synthetic rubber plant near Recife (\$33,134,000)	Project completed	U.S. dollars	3,615,000	3,615,000	1,549,286	2,065,714	7/5/62 (11/9/62)	5¼% (1966-72)
Companhia Hidro Elétrica do São Francisco (Federal Republic of Brazil) Public entity	Expansion of Paulo Afonso hydroelectric plant by 240,000 kilowatts and of power transmission and related facilities in Brazil's Northeast (\$48,399,000)	Generators installed; 684 miles of transmission lines placed; 80% of substations completed	Italian lire U.S. dollars Total in U.S. dollars	1,860,000,000 12,000,000 14,976,000	1,536,267,688 11,243,353 13,701,381	219,040,724 1,508,185 1,858,650	1,317,226,964 9,735,168 11,842,731	8/9/62 (12/12/62)	5¼% ² (1966-80)
Centrais Elétricas de São Paulo S.A. (Federal Republic of Brazil) Public entity	Construction of 1,400,000- kilowatt hydroelectric plant at Jupia Falls on Paraná River and related trans- mission lines (\$319,087,000)	Civil works built; three 100,000-kilowatt generators installed; 82% of transmission facilities completed	U.S. dollars	13,250,000	13,250,000	523,263	12,726,737	11/14/63 (11/20/63)	5¼% (1968-83)
Companhia de Eletricidade do Estado da Bahia (State of Bahia) Public entity	Expansion of electric power transmission and distribu- tion facilities in State of Bahia (\$7,097,000)	Project 36% complete	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	640,000 2,560,000 3,200,000	113,636 765,021 878,657	8,117 54,644 62,761	105,519 710,377 815,896	12/31/63 (12/22/64)	5¼% (1968-82)
Banco do Brasil S.A. Public entity	Capital goods exports (\$8,090,000)	Exports of capital goods whose invoice value is \$8,726,700	Original commitment Available from repay- ments Total in U.S. dollars	3,000,000 2,663,200 5,663,200				4/8/64 (7/9/64)	6½% (1964-72)
Banco do Brasil S.A. Public entity	Capital goods exports (\$4,027,000)	Used in conjunction with above loan	Original commitment Available from repay- ments Total in U.S. dollars	2,000,000 819,000 2,819,000				8/3/67 (9/26/67)	6½%

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
BRAZIL (Cont'd.)									
Banco Nacional do Desenvolvimento Econômico Public entity	Industrial credits (\$54,000,000)	227 credits for projects worth \$54,087,349 authorized	Cruzeiros ¹	15,000,000	14,808,389		14,808,389	7/30/64	5¼%
			U.S. dollars	12,000,000	8,691,246	8,691,246	(12/23/64)	(1969-80)	
			Total in U.S. dollars	27,000,000	23,499,635	23,499,635			
Magnesita S.A. (Banco de Bahia S.A. and Banco de Minas Gerais S.A.) Private entity	Expansion of refractories industry at Brumado and Salvador, State of Bahia, and Belo Horizonte (\$10,381,000)	Project completed	U.S. dollars	4,000,000	4,000,000	457,953	3,542,047	7/30/64 (9/29/64)	5¼% (1968-74)
Companhia Vale do Rio Doce (Federal Republic of Brazil) Public entity	Expansion of facilities of Brazil's largest iron ore producing company in State of Minas Gerais (\$97,474,000)	Port and mining install- ations completed; rail- road and pellet plant scheduled for completion in 1969	Deutsche marks	20,000,000	12,702,130	527,254	12,174,876	11/19/64	6% ⁴
			U.S. dollars	23,800,000	21,869,066	2,863,193	20,971,292	(2/17/65)	(1968-80)
			Total in U.S. dollars	28,800,000	25,044,599	1,029,587	24,015,012		
Central Elétrica Capivari- Cachoeira S.A. (State of Paraná) Public entity	Construction of 240,000- kilowatt hydroelectric plant on the Cachoeira River in the State of Paraná (\$66,104,000)	Project 68% complete	Yen	174,097,700	174,097,700		174,097,700	11/19/64	6%
			U.S. dollars	4,966,395	2,863,193	2,863,193	(5/3/65)	(1969-84)	
			Total in U.S. dollars	5,450,000	3,346,798	3,346,798			
Banco do Estado da Guanabara S.A. (State of Guanabara) Public entity	Expansion of water system for Rio de Janeiro (\$8,917,000)	Project completed	Cruzeiros ¹	5,000,000	5,000,000	285,715	4,714,285	12/24/64 (12/31/64)	6% (1968-85)
Centrais Elétricas de Santa Catarina S.A. (State of Santa Catarina) Public entity	Expansion of electric power transmission system in State of Santa Catarina (\$19,673,000)	Project 80% complete	U.S. dollars	3,500,000	2,354,113	77,927	2,276,186	4/8/65 (5/3/65)	6% (1968-83)
Centrais Elétricas Brasileiras S.A. (Federal Republic of Brazil) Public entity	Expansion of electric power generating, transmission and distribution facilities in States of Alagoas, Bahia, Espírito Santo, Guanabara, Minas Gerais, Pernambuco, Rio Grande do Norte, Rio Grande do Sul and São Paulo (\$74,069,000)	Project 45% complete	Yen	207,900,000	91,565,023		91,565,023	9/9/65	6%
			U.S. dollars	15,822,500	7,174,755	7,174,755	(10/1/65)	(1969-80)	
			Total in U.S. dollars	16,400,000	7,429,102	7,429,102			
Companhia de Cimento Portland Branco do Brasil S.A. (Banco Nacional do Desenvolvimento Econômico) Private entity	Expansion of cement plant north of Rio de Janeiro (\$8,815,000)	Construction virtually complete	Cruzeiros ¹	500,000	440,000		440,000	12/30/65	6% ⁵
			Pounds sterling	475,000	475,000	475,000	(8/4/66)	(1970-78)	
			U.S. dollars	2,820,000	2,416,175	2,416,175			
			Total in U.S. dollars	4,460,000	3,996,175	3,996,175			
Companhia Hidro Elétrica do São Francisco (Federal Republic of Brazil) Public entity	Further expansion of Paulo Afonso hydroelectric power generating facility in North- east Brazil (\$54,630,000)	Project 20% complete; 48 miles of trans- mission lines built	Cruzeiros ¹	1,700,000				8/25/66	6% ³
			Italian lire	4,562,500,000			(11/3/66)	(1972-84)	
			U.S. dollars	11,400,000	1,200,325	1,200,325			
			Total in U.S. dollars	20,400,000	1,200,325		1,200,325		
Banco do Nordeste do Brasil S.A. (Federal Republic of Brazil) Public entity	Continuation of industrial credits for Brazil's North- east (\$24,000,000)	17 credits for projects worth \$24,000,000 authorized	Swiss francs	8,746,000				12/28/66	6½% ⁶
			U.S. dollars	4,000,000	298,508	298,508	(6/30/67)	(1971-83)	
			Total in U.S. dollars	6,000,000	298,508	298,508			
Centrais Elétricas de São Paulo S.A. (Federal Republic of Brazil) Public entity	Construction of first 1,760,000-kilowatt stage of hydroelectric power plant near Ilha Solteira on Paraná River (\$299,000,000)	Project 13% complete	Italian lire	625,000,000	625,000,000		625,000,000	5/12/67	6½% ⁷
			U.S. dollars	33,000,000	4,968,391	4,968,391	(6/29/67)	(1972-87)	
			Total in U.S. dollars	34,000,000	5,968,391	5,968,391			
Banco Nacional do Desenvolvimento Econômico Public entity	Industrial credits (\$38,691,000)	31 credits for projects worth \$32,056,353 authorized	U.S. dollars	13,300,000	1,862,651		1,862,651	7/20/67 (9/26/67)	6½% (1971-82)
Banco do Brasil S.A. (Federal Republic of Brazil) Public entity	Agriculture (\$8,400,000)		Cruzeiros ¹	660,000				12/28/67	7¾% (1972-88)
			U.S. dollars	3,540,000					
			Total in U.S. dollars	4,200,000					

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
BRAZIL (Cont'd.)									
State of São Paulo (Federal Republic of Brazil) Public entity	Expansion of São Paulo water system (\$57,152,000)		Cruzeiros ¹ U.S. dollars Total in U.S. dollars	500,000 11,000,000 11,500,000				4/25/68 (10/17/68)	7¾% (1972-88)
Companhia Vale do Rio Doce (Federal Republic of Brazil) Public entity	Expansion of Brazil's largest iron ore produc- ing company, State of Minas Gerais (\$170,095,000)		Belgian francs U.S. dollars Total in U.S. dollars	200,000,000 7,000,000 11,000,000				12/5/68	7¾%* (1972-84)
TOTAL LOANS TO BRAZIL EXPRESSED IN U.S. DOLLARS				261,946,172	144,439,199	15,336,055	129,103,144		
Less: Participations				3,548,094	2,184,094	292,094	1,892,000		
Net total loans to Brazil expressed in U.S. dollars				258,398,078	142,255,105	15,043,961	127,211,144		
CHILE									
Corporación de Fomento de la Producción Public entity	Industrial, mining and fishery credits (\$76,000,000)	Project completed; 88 credits for \$3,000,000 and 5,292,618 escudos authorized	Escudos ¹ U.S. dollars Total in U.S. dollars	1,500,000 4,500,000 6,000,000	1,500,000 4,500,000 6,000,000	719,478 2,158,434 2,877,912	780,522 2,341,566 3,122,088	4/9/61 (6/19/61)	5¼% (1963-73)
Republic of Chile Public entity	Expansion of water supply system for Concepción and Talcahuano (\$2,156,000)	Project 92% complete	U.S. dollars	1,050,000	1,050,000	158,443	891,557	11/22/61 (5/16/62)	5¼% (1966-82)
Corporación de Fomento de la Producción Public entity	Establishment of integrated fishing enterprise at Iquique (\$9,500,000)	Project completed	U.S. dollars	5,000,000	5,000,000	1,370,000	3,630,000	12/7/61 (3/29/62)	5¼% (1965-74)
Republic of Chile Public entity	Construction or expansion of irrigation system be- tween the Claro and Maule Rivers in Central Chile (\$11,714,000)	Project 70% complete	Escudos U.S. dollars Total in U.S. dollars	1,350,000 1,575,000 2,211,460	1,350,000 1,575,000 2,211,460	210,938 245,924 345,371	1,139,062 1,329,076 1,866,089	2/8/62 (5/16/62)	5¼% (1966-82)
Compañía Manufacturera de Papeles y Cartones, S.A. Private entity	Expansion of pulp mill at Laja in Southern Chile (\$39,189,000)	Project completed	Escudos ¹ Italian lire U.S. dollars Total in U.S. dollars	1,600,000 4,960,000,000 6,400,000 15,936,000	1,600,000 4,960,000,000 6,400,000 15,936,000	448,000 1,299,520,000 1,675,428 4,202,660	1,152,000 3,660,480,000 4,724,572 11,733,340	11/8/62 (11/23/62)	5¼%* ² (1965-77)
Maderas Aglomeradas Pinihue, S.A. (Corporación de Fomento de la Producción) Private entity	Construction of chipboard plant at Chiguayante in Southern Chile (\$3,062,000)	Project completed	Italian lire U.S. dollars Total in U.S. dollars	207,700,000 897,524 1,229,844	207,700,000 897,524 1,229,844	78,120,000 339,000 463,992	129,580,000 558,524 765,852	2/7/63 (2/8/63)	5¼%* ² (1965-74)
Empresa de Agua Potable (Republic of Chile) Public entity	Expansion of water system for Santiago (\$10,695,000)	Project 55% complete	Escudos ¹ Yen U.S. dollars Total in U.S. dollars	1,500,000 74,182,320 3,418,938 5,125,000	702,937 74,182,320 1,911,289 2,820,288	44,640 178,344 178,344 222,984	658,299 74,182,320 1,732,945 2,597,304	4/4/63 (5/24/63)	5¼% (1967-83)
Empresa Nacional del Petróleo (Corporación de Fomento de la Producción) Public entity	Construction of an oil re- finery near Concepción (\$33,626,000)	Project completed	Swiss francs Belgian francs U.S. dollars Total in U.S. dollars	1,000,000 2,500,000 10,343,870 10,625,572	1,000,000 2,500,000 10,343,870 10,625,572	1,000,000 2,500,000 2,905,970 3,187,672	7,437,900 7,437,900	10/24/63 (11/5/63)	5¼%* ^{6,*} (1966-75)
Corporación de Fomento de la Producción Public entity	Continuation of a credit program for industrial, mining and fishery develop- ment (\$59,700,000)	Project completed; 82 credits totaling \$4,800,000 and 4,010,800 escudos authorized	U.S. dollars	6,000,000	6,000,000	600,000	5,400,000	3/12/64 (3/17/64)	5¼% (1967-76)
Republic of Chile Public entity	Construction or expansion of irrigation system in Province of Linares, Central Chile \$14,050,000)	Project virtually complete	Escudos ¹ U.S. dollars Total in U.S. dollars	1,700,000 1,800,000 3,500,000	1,700,000 1,006,518 2,706,518		1,700,000 1,006,518 2,706,518	8/6/64 (8/12/64)	6% (1969-84)
Compañía Manufacturera de Papeles y Cartones, S.A. Public entity	Continuation of expansion of pulp mill at Laja (\$6,300,000)	Project completed	Deutsche marks Total in U.S. dollars	5,600,000 1,400,000	5,600,000 1,400,000	1,475,840 368,960	4,124,160 1,031,040	10/8/64 (10/9/64)	6%* (1965-77)
Corporación de Fomento de la Producción Public entity	Continuation of credit pro- gram for small and medium industry (\$27,322,000)	Project completed; 67 credits for \$6,714,845 and 17,515,037 escudos authorized	Escudos ¹ Yen U.S. dollars Total in U.S. dollars	350,000 748,586,589 5,570,593 8,000,000	350,000 748,586,589 5,570,593 8,000,000	18,421 402,632 421,053	331,579 748,586,589 5,167,961 7,578,947	9/23/65 (12/3/65)	6% (1968-77)
Corporación de Fomento de la Producción Public entity	Industrial credits (\$33,637,000)	47 credits for projects worth \$11,411,000 authorized	Escudos ¹ Swiss francs U.S. dollars Total in U.S. dollars	1,000,000 6,559,500 10,000,000 12,500,000	1,000,000 6,559,500 3,892,991 6,392,990		1,000,000 6,559,500 3,892,991 6,392,990	6/1/67 (6/20/67)	6½%* (1970-82)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
CHILE (Cont'd.)									
Empresa Nacional de Telecomunicaciones (Corporación de Fomento de la Producción) Public entity	Installation of modern telecommunications system throughout Chile (\$6,826,000)	Project initiated	Swiss francs	8,746,000	274,066		274,066	9/28/67	6½% ^{a,7} (1972-83)
			Italian lire	812,500,000					
			Total in U.S. dollars	3,300,000	62,672	62,672			
Empresa Nacional del Petróleo (Corporación de Fomento de la Producción) Public entity	Construction of ethylene plant in Concepción (\$15,900,000)	Construction well under-way; equipment being installed; completion expected in 1970	Yen	144,000,000	144,000,000		144,000,000	11/2/67	6½% ^a
			Swiss francs	5,878,330	5,878,330	5,878,330	(12/4/67)	(1971-80)	
			U.S. dollars	4,755,767	2,807,226	2,807,226			
			Total in U.S. dollars	6,500,000	4,551,459	4,551,459			
TOTAL LOANS TO CHILE EXPRESSED IN U.S. DOLLARS				88,377,876	73,986,803	14,219,047	59,767,756		
Less: Participations				5,978,600	5,978,600	2,981,330	2,997,270		
Net total loans to Chile expressed in U.S. dollars				82,399,276	68,008,203	11,237,717	56,770,486		
COLOMBIA									
Corporación Financiera Colombiana de Desarrollo Industrial Private entry	Industrial credits (\$1,051,000)	Project completed; 44 credits financing projects worth \$1,097,142 authorized	Pesos	4,000,000	4,000,000	2,500,000	1,500,000	4/9/61	5¾%
			U.S. dollars	203,653	203,653	142,753	60,900	(9/8/61)	(1964-71)
			Total in U.S. dollars	658,682	658,682	427,135	231,547		
Empresas Públicas de Medellín (Republic of Colombia) Public entity	Expansion of water system of Medellín (\$10,519,000)	Project completed	Pesos	19,950,000	19,950,000	4,364,063	15,585,937	4/9/61	5¾%
			U.S. dollars	3,300,000	3,300,000	721,875	2,578,125	(6/3/61)	(1965-81)
			Total in U.S. dollars	5,230,724	5,230,724	1,144,221	4,086,503		
Empresas Públicas Municipales de Cartagena (Republic of Colombia) Public entity	Expansion of water and sewage system of Cartagena (\$10,800,000)	Water system completed; sewage system 70% complete	Pesos ¹	3,800,000	3,728,956	676,750	3,052,206	6/15/61	5¾%
			U.S. dollars	2,200,000	2,122,372	397,945	1,724,427	(10/17/61)	(1966-81)
			Total in U.S. dollars	6,000,000	5,851,328	1,074,695	4,776,633		
Republic of Colombia Public entity	Preinvestment studies (\$500,000)	5 studies completed	Pesos ¹	310,000	310,000	310,000		9/6/61	5¾%
			U.S. dollars	190,000	190,000	190,000		(10/14/61)	(Repaid)
			Total in U.S. dollars	500,000	500,000	500,000			
Celulosa y Papel de Colombia, S.A. (Instituto de Fomento Industrial) Private entity	Construction of pulp plant at Puerto Isaacs near Cali (\$3,403,000)	Project completed	U.S. dollars	702,795	702,795	702,795		1/18/62 (3/2/62)	5¾% (Repaid)
Instituto Nacional de Fomento Municipal (Republic of Colombia) Public entity	Water and sewage systems in various communities (\$400,000)	Project carried out with Trust Fund loan for \$8,095,379 and Fund for Special Operations loan of \$11,500,000	U.S. dollars	400,000	400,000	400,000		7/12/62 (8/21/62)	5¾% (Repaid)
Republic of Colombia Public entity	Construction of sodium carbonate plant in Cartagena (\$25,412,000)	Project completed	Italian lire	3,534,000,000	3,534,000,000	589,000,000	2,945,000,000	4/9/63	5¾% ²
			U.S. dollars	6,295,000	6,295,000	1,049,167	5,245,833	(9/18/63)	(1967-78)
			Total in U.S. dollars	11,949,400	11,949,400	1,991,567	9,957,833		
Banco de la República Public entity	Industrial credits (\$49,100,000)	34 industrial credits for projects worth \$16,608,102 authorized	U.S. dollars	3,000,000	2,536,641	669,009	1,867,632	10/10/63 (10/30/63)	5¾% (1966-75)
Empresa Puertos de Colombia (Republic of Colombia) Public entity	Improvements of port facilities at Buenaventura (\$19,665,000)	Project 82% complete	U.S. dollars	10,000,000	9,189,220	1,198,002	7,991,218	12/5/63 (12/10/63)	5¾% (1967-78)
Industrial Agraria la Palma, S.A. (Corporación Financiera Colombiana de Desarrollo Industrial) Private entity	Cultivation of 12,355 acres of African palm in the Department of Magdalena (\$7,239,000)	Project completed	Pesos ¹	499,000	499,000		499,000	8/28/64	6%
			U.S. dollars	731,000	714,419		714,419	(6/1/65)	(1969-75)
			Total in U.S. dollars	1,230,000	1,213,419		1,213,419		
Instituto de Aprovechamiento de Aguas y Fomento Eléctrico (Republic of Colombia) Public entity	Construction of hydroelectric power plant on the Prado River, along with related services, in the Department of Tolima (\$20,839,000)	Civil works initiated; 10% of transmission system built; 75 miles of distribution system strung	U.S. dollars	8,000,000	3,813,182		3,813,182	11/19/64 (1/18/65)	6% (1969-85)

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
COLOMBIA (Cont'd.)									
Instituto de Aprovecha- miento de Aguas y Fomento Eléctrico (Republic of Colombia) Public entity	Expansion of power plant and transmission facilities in Department of Norte de Santander; interconnection with Venezuelan system (\$4,878,000)	65% of transmission and distribution facilities built	Pesos ¹	300,000	60,765		60,765	12/3/64	6% (1969-85)
			U.S. dollars	2,900,000	297,096		297,096	(1/18/65)	
			Total in U.S. dollars	3,200,000	357,861		357,861		
Empresa Puertos de Colombia (Republic of Colombia) Public entity	Improvements in port facilities at Cartagena, Barranquilla and Santa Marta (\$10,339,000)	Project 36% complete	U.S. dollars	5,000,000	1,848,541		1,848,541	1/28/65 (6/21/65)	6% (1969-80)
ENKA de Colombia, S.A. (Banco Comercial Antio- queño and Banco Indus- trial Colombiano) Public entity	Construction of synthetic fiber plant in Girardot, De- partment of Antioquia (\$15,640,000)	Project completed	Pounds sterling	900,000	900,000	112,500	787,500	8/26/65	6% ⁵ (1968-75)
			U.S. dollars	2,980,000	2,980,000	372,500	2,607,500	(11/16/65)	
			Total in U.S. dollars	5,140,000	5,140,000	642,500	4,497,500		
Central Hidroeléctrica de Caldas, S.A. (Republic of Colombia) Public entity	Construction of hydroelec- tric power plant and related facilities near Manizales, Department of Caldas (\$16,890,000)	Project 51% complete	Yen	159,688,872	158,788,872		158,788,872	11/18/65	6% (1970-82)
			U.S. dollars	7,656,420	2,941,682		2,941,682	(2/18/66)	
			Total in U.S. dollars	8,100,000	3,382,762		3,382,762		
Caja de Crédito Agrario, Industrial y Minero (Republic of Colombia) Public entity	Farm mechanization pro- gram (\$46,270,000)	80 credits for projects worth \$12,165,333 author- ized	U.S. dollars	12,200,000	4,759,927		4,759,927	2/2/67 (7/13/67)	6½% (1971-77)
Polioléfinas Colombianas, S.A. (Empresa Colombiana de Petróleo) Private entity	Construction of a poly- ethylene plant near Barran- cabermeja (\$10,500,000)	Construction well ad- vanced; completion ex- pected in 1969	Pesos ¹	300,000	300,000		300,000	9/7/67	6½% ⁴ (1970-79)
			Deutsche marks	2,000,000	2,000,000		2,000,000	(10/31/67)	
			U.S. dollars	4,200,000	3,695,343		3,695,343		
			Total in U.S. dollars	5,000,000	4,495,343		4,495,343		
Instituto de Fomento Industrial (Republic of Colombia) Public entity	Industrial credits (\$5,000,000)		Deutsche marks	6,000,000				12/13/68	7¾% ¹¹ (1972-84)
			U.S. dollars	1,000,000					
			Total in U.S. dollars	2,500,000					
Corporación Autónoma Regional del Cauca Central Hidroeléctrica del Rio Anchicayá Ltda. (Republic of Colombia) Public entities	Construction of 340,000- kilowatt hydroelectric plant on upper Anchicayá River, Department of Valle (\$65,170,000)		U.S. dollars	43,300,000				12/30/68	7¾% (1974-89)
TOTAL LOANS TO COLOMBIA EXPRESSED IN U.S. DOLLARS				132,111,601	62,029,824	8,749,923	53,279,901		
Less: Participations				3,743,554	3,743,554	1,518,554	2,225,000		
Net total loans to Colombia expressed in U.S. dollars				128,368,047	58,286,270	7,231,369	51,054,901		
COSTA RICA									
Banco Nacional de Costa Rica Public entity	Livestock credits (\$6,728,000)	Project completed; 193 credits for projects worth \$6,748,695 author- ized	Colones ¹	600,000	600,000	210,000	390,000	11/30/61	5¾% (1964-74)
			U.S. dollars	2,000,000	2,000,000	755,000	1,245,000	(1/15/62)	
			Total in U.S. dollars	2,600,000	2,600,000	965,000	1,635,000		
Industria Nacional de Cemento, S.A. Private entity	Construction of cement plant at Cartago near San José (\$4,950,000)	Project completed	U.S. dollars	2,800,000	2,800,000	1,120,000	1,680,000	1/11/62 (3/2/62)	5¾% (1964-74)
Banco de Costa Rica Public entity	Industrial credits (\$7,194,000)	Project completed; 75 credits for projects worth \$7,194,260 author- ized	Colones	2,655,018	2,655,018	520,000	2,135,018	8/9/62	5¾% (1965-74)
			U.S. dollars	2,589,373	2,589,373	500,000	2,089,373	(11/15/62)	
			Total in U.S. dollars	2,990,433	2,990,433	578,550	2,411,883		
Instituto Costarricense de Electricidad (Republic of Costa Rica) Public entity	Expansion of electric power distribution system in Cen- tral Costa Rica (\$3,903,000)	185 miles of distribution lines built; other works 80% complete	U.S. dollars	2,681,407	2,335,853	421,875	1,913,978	8/9/62 (9/14/62)	5¾% (1966-82)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
COSTARICA (Cont'd)									
Banco de Costa Rica (Republic of Costa Rica)	Industrial credits (\$3,429,000)	36 credits for projects worth \$4,433,984 author- ized	Colones ¹ U.S. dollars	140,000 1,860,000	90,127 1,184,740		90,127 1,184,740	12/21/65 (6/8/66)	6% (1970-82)
Public entity			Total in U.S. dollars	2,000,000	1,274,868		1,274,868		
TOTAL LOANS TO COSTA RICA EXPRESSED IN U.S. DOLLARS				13,071,840	12,001,154	3,085,425	8,915,729		
Less: Participations				1,550,325	1,550,325	1,327,125	223,200		
Net total loans to Costa Rica expressed in U.S. dollars				11,521,515	10,450,829	1,758,300	8,692,529		
DOMINICAN REPUBLIC									
Banco Agrícola (Dominican Republic)	Livestock credits (\$11,000,000)	6,625 credits for pro- jects worth \$14,819,878 authorized	Pesos ¹ Swiss francs U.S. dollars	1,500,000 4,798,399 3,402,721	1,100,000 4,798,399 1,933,066	244,444 4,798,399 397,678	855,556 4,798,399 1,535,388	8/15/63 (8/29/63)	5¼% ^a (1967-75)
Public entity			Total in U.S. dollars	6,000,000	4,130,344	642,122	3,488,222		
TOTAL LOANS TO DOMINICAN REPUBLIC EXPRESSED IN U.S. DOLLARS				6,000,000	4,130,344	642,122	3,488,222		
Less: Participations				200,000	200,000	200,000			
Net total loans to Dominican Republic expressed in U.S. dollars				5,800,000	3,930,344	442,122	3,488,222		
ECUADOR									
Banco Nacional de Fomento (Republic of Ecuador)	Sheep development (\$3,493,000)	Project completed; 63 credits for \$1,156,682 authorized	Sucres ¹ U.S. dollars	218,195 618,135	218,195 618,135	134,195 338,135	84,000 280,000	8/10/61 (10/31/61)	5¼% (1963-75)
Public entity			Total in U.S. dollars	836,330	836,330	472,330	364,000		
Republic of Ecuador	Construction of four high- ways 406 miles long (\$28,000,000)	Work going forward on all four projects; 32 miles finished	Sucres ¹ Yen U.S. dollars	600,000 9,000,000 5,375,000				5/25/64 (5/26/64)	5¼% (1968-89)
Public entity			Total in U.S. dollars	6,000,000	3,512,622	128,572	9,000,000 3,359,050 3,384,050		
Comisión de Valores— Corporación Financiera Nacional (Republic of Ecuador)	Industrial credits (\$4,165,000)	31 credits for projects worth \$9,187,419 authorized	U.S. dollars	2,500,000	1,265,917		1,265,917	1/26/67 (7/11/67)	6½% (1971-82)
Public entity									
TOTAL LOANS TO ECUADOR EXPRESSED IN U.S. DOLLARS				9,336,330	5,614,869	600,902	5,013,967		
Less: Participations				257,143	257,143	128,572	128,571		
Net total loans to Ecuador expressed in U.S. dollars				9,079,187	5,357,726	472,330	4,885,396		
EL SALVADOR									
Pan Lido, S.A. Private entity	Expansion of bakery in San Salvador (\$265,000)	Project completed	U.S. dollars	199,375	199,375	91,489	107,886	6/29/61 (7/12/61)	5¼% (1963-71)
Banco Central de Reserva (Republic of El Salvador)	Industrial and agricultural credits (\$4,160,000)	Project completed; 40 industrial credits for projects worth \$7,100,396 and 62 farm credits for projects worth \$1,621,452 authorized	Colones U.S. dollars	2,000,000 1,700,000	2,000,000 1,700,000	600,000 510,000	1,400,000 1,190,000	8/10/61 (10/25/61)	5¼% (1965-74)
Public entity			Total in U.S. dollars	2,500,000	2,500,000	750,000	1,750,000		
Banco Central de Reserva (Republic of El Salvador)	Water and sewage systems for San Salvador, Santa Tecla, Santa Ana, San Miguel and Sonsonate (\$2,100,000)	Project completed	U.S. dollars	1,258,788	1,258,788	158,002	1,100,786	8/10/61 (11/17/61)	5¼% (1966-81)
Public entity									
Instituto Salvadoreño de Fomento Industrial (Republic of El Salvador)	Industrial credits (\$6,000,000)	49 credits for projects worth \$11,046,192 author- ized	Colones ¹ U.S. dollars	200,000 2,800,000	177,921 1,141,098		177,921 1,141,098	4/15/65 (1/12/67)	6% (1970-82)
Public entity			Total in U.S. dollars	3,000,000	1,319,019		1,319,019		
TOTAL LOANS TO EL SALVADOR EXPRESSED IN U. S. DOLLARS				6,958,163	5,277,182	999,491	4,277,691		
Less: Participations				250,500	250,500	250,500			
Net total loans to El Salvador expressed in U.S. dollars				6,707,663	5,026,682	748,991	4,277,691		
GUATEMALA									
Industria y Comercio Textiles Rex, S.A. Private entity	Construction of textile mill in Guatemala City (\$215,000)	Project completed	U.S. dollars	125,000	125,000	125,000		6/22/61 (8/10/61)	5¼% (Repaid)

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans		Approved (Signed)	Interest (Maturity)
GUATEMALA (Cont'd)									
Banco de Guatemala Public entity	Industrial, agricultural and livestock credits (\$13,018,000)	Project completed; 27 industrial credits fi- nancing projects worth \$6,860,610 and 97 agri- cultural credits financ- ing projects worth \$5,931,506 authorized	Quetzales ¹	1,450,000	1,450,000	487,901	962,099	8/10/61	5¼%
			U.S. dollars	3,203,862	3,203,862	1,797,544	1,406,317	(9/6/61)	(1964-73)
			Total in U.S. dollars	4,653,862	4,653,862	2,285,445	2,368,416		
Hidroeléctricas del Atlántico, S.A. Private entity	Expansion of water system for Puerto Barrios (\$253,000)	Project completed	U.S. dollars	162,804	162,804	113,963	48,841	9/28/61 (2/27/62)	5¼% (1964-69)
Instituto Nacional de Electrificación (Republic of Guatemala) Public entity	Construction of hydroelec- tric power plant for Guatemala City (\$5,125,000)	Project completed	U.S. dollars	3,150,000	3,150,000	360,000	2,790,000	12/19/63 (6/18/64)	5¼% (1967-84)
Banco de Guatemala Public entity	Industrial, agricultural and livestock credits (\$5,333,000)	12 industrial credits for projects worth \$2,388,519 and 27 agri- cultural credits for \$967,247 authorized	U.S. dollars	3,200,000	1,352,679		1,352,679	8/9/66 (12/1/66)	6% (1970-85)
TOTAL LOANS TO GUATEMALA EXPRESSED IN U.S. DOLLARS				11,291,666	9,444,344	2,884,408	6,559,936		
Less: Participations				725,000	725,000	725,000			
Net total loans to Guatemala expressed in U.S. dollars				10,566,666	8,719,344	2,159,408	6,559,936		
HONDURAS									
Molinos de Honduras (Jacobo D. Kattan Indus- trial, S.A.) Private entity	Construction of corn flour mill at San Pedro Sula (\$472,000)	Project completed	U.S. dollars	100,474	100,474	90,427	10,047	6/15/61 (7/27/61)	5¼% (1964-69)
Químicas Dinant de Cen- troamérica, S.A. de C.V. Private entity	Construction of plant pro- ducing detergents and other products in Tegucigalpa (\$735,000)	Project completed	U.S. dollars	360,000	360,000	360,000		7/27/61 (8/8/61)	5¼% (Repaid)
TOTAL LOANS TO HONDURAS EXPRESSED IN U.S. DOLLARS				460,474	460,474	450,427	10,047		
Less: Participations				60,000	60,000	60,000			
Net total loans to Honduras expressed in U.S. dollars				400,474	400,474	390,427	10,047		
MEXICO									
Nacional Financiera, S.A. Public entity	Industrial credits (\$12,000,000)	Project completed; 187 credits financing pro- jects worth \$12,000,000 authorized	Pesos ¹	1,000,000	1,000,000	500,000	500,000	8/10/61	5¼%
			U.S. dollars	2,000,000	2,000,000	999,998	1,000,002	(10/19/61)	(1966-71)
			Total in U.S. dollars	3,000,000	3,000,000	1,499,998	1,500,002		
Nacional Financiera, S.A. (United Mexican States) Public entity	Completion of 4 irrigation projects in the States of Oaxaca, Durango, Chihuahua and Baja California (\$46,600,000)	Project completed	Pesos	52,750,000	52,750,000	12,411,760	40,338,240	9/7/61	5¼%
			U.S. dollars	8,780,000	8,780,000	2,065,880	6,714,120	(11/14/61)	(1965-81)
			Total in U.S. dollars	13,000,000	13,000,000	3,058,821	9,941,179		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of 3 irriga- tion projects in the States of Zacatecas, Colima and Guerrero (\$11,800,000)	Project completed	Pesos	34,300,000	34,300,000	7,061,779	27,238,221	1/25/62	5¼%
			U.S. dollars	3,000,000	3,000,000	617,655	2,382,345	(4/16/62)	(1965-82)
			Total in U.S. dollars	5,744,000	5,744,000	1,182,597	4,561,403		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of an irrigation project in the Temascalcingo Valley, State of Mexico (\$3,720,000)	Principal irrigation canal and distribution system completed; other works being carried out with local funds	Pesos	6,000,000	6,000,000	1,060,872	4,939,128	11/27/62	5¼%
			U.S. dollars	720,000	720,000	127,305	592,695	(6/6/63)	(1965-83)
			Total in U.S. dollars	1,200,000	1,200,000	212,174	987,826		
Química del Rey, S.A. (Metalúrgica Mexicana Peñoles, S.A.) Private entity	Construction of sodium sulfate plant at Laguna del Rey, State of Coahuila (\$2,750,000)	Project completed	Pesos	4,125,000	4,125,000	4,125,000		1/17/63	5¼%
			U.S. dollars	170,000	170,000	170,000		(4/17/63)	(Repaid)
			Total in U.S. dollars	500,000	500,000	500,000			
Negromex, S.A. Private entity	Installation of carbon black plant in Salamanca, State of Guanajuato (\$3,200,000)	Project completed	Pesos	4,850,297	4,850,297	4,850,297		2/27/63	5¼%
			U.S. dollars	131,980	131,980	131,980		(6/21/63)	(Repaid)
			Total in U.S. dollars	520,003	520,003	520,003			

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
MEXICO (Cont'd.)									
Nacional Financiera, S.A. (United Mexican States) Public entity	Land settlement program at El Limón in State of Tabasco (\$52,170,000)	Project 44% complete	Yen	307,402,931	307,402,931	5,363,782	302,139,149	6/20/63	5¼%
			Pesos ¹	5,250,000	1,476,864	650,000	826,864	(9/19/63)	(1967-88)
			U.S. dollars	19,396,103	5,498,874	1,655,378	3,843,496		
			Total in U.S. dollars	25,500,000	7,829,635	2,320,000	5,509,635		
Nacional Financiera, S.A. (United Mexican States) Public entity	Industrial credits (\$15,000,000)	Program completed; 522 credits for projects worth \$12,680,686 author- ized	U.S. dollars	5,000,000	5,000,000	1,428,571	3,571,429	10/24/63 (10/31/63)	5¼% (1967-73)
Industria del Hierro, S.A., de C.V. (Sociedad Mexicana de Crédito Industrial, S.A.) Private entity	Expansion of heavy equip- ment plant at Querétaro, State of Querétaro (\$19,200,000)	Project completed	Pesos ¹	1,698,365	1,698,365	599,424	1,098,941	12/19/63	5¼%
			U.S. dollars	1,296,043	1,296,043	457,427	838,616	(1/7/64)	(1966-74)
			Total in U.S. dollars	2,994,408	2,994,408	1,056,851	1,937,557		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of irrigation works in State of Sinaloa (\$112,000,000)	Project virtually com- plete; 173,000 acres in production	Yen	1,281,049,751	1,281,049,751	146,405,686	1,134,644,065	12/31/63	5¼%
			U.S. dollars	16,441,528	16,029,269	1,823,922	14,205,347	(4/15/64)	(1967-84)
			Total in U.S. dollars	20,000,000	19,587,741	2,230,605	17,357,136		
Nacional Financiera, S.A. Public entity	Capital goods exports (\$6,625,000)	Export of capital goods whose invoice value is \$10,549,400	Original commitment	3,000,000				4/8/64	6%
			Available from repay- ments	1,637,565				(4/15/64)	(1965-72)
			Total in U.S. dollars	4,637,565	4,560,208	1,637,565	2,922,643		
Nacional Financiera, S.A. Public entity	Capital goods exports (\$4,624,000)	Used in conjunction with above loan	Original commitment	2,000,000				1/13/66	6%
			Available from repay- ments	1,236,600				(3/7/66)	(1966-72)
			Total in U.S. dollars	3,236,600	2,457,800	1,236,600	1,221,200		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of 52 feeder roads 1,144 miles long (\$35,000,000)	Project 20% complete; 301 miles finished	Pesos ¹	1,000,000	361,337		361,337	12/30/65	6% ^a
			Italian lire	6,250,000,000	2,140,641,107		2,140,641,107	(3/7/66)	(1970-86)
			U.S. dollars	10,000,000	3,474,325		3,474,325		
			Total in U.S. dollars	21,000,000	7,260,687		7,260,687		
Nacional Financiera, S.A. (United Mexican States) Public entity	Industrial credits (\$19,200,000)	345 credits for total investment of \$18,616,496 authorized	Yen	377,726,731	377,726,731		377,726,731	4/24/66	6%
			Pesos ¹	1,250,000	1,250,000		1,250,000	(4/28/66)	(1969-81)
			U.S. dollars	5,700,759	5,290,049		5,290,049		
			Total in U.S. dollars	8,000,000	7,589,289		7,589,289		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of Sabino irrigation project in El Carrizo Valley, States of Sinaloa and Sonora (\$26,115,000)	Project 51% complete	U.S. dollars	13,060,000	3,459,281		3,459,281	12/15/66 (4/28/67)	6½% (1970-87)
Nacional Financiera, S.A. Public entity	Export of components for 1,200 freight cars to Colombia (\$7,000,000)		U.S. dollars	4,900,000	2,042,000		2,042,000	6/19/68 (10/3/68)	6½% (1969-79)
Nacional Financiera, S.A. (United Mexican States) Public entity	El Rosario-El Mezquite irrigation project in Central Mexico (\$21,700,000)		Pesos ¹	2,000,000				11/14/68	7¾% ^b
			Netherlands guilders	21,720,000				(12/20/68)	(1972-89)
			U.S. dollars	2,500,000					
			Total in U.S. dollars	10,500,000					
Nacional Financiera, S.A. (United Mexican States) Public entity	Las Adjuntas irrigation project in State of Ta- maulipas (\$59,570,000)		Pesos ¹	2,500,000				11/21/68	7¾% ¹¹
			Deutsche marks	64,000,000					(1972-89)
			U.S. dollars	9,000,000					
			Total in U.S. dollars	27,500,000					
Nacional Financiera, S.A. Public entity	Export of components for construction of oil pipeline in Colombia (\$6,271,000)		U.S. dollars	4,390,000				11/29/68	6½% (1969-75)
TOTAL LOANS TO MEXICO EXPRESSED IN U.S. DOLLARS				174,682,576	86,745,052	16,883,785	69,861,267		
Less: Participations				8,074,420	6,840,304	4,324,304	2,516,000		
Net total loans to Mexico expressed in U.S. dollars				166,608,156	79,904,748	12,559,481	67,345,267		
NICARAGUA									
Instituto de Fomento Nacional Public entity	Industrial credits (\$4,000,000)	Project completed; 43 credits totaling \$2,653,963 authorized	U.S. dollars	2,000,000	2,000,000	1,100,000	900,000	3/31/61 (7/11/61)	5¼% (1963-73)

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid	Outstanding	Approved (Signed)	Interest (Maturity)
NICARAGUA (Cont'd)									
Instituto de Fomento Nacional (Republic of Nicaragua) Public entity	Agricultural and livestock credits (\$2,972,000)	Project completed; 1951 head of cattle imported; 81 credits for \$445,852 extended; \$900,000 used in Rivas irrigation project	Cordobas ¹ U.S. dollars Total in U.S. dollars	28,000 1,402,000 1,430,000	28,000 1,402,000 1,430,000	91,167 119,167	1,310,833 1,310,833	7/30/64 (9/14/64)	5¼% (1968-89)
Banco Nacional de Nicaragua (Republic of Nicaragua) Public entity	Livestock credits (\$9,822,000)	2,074 credits for projects worth \$10,055,000 authorized	Cordobas ¹ U.S. dollars Total in U.S. dollars	100,000 4,500,000 4,600,000	9,300 2,320,901 2,339,201	387 187,500 187,887	8,913 2,132,401 2,151,314	12/31/64 (4/6/65)	6% (1968-80)
Instituto de Fomento Nacional (Republic of Nicaragua) Public entity	Industrial credits (\$7,387,000)	34 credits for projects worth \$14,639,132 authorized	U.S. dollars	3,300,000	2,402,115		2,402,115	8/5/65 (12/13/65)	6% (1969-81)
Banco Nacional de Nicaragua (Republic of Nicaragua) Public entity	Agricultural credits (\$3,237,000)	459 credits for projects worth \$4,990,000 authorized	Swiss francs U.S. dollars Total in U.S. dollars	1,574,971 1,539,842 1,900,000	1,574,971 1,491,842 1,852,000		1,574,971 1,491,842 1,852,000	11/10/66 (12/21/66)	6% ^a (1969-82)
Instituto de Fomento Nacional (Republic of Nicaragua) Public entity	Agricultural diversification (\$4,884,000)		Córdobas Belgian francs U.S. dollars Total in U.S. dollars	800,000 50,000,000 800,000 2,600,000				11/29/68	7¼% ^a (1972-84)
TOTAL LOANS TO NICARAGUA EXPRESSED IN U.S. DOLLARS				15,830,000	10,023,316	1,407,054	8,616,262		
Less: Participations				1,919,000	1,719,000	662,500	1,056,500		
Net total loans to Nicaragua expressed in U.S. dollars				13,911,000	8,304,316	744,554	7,559,762		
PANAMA									
Banco Nacional de Panamá (Republic of Panama) Public entity	Livestock credits (\$2,605,000)	79 credits for projects worth \$2,008,962 authorized	Balboas ¹ U.S. dollars Total in U.S. dollars	500,000 1,000,000 1,500,000	304,036 259,725 563,761		304,036 259,725 563,761	9/22/66 (9/27/66)	6% (1970-86)
TOTAL LOANS TO PANAMA EXPRESSED IN U.S. DOLLARS				1,500,000	563,761		563,761		
PARAGUAY									
Compañía Algodonera Paraguaya, S.A. (Consortio Coplata, S.A., and Banco Nacional de Fomento) Private entity	Expansion of vegetable oil processing plant (\$1,291,000)	Project completed	Guaraníes ¹ U.S. dollars Total in U.S. dollars	220,000 329,996 549,996	220,000 329,996 549,996	110,000 165,000 275,000	110,000 164,996 274,996	9/28/61 (10/31/61)	5¼% (1964-73)
Manufactura de Pilar, S.A. (Banco Nacional de Fomento) Private entity	Expansion of textile and vegetable oil processing plant in Pilar, Southwest Paraguay (\$4,184,000)	Project completed	U.S. dollars	2,200,000	2,200,000	1,035,294	1,164,706	(4/11/63) (6/6/63)	5¼% (1965-73)
Administración Nacional de Electricidad (Republic of Paraguay) Public entity	Expansion of Acaray River hydroelectric plant from 45,000 to 90,000 kilowatts (\$3,444,000)	Project 15% complete	Guaraníes ¹ U.S. dollars Total in U.S. dollars	300,000 1,700,000 2,000,000		187,345 187,345	187,345 187,345	7/20/67 9/2/67	6½% (1972-87)
Compañía Algodonera Paraguaya, S.A. (Banco Nacional de Fomento) Private entity	Expansion of industrial and edible oils facilities (\$4,015,000)		Guaraníes ¹ U.S. dollars Total in U.S. dollars	300,000 1,000,000 1,300,000				4/21/68 (9/10/68)	7¼% (1971-81)
TOTAL LOANS TO PARAGUAY EXPRESSED IN U.S. DOLLARS				6,049,996	2,937,341	1,310,294	1,627,047		
Less: Participations				429,286	429,286	269,911	159,375		
Net total loans to Paraguay expressed in U.S. dollars				5,620,710	2,508,055	1,040,383	1,467,672		

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
PERU									
Corporación de Saneamiento de Arequipa (Republic of Peru) Public entity	Expansion of water supply and sewage system for Arequipa (\$6,847,000)	Project completed	Soles	66,000,000	66,000,000		66,000,000	2/3/61	5¼%
			U.S. dollars	1,450,000	1,450,000	507,500	942,500	(6/2/61)	(1965-75)
			Total in U.S. dollars	3,910,359	3,910,359	507,500	3,402,859		
Compañía Peruana de Cemento Portland, S.A. (Banco Popular del Perú) Private entity	Expansion of cement plant in Lima (\$2,100,000)	Project completed	Soles	6,750,000	6,750,000	5,015,561	1,734,439	10/5/61	5¼%
			U.S. dollars	1,250,000	1,260,000	781,250	468,750	(12/15/61)	(1964-71)
			Total in U.S. dollars	1,501,719	1,501,719	938,577	563,142		
Banco Industrial del Perú (Republic of Peru) Public entity	Industrial credits (\$11,000,000)	Project completed; 33 credits for projects worth \$8,176,962 authorized	U.S. dollars	2,500,000	2,500,000	1,000,000	1,500,000	10/18/62 (11/23/62)	5¼% (1965-74)
PERUINVEST Compañía Peruano-Suiza de Fomento e Inversiones, S.A. Private entity	Industrial credits (\$2,997,000)	Project completed; 21 credits for projects worth \$3,992,000 authorized	U.S. dollars	747,050	747,050	249,017	498,033	11/5/63 (11/8/63)	5¼% (1966-73)
Banco Industrial del Perú (Republic of Peru) Public entity	Industrial credits (\$16,000,000)	Project completed; 71 credits for projects worth \$20,932,288 authorized	U.S. dollars	5,000,000	5,000,000	1,500,000	3,500,000	2/12/63 (12/13/63)	5¼% (1966-75)
Compañía Irrigadora Pativilca, S.A. (Republic of Peru) Private entity	Construction of irrigation facilities 100 miles north of Lima (\$2,982,000)	Project completed	Soles ¹	226,346	226,346	59,565	166,781	12/12/63	5¼%
			U.S. dollars	678,643	678,643	178,590	500,053	(12/16/63)	(1966-75)
			Total in U.S. dollars	904,989	904,989	238,155	666,834		
Banco Industrial del Perú (Republic of Peru) Public entity	Industrial credits (\$18,600,000)	Project completed; 105 credits for projects worth \$26,092,167 authorized	Yen	192,960,000	192,960,000		192,960,000	4/15/65	6%
			U.S. dollars	6,464,000	6,464,000	700,000	5,764,000	(4/20/65)	(1968-77)
			Total in U.S. dollars	7,000,000	7,000,000	700,000	6,300,000		
Banco Industrial del Perú (Republic of Peru) Public entity	Capital goods exports (\$3,850,000)	Export of capital goods with an invoice value of \$478,500	Original commitment	1,000,000				6/15/65	6%
			Available from repay- ments	69,500				(6/25/65)	(1966-70)
			Total in U.S. dollars	269,800	269,800	160,700	109,100		
Republic of Peru Public entity	Construction of 66-mile section of Pan American Highway south of Lima (\$6,700,000)	Project 32% complete	Yen	63,237,600	63,237,600		63,237,600	11/18/65	6%
			U.S. dollars	3,824,340	1,202,037		1,202,037	(1/27/66)	(1969-81)
			Total in U.S. dollars	4,000,000	1,377,697		1,377,697		
Republic of Peru Public entity	Construction of Aguada Blanca irrigation dam in Southern Peru near Arequipa (\$2,896,000)	Project 35% complete	Soles ¹	100,000	61,680		61,680	12/28/66	6½% ⁶
			Swiss francs	4,373,000	462,716		462,716	(3/21/67)	(1970-87)
			U.S. dollars	950,000	467,566		467,566		
			Total in U.S. dollars	2,050,000	635,058		635,058		
Banco Industrial del Perú (Republic of Peru) Public entity	Industrial credits (\$26,277,000)	32 credits for projects worth \$4,032,846 authorized	Italian lire	875,000,000				2/16/68	6½% ^{6,7}
			Swiss francs	2,469,647	2,469,647		2,469,647	(4/26/68)	(1971-83)
			U.S. dollars	4,535,251	1,584,701		1,584,701		
			Total in U.S. dollars	6,500,000	2,149,450		2,149,450		
TOTAL LOANS TO PERU EXPRESSED IN U.S. DOLLARS				34,383,917	25,996,122	5,293,949	20,702,173		
Less: Participations				3,072,125	3,072,125	2,006,125	1,066,000		
Net total loans to Peru expressed in U.S. dollars				31,311,792	22,923,997	3,287,824	19,636,173		
URUGUAY									
Republic of Uruguay Public entity	Expansion of water system for Montevideo (\$14,500,000)	Project 97% complete	Pesos ¹	2,750,000	2,159,535	715,992	1,443,544	8/3/61	5¼%
			U.S. dollars	2,993,000	2,962,454	628,399	2,334,054	(10/9/61)	(1965-81)
			Total in U.S. dollars	5,743,000	5,121,989	1,344,391	3,777,598		
Administración Nacional de Combustibles, Alcohol y Portland Public entity	Expansion of cement plant at Minas and oil refinery at Montevideo (\$8,550,000)	Cement plant completed; oil refinery project vir- tually complete	U.S. dollars	4,600,000	4,215,897	1,672,707	2,543,190	6/14/62 (8/23/62)	5¼% (1965-74)
Republic of Uruguay Public entity	Construction of 144 miles of highway between Paysandú and Tacuarembó (\$7,001,000)	Project 44% complete	Yen	114,857,071	114,857,071	27,567,726	87,289,345	11/15/62	5¼%
			U.S. dollars	3,780,953	1,656,197	397,487	1,258,710	(3/5/63)	(1966-78)
			Total in U.S. dollars	4,100,000	1,975,245	474,065	1,501,181		

ORDINARY CAPITAL RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
URUGUAY (Cont'd.)									
Banco de la República Oriental del Uruguay (Republic of Uruguay) Public entity	Agricultural and industrial credits (\$10,200,000)	13 industrial credits for projects worth \$8,362,273 authorized	U.S. dollars	3,000,000	455,502	262,250	193,252	12/19/63 (4/1/64)	5¼% (1967-76)
Republic of Uruguay Public entity	Expansion of water supply services in eastern coastal cities (\$4,622,000)	Project initiated	U.S. dollars	2,600,000	32,500		32,500	6/10/65 (8/19/65)	6% (1969-85)
Administración Nacional de Combustibles, Alcohol y Portland (Republic of Uruguay) Public entity	Construction of a cement plant at Paysandú (\$13,666,000)		Pesos ¹ U.S. dollars Total in U.S. dollars	400,000 4,600,000 5,000,000				11/16/67 (2/1/68)	6½% (1972-83)
Administración Nacional de Puertos (Republic of Uruguay) Public entity	Improvement of Port of Montevideo (\$17,250,000)		Netherlands guilders U.S. dollars Total in U.S. dollars	8,145,000 7,100,000 9,350,000				11/29/68	7¾% ⁹ (1974-89)
TOTAL LOANS TO URUGUAY EXPRESSED IN U.S. DOLLARS				34,393,000	11,801,134	3,753,413	8,047,721		
Less: Participations				951,395	951,395	951,395			
Net total loans to Uruguay expressed in U.S. dollars				33,441,605	10,849,739	2,802,018	8,047,721		
VENEZUELA									
Corporación Venezolana de Fomento Public entity	Industrial credits (\$29,904,000)	Projects completed; 63 credits financing projects worth \$30,631,233 authorized	Bolivares U.S. dollars Total in U.S. dollars	13,375,000 6,244,408 9,208,456	13,375,000 6,244,408 9,208,456	6,595,700 3,149,000 4,610,476	6,779,300 3,095,408 4,597,980	5/18/61 (8/11/61)	5¼% (1964-73)
Instituto Nacional de Obras Sanitarias (Republic of Venezuela) Public entity	Expansion of water supply for Maracaibo (\$16,985,000)	Project completed	U.S. dollars	5,998,519	5,998,519	1,198,519	4,800,000	8/2/62 (8/24/62)	5¼% (1966-80)
Banco Agrícola y Pecuário (Republic of Venezuela) Public entity	Livestock credits (\$35,583,000)	393 credits for \$5,012,632 authorized	U.S. dollars	5,444,000	4,275,677	1,674,021	2,601,656	4/16/63 (4/18/63)	5¼% (1966-73)
Corporación Venezolana de Fomento Public entity	Industrial credits (\$23,662,000)	52 credits for an investment of \$30,633,103 authorized	Bolivares ¹ U.S. dollars Total in U.S. dollars	5,000,000 5,000,000 10,000,000	4,811,086 4,829,638 9,640,723	721,663 750,000 1,471,663	4,089,423 4,079,638 8,169,060	11/12/64 (5/20/65)	6% (1967-77)
C.A. Venezolana de Desarrollo Private entity	Industrial credits (\$9,242,000)	Project completed; 19 credits for an investment of \$9,241,607 authorized	Bolivares ¹ U.S. dollars Total in U.S. dollars	1,500,000 1,500,000 3,000,000	1,500,000 1,500,000 3,000,000		1,500,000 1,500,000 3,000,000	4/7/66 (4/26/66)	6% (1969-78)
Instituto Nacional de Obras Sanitarias (Republic of Venezuela) Public entity	Expansion of water systems in Cumaná, Puerto Cabello and Puerto Ordaz and of sewage system in Maracaibo (\$27,519,000)	Water systems 20% complete; sewage system 28% complete	U.S. dollars	10,000,000	2,217,761		2,217,761	11/29/66 (3/17/67)	6½% (1970-85)
Corporación Venezolana de Fomento Public entity	Industrial credits (\$24,000,000)	20 credits for projects worth \$16,900,334 authorized	Bolivares ¹ Swiss francs U.S. dollars Total in U.S. dollars	4,000,000 4,994,430 6,857,894 12,000,000	1,594,858 4,994,430 2,087,036 4,824,000		1,594,858 4,994,430 2,087,036 4,824,000	12/21/67 (1/29/68)	7¾% ⁹ (1971-83)
Corporación Venezolana de Fomento Public entity	Exports of capital goods (\$4,286,000)		U.S. dollars	3,000,000				2/26/68 (3/15/68)	6½% (1974-89)
Instituto Venezolano de Petroquímica (Republic of Venezuela) Public entity	Fertilizer petrochemical complex at Morón (\$43,667,000)		U.S. dollars	13,100,000				9/19/68	7¾% (1972-82)
C.A. de Administración y Fomento Eléctrico (Corporación Venezolana de Fomento) Public entity	Construction of first stage of 240,000-kilo-watt hydroelectric plant in Venezuela's Andes (\$40,295,000)		Bolivares ¹ Austrian schillings Belgian francs U.S. dollars Total in U.S. dollars	1,800,000 148,200,000 50,000,000 4,800,000 13,300,000				11/29/68	7¾% ^{8,10} (1974-89)
TOTAL LOANS TO VENEZUELA EXPRESSED IN U.S. DOLLARS				85,050,975	39,165,136	8,954,679	30,210,457		
Less: Participations				8,079,308	3,807,143	3,057,143	750,000		
Net total loans to Venezuela expressed in U.S. dollars				76,971,667	35,357,993	5,897,536	29,460,457		

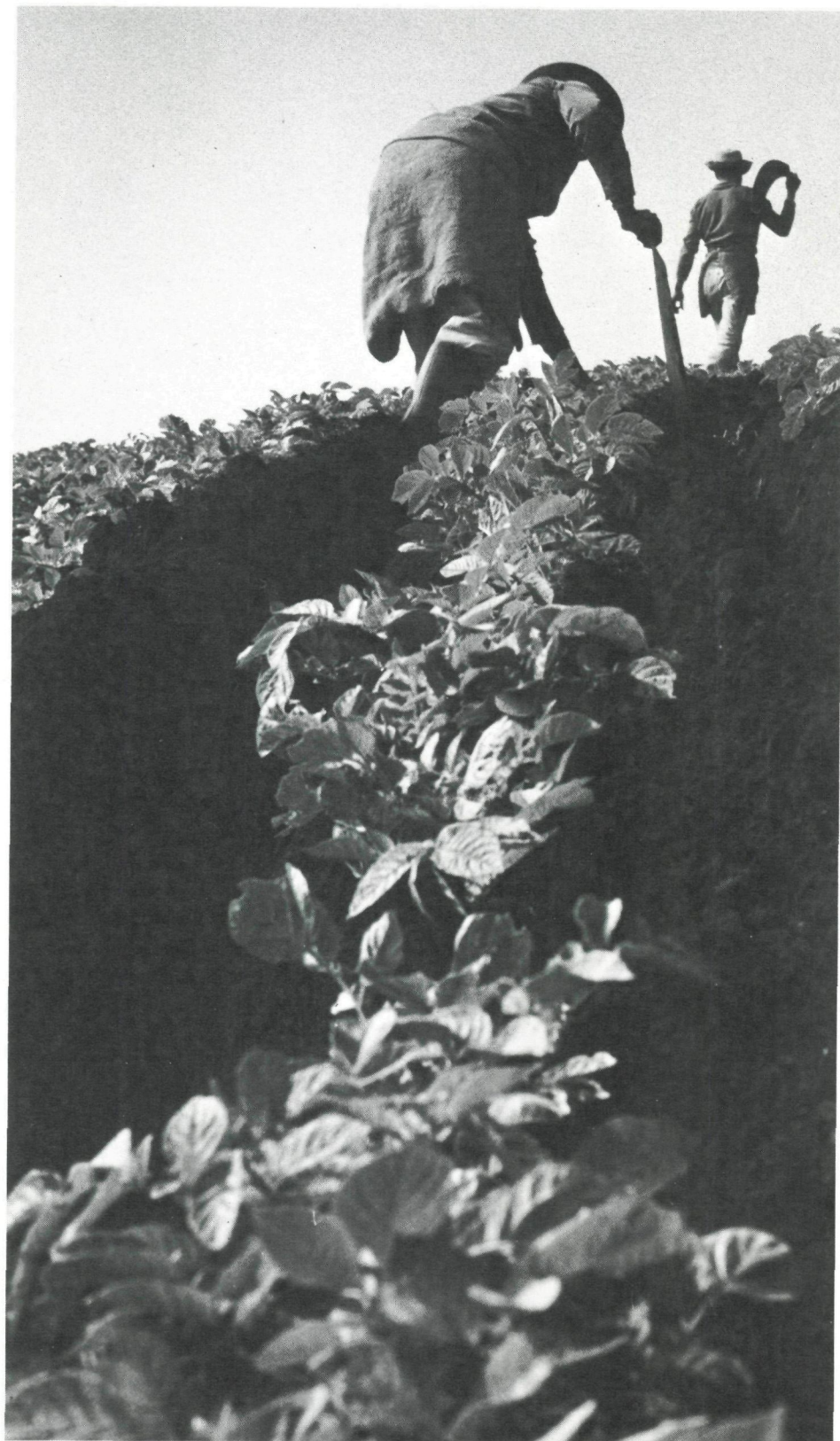
Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid	Outstanding	Approved (Signed)	Interest (Maturity)
REGIONAL									
Adela Cía, de Inversiones, S.A.	Industrial credit projects in Latin American member countries (\$43,200,000)	18 credits for projects worth \$30,771,177 authorized	Italian lire	3,125,000,000	715,788,219		715,788,219	4/24/66	6% ^a
(Adela Investment Co. S.A. of Luxembourg)			Yen	150,264,000	150,264,000		150,264,000	(9/27/66)	(1970-81)
			U.S. dollars	4,582,600	2,112,517		2,112,517		
Private entity			Total in U.S. dollars	10,000,000	3,675,178		3,675,178		
Central American Bank for Economic Integration Public entity	Construction of Central American Telecommunica- tions Network. Industrial credits for regional development projects (\$16,670,000)	7 credits for industrial projects worth \$15,595,200 authorized		10,000,000	2,585,226		2,585,226	9/14/67 (10/12/67)	6½% (1971-85)
TOTAL REGIONAL LOANS EXPRESSED IN U.S. DOLLARS				20,000,000	6,260,404		6,260,404		
Less: Participations				1,000,000	1,000,000		1,000,000		
Net total regional loans expressed in U.S. dollars				19,000,000	5,260,404		5,260,404		
TOTAL LOANS EXPRESSED IN U.S. DOLLARS				1,081,687,468	603,632,063	102,276,386	501,355,677		
Less: Participations				46,244,980	34,544,017	20,380,100	14,163,917		
Net total loans expressed in U.S. dollars				1,090,291,268	569,088,046	81,896,286	487,191,760		

NOTES:

- A) In addition to the interest rates shown, loans extended before Aug. 6, 1964, carry a commitment fee of ¾% on undisbursed balances; those made from that date to Dec. 21, 1967, carry a commitment fee of 1%, and those made after Dec. 21, 1967, carry a commitment fee of 1¼%. However, certain revolving lines of credit to finance exports of capital goods carry no commitment fee. Interest rates include the special commission of 1% required by Article III, Section 12 of the Agreement.
- B) All of the loans have been approved by the Bank, but certain loans have not become effective and disbursements thereunder will not begin until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank.
- C) Interest and amortization are payable in the currencies loaned.
- D) The Bank has entered into irrevocable commitments to disburse \$25,517,713.
- ¹Expressed in U.S. dollar equivalent.
- ²Italian lire portion is subject to a service commission of 1% and a commitment fee of 1½%.
- ³Italian lire portion is subject to a service commission of 2% and a commitment fee of 1¾%.
- ⁴Deutsche mark portion is subject to a service commission of 1½% and a commitment fee of 1¾%.
- ⁵Pound sterling portion is subject to a service commission of 1½% and a commitment fee of 1¾%.
- ⁶Swiss franc portion is subject to a service commission of 1¼% and a commitment fee of 1¾%.
- ⁷Italian lire portion is subject to a service commission of 1½% and a commitment fee of 1¾%.
- ⁸Belgian franc portion is subject to a service commission of 1% and a commitment fee of 2%.
- ⁹Netherlands guilder portion is subject to a service commission of 1% and a commitment fee of 2%.
- ¹⁰Austrian schilling portion is subject to a service commission of 1% and a commitment fee of 2%.
- ¹¹Deutsche mark portion is subject to a service commission of 1% and a commitment fee of 2%.

Part II
FUND FOR
SPECIAL
OPERATIONS
Operations /
Fiscal Year 1968

VOLCANO RICH SOILS in Costa Rica increase yields with assistance of Bank financing. In 1965 the Bank authorized a loan of \$5.2 million from the Fund for Special Operations to help rehabilitate Costa Rican zones affected by the eruption of the Irazu volcano.



Resources

The substantial loan record which the Inter-American Bank has established since it began operations nearly a decade ago has been due in large measure to the decisive support which it has received from its member countries in replenishing its lendable resources—particularly those of its Fund for Special Operations.

The Fund was established under the Bank's Agreement "for the making of loans on terms and conditions appropriate for dealing with special circumstances arising in specific countries or with respect to specific projects." When the Bank was created in 1959, the Fund was established with modest initial resources of \$150 million.

Since then, however, Latin America's growing need for loans on concessional terms has led the Bank's membership to increase the resources of the Fund

periodically—first by \$73,158,000 in 1964, then by \$900 million in 1965 and finally by \$1.2 billion in 1967. Of the latter increase, which went into effect Dec. 29, 1967, the United States is contributing \$900 million and the Latin American member countries are contributing \$300 million.

The \$1.2 billion is being contributed in three *tranches* over the 1967-69 period. When the final contribution is made in 1969, the Fund's total resources will have risen to \$2,321,436,000.

During 1968, the Bank's member countries paid in \$767,487,000,—the highest ever contributed in a single year to the Fund—fully completing payment of the first and second *tranches*. The third *tranche* is due by Dec. 31, 1969.

The total contributions paid in to the Fund as of Dec. 31, 1968, as well as the quotas due in 1969 are shown in the accompanying table.

Loans

During 1968 the Bank authorized 32 loans totaling \$210,055,000 from the Fund for Special Operations, bringing the cumulative lending from the Fund as of Dec. 31, 1968, to 197 loans totaling \$1,169,807,330, net of cancellations and exchange adjustments.

Disbursements on loans from the Fund for Special Operations amounted to \$120,478,836, bringing cumulative disbursements as of Dec. 31, 1968, from the Fund to \$314,631,106.

The total cost of the projects and programs which these loans are helping to finance is estimated at \$2.5 billion. The Bank's loans are providing about 48 per cent of this sum, with the remaining 52 per cent being provided primarily by the borrowers themselves.

In its lending operations with the resources of the Fund for Special Operations, the Bank placed special emphasis during 1968 on the development of Latin America's economic infrastructure.

By sectors the 32 loans authorized from the Fund for Special Operations included four for \$67,920,000 for *transportation and communications*; three for \$40.6 million for *electric power*; eight for \$34.5 million for *agriculture*; three for \$25,980,000 for *housing for low-income groups*; three for \$13.1 million for *industry*; two for \$10 million for *water supply and sewage systems*; two for \$9.4 million for *education* and seven for \$8,255,000 for *preinvestment*.

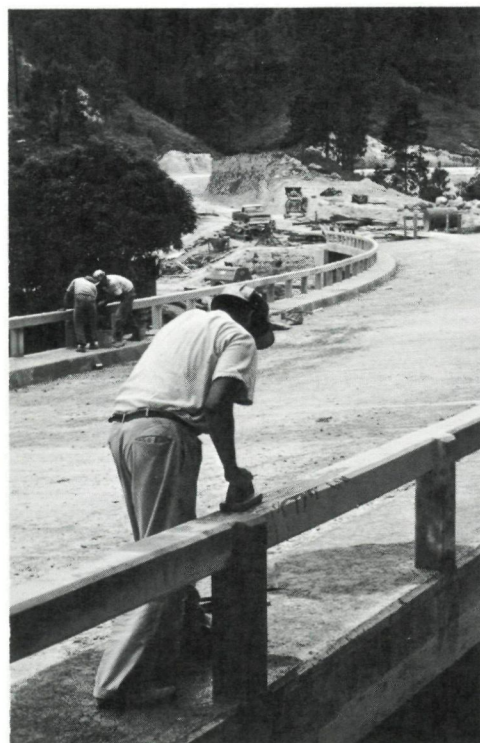
The four *transportation and communications* loans included \$5,420,000 (along with \$4,080,000 from the resources which the Bank administers for the United Kingdom) to enable the *Republic of Bolivia* to carry out the first phase of a program to modernize its telecommunications system; \$12.7 million to enable the *Republic of Colombia* to build and improve a 179-mile segment of its Caribbean Transverse Highway; \$35 million to the *Departamento Nacional*

CONTRIBUTIONS FUND FOR SPECIAL OPERATIONS (Expressed in United States dollars)

Country	Paid in as of Dec. 31, 1968	Payable in 1969 ¹	Total after Increase
Argentina	\$ 93,015,000	\$ 22,071,000	\$ 115,086,000
Bolivia	7,468,000	1,772,000	9,240,000
Brazil	93,015,000	22,071,000	115,086,000
Chile	25,539,000	6,060,000	31,599,000
Colombia	25,522,000	6,056,000	31,578,000
Costa Rica	3,734,000	886,000	4,620,000
Dominican Republic	4,978,000	1,181,000	6,159,000
Ecuador	4,978,000	1,181,000	6,159,000
El Salvador	3,734,000	886,000	4,620,000
Guatemala	4,978,000	1,181,000	6,159,000
Haiti	3,734,000	886,000	4,620,000
Honduras	3,734,000	886,000	4,620,000
Mexico	59,799,000	14,190,000	73,989,000
Nicaragua	3,734,000	886,000	4,620,000
Panama	3,734,000	886,000	4,620,000
Paraguay	3,734,000	886,000	4,620,000
Peru	12,458,000	2,956,000	15,414,000
Trinidad and Tobago	2,556,800	2,063,200	4,620,000
United States	1,500,000,000	300,000,000	1,800,000,000
Uruguay	9,975,000	2,367,000	12,342,000
Venezuela	49,839,000	11,826,000	61,665,000
TOTAL	\$1,920,258,800	\$401,177,200	\$2,321,436,000

¹ Figure includes contributions receivable from Trinidad and Tobago through 1971.

FUND FOR SPECIAL OPERATIONS



HIGHWAYS THROUGHOUT LATIN AMERICA are being built with loans provided by the Inter-American Bank. Shown, left to right, are a bridge under construction between San Pedro Sula and Tela in Honduras; a feeder road being built in Costa Rica, and work in progress on the Trans-Andean highway between Chile and Argentina.



de Estradas de Rodagem for the construction of the basic highway network for Brazil's underdeveloped Northeast, and \$14.8 million to the Republic of Uruguay to modernize two national highways.

The three *electric power* loans included \$22.9 million to the Dominican Republic to help finance the first stage of the 80,000-kilowatt Tavera hydroelectric project; \$15 million to the Banco de la Nación Argentina to help Argentina carry out a rural electrification program, and \$2.7 million (along with \$13.3 million from the ordinary capital resources) to the C. A. de Administración y Fomento Eléctrico in Venezuela to help finance the first stage of a 240,000-kilowatt hydroelectric project which will provide power to the underdeveloped Western area of Venezuela.

The eight *agricultural* loans included \$3 million to the Instituto Ecuatoriano de Reforma Agraria y Colonización to help finance a resettlement program for small-scale farmers being carried out on three Government-owned estates; \$2.3 million to the Republic of Chile to help that nation carry out a campaign to combat foot-and-mouth disease; \$2.8 million

to the Republic of Paraguay for a similar campaign; \$2 million to the Banco Central de Reserva of El Salvador to provide credit facilities for small-scale farmers; \$10 million to the Banco del Estado in Chile to provide credit facilities for medium-scale farmers; \$1.2 million (along with \$27.5 million from the ordinary capital resources) to carry out a project to irrigate 103,740 acres of farm land in Mexico's Northeast State of Tamaulipas; \$2.4 million (along with \$2.6 million from the ordinary capital resources) to the Instituto de Fomento Nacional to help Nicaragua diversify its agricultural production, and \$10.8 million to enable the Instituto Colombiano de Reforma Agraria to carry out a farm settlement program in two areas of the nation's sparsely settled Eastern Plains.

The three *housing* loans included \$12,580,000 to the Banco de la Vivienda del Perú for the construction of 4,650 housing units and their respective community services in six Peruvian cities; \$4.3 million to Trinidad and Tobago for the construction of 2,090 housing units and related services in 12 communities throughout the nation, and \$9.1 million

to the Instituto de Crédito Territorial for the construction of 7,311 housing units and their respective community services in four cities in Colombia.

The three *industrial* loans included \$2.5 million (along with \$6.5 million from the ordinary capital resources and \$859,200 from the resources which the Bank administers for the United Kingdom) to provide credit resources through the Banco Industrial del Perú for small- and medium-scale private industries in Peru; \$3.1 million (along with \$13.1 million from the ordinary capital resources) to enable the Instituto Venezolano de Petroquímica to build a petrochemical complex in Western Venezuela, which will supply the country's increasing demands for farm fertilizers, and \$7.5 million (along with \$2.5 million from the ordinary capital resources) to the Instituto de Fomento Industrial to foster the growth of small and medium enterprises in Colombia.

The two *water supply and sewage system* loans included \$2 million to the Republic of Nicaragua to help build 69 rural water supply systems which will benefit 65,000 persons in 75 communities

and \$8.3 million to the *Corporación de Obras Sanitarias* in Paraguay to expand the water supply and sewage system of Asunción and provide that city with a long-needed system of storm sewers.

The two *education* loans included \$6.6 million for the construction of a new university campus and its buildings and facilities for the *Universidad del Valle*, in Cali, Colombia, and \$2.8 million to help improve and expand the *Universidad Nacional Autónoma de Honduras* in Tegucigalpa.

Three of the seven *preinvestment* loans will enable three countries to establish preinvestment funds to finance the preparation of development projects and sectoral studies on a systematic basis. These included \$3.1 million (along with \$1 million from the resources which the Bank administers for Canada) to enable the *Departamento Administrativo de Planeación* in Colombia to establish a National Fund for Development Projects; \$700,000 to enable Trinidad and Tobago's *Ministry of Planning and Development* to establish a Preinvestment Fund, and \$1 million to the *Banco Central de Reserva de El Salvador* for the creation of a Special Fund designed to draft preinvestment studies in agricultural, industrial and economic fields. A fourth loan was extended to *Nacional Financiera, S.A.*, for the preparation of development projects in the Lerma-Chapala-Santiago Basin in Central Mexico. The other three preinvestment loans were made for specific projects: \$250,000 to the *Universidad Nacional Autónoma de Nicaragua* to finance the preinvestment studies needed for the construction of the new Rubén Darío university campus in the city of Managua; \$355,000 to enable the Dominican Republic to set up a pilot farm settlement project designed to foster the development of the Azua Plain in the southern part of the nation, and \$350,000 to provide technical assistance services to Uruguay's *Administración Nacional de Puertos* which is engaged in carrying out

a program to enlarge the port facilities of Montevideo with the help of a \$9,350,000 loan from the ordinary capital resources.

The rates of interest charged in 1968 on loans extended from the Fund for Special Operations ranged from 2¼ per cent to 4 per cent per annum, depending on the nature of the project. In addition, a service charge of ¾ of 1 per cent payable in U.S. dollars was applied when required. Most of the loans were extended for terms ranging from 15 to 30 years.

The loans authorized by the Bank from the Fund for Special Operations are described below under the following categories:

- Transportation and Communications
- Electric Power
- Agriculture
- Housing
- Industry
- Water and Sewage Systems
- Education
- Preinvestment

TRANSPORTATION AND COMMUNICATIONS

BOLIVIA

TELECOMMUNICATIONS

\$5,420,000 25-year 3¼% loan of April 21, 1968 (\$4,620,000 and \$800,000 in Bolivian pesos)

Borrower: **REPUBLIC OF BOLIVIA**

Bolivia lacks a nationwide telecommunications system. For that reason Government and commercial institutions must depend on inefficient individual systems, which were estimated to number 70 in 1964.

Aware of the need to establish a coordinated system, the Government of Bolivia has assigned high priority in its development plans to its communications problems. Over the next 20 years, it plans to carry out a three-phase basic telecommunications plan designed to modernize its internal telecommunications system and link it with the pro-

jected Inter-American Telecommunications Network.

This loan, along with one for 1.7 million pounds sterling (equivalent to \$4,080,000) from the resources which the Bank administers for the United Kingdom (page 137), will finance the first phase in this telecommunications plan. This phase provides for the establishment of a central backbone for a national system leading from La Paz through Oruro and Cochabamba to Santa Cruz and for linking other cities with it.

In the second phase, the cities of Sucre and Potosí will be connected to the central axis, telephone service in the Bolivian highlands will be expanded and linked to the axis and the system will be extended south to the Argentine border. In the final phase, the service of all telephone companies in the area will be expanded to fill future needs.

The Bank's financing, which will cover 75.4 per cent of the total \$12.6 million cost of the project, will be used for equipment, for installation and engineering services and for other expenditures related to the project's execution.

Up to \$455,000 of the loan will be devoted to technical assistance services connected with the execution of the project and the operations of the executing agency, the *Empresa Nacional de Telecomunicaciones*.

BRAZIL

NORTHEAST HIGHWAY NETWORK

\$35 million 20-year 3¼% loan of Sept. 6, 1968 (\$23 million and \$12 million in cruzeiros)

Borrower: **DEPARTAMENTO NACIONAL DE ESTRADAS DE RODAGEM**

One of the handicaps to the development of Brazil's Northeast has been the lack of good highway connections between the various sections of that region and the industrialized south. For this reason the *Superintendência do Desenvolvimento do Nordeste (SUDENE)*, the agency in charge of planning the region's development, has placed high pri-

ority on programs designed to build the basic economic infrastructure of the area.

This loan will help fulfill SUDENE's highway goals by partially financing a \$76.1 million program to complete the construction of the basic highway network of the Northeast. The Bank's loan will cover 46 per cent of this cost; the borrower will put up the remaining 54 per cent.

The project will link six of the nine state capitals in the region and will provide the most direct highway route between the region and the major industrial centers of Rio de Janeiro and São Paulo. The improved highway network will help to reduce transportation costs and thereby permit the shipment to market of perishable agricultural products.

The program is being carried out by the *Departamento Nacional de Estradas de Rodagem*, the nation's highway department. It includes the construction of road segments with a total length of 489 miles on three of the main highways of the Northeast, as follows:

- 128 miles on Route BR-101 between Maruim in the State of Sergipe and Rio Paraíba in the State of Alagoas and the construction of a mile-long bridge on that highway over the São Francisco River between Propriá and Porto Real do Colégio.

- 173 miles on Route BR-116 between Ibó in the State of Pernambuco and Icó in the State of Ceará.

- 188 miles on Route BR-232 between Pesqueira and Salgueiro, both in the State of Pernambuco.

From the start of its operations in 1960, the Bank has placed special emphasis on fostering the development of Brazil's Northeast. One of the nation's least developed areas, the Northeast enjoys a per capita income equivalent to only half the national average. Bank support for the region now totals \$154.6 million, more than one-fourth of the Bank's loans to Brazil.



COLOMBIA

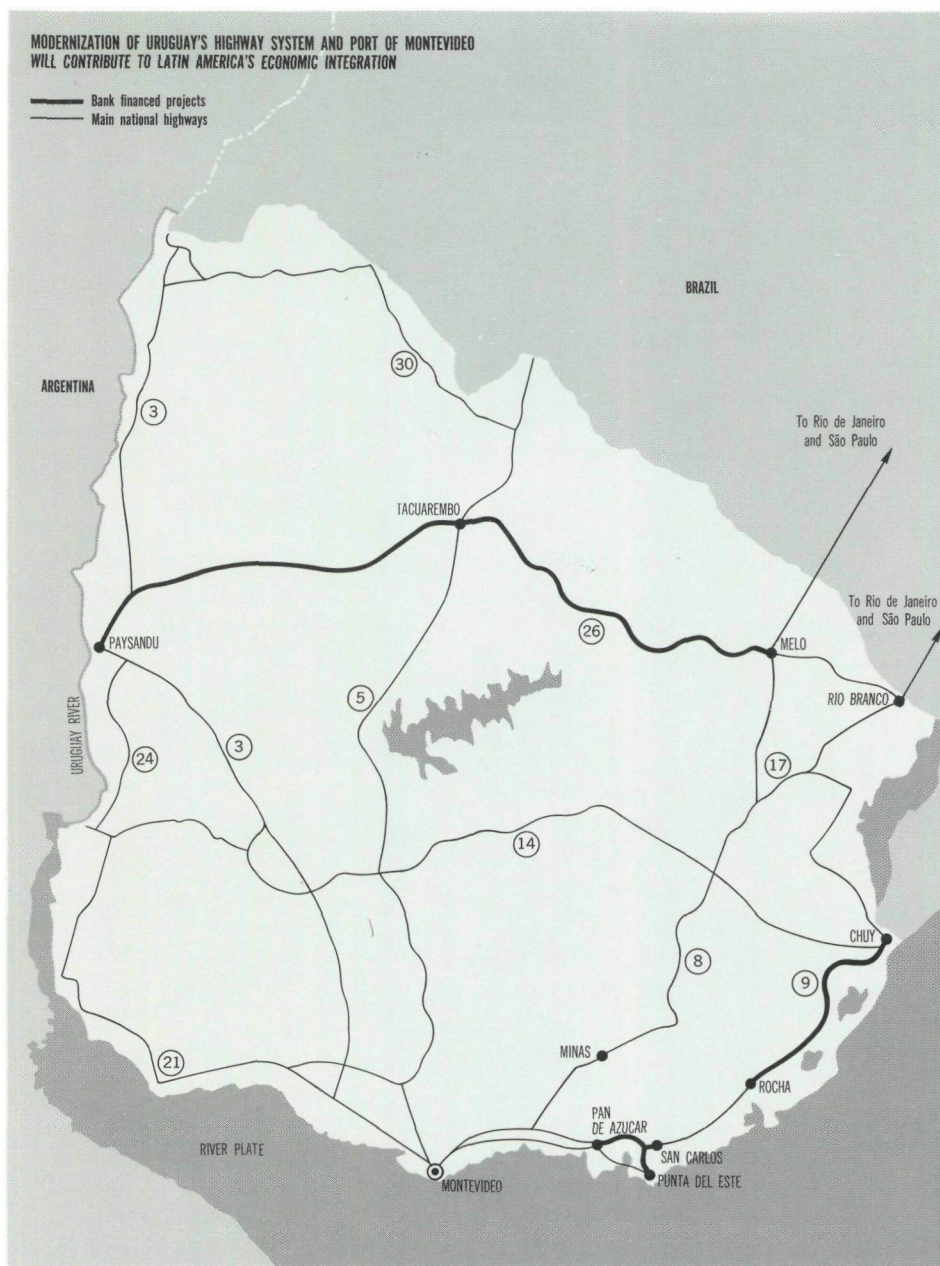
CARIBBEAN COASTAL HIGHWAY

\$12.7 million 20-year 3¼% loan of April 21, 1968

Borrower: **REPUBLIC OF COLOMBIA**

In 1964 the Inter-American Bank concluded a broad-scale study of possibilities for carrying out projects contributing to the economic integration of bor-

der areas along the Colombian-Venezuelan border. In that study some 14 road projects susceptible of being carried out in the near future were identified. Four of these were in Colombia, one was in Venezuela and nine were of a joint nature.



Among those in Colombia meriting the highest priority was the construction and improvement of a 179-mile section of the Caribbean Transverse Highway which would not only improve that nation's internal communications but would also provide better land transportation to Western Venezuela.

This loan will finance 51 per cent of the \$25.5 million total cost of the proj-

ect; the remaining 49 per cent will be provided by the Government. The highway will extend from Paraguachón on the Venezuelan border to Palo Las Letras near Colombia's border with Panama, thus crossing the entire Caribbean coast of Colombia and linking the cities of Turbo, Motería, Cartagena, Barranquilla, Ciénaga, Santa Marta, Ríohacha and Maicao.

The portion which will be built with the help of this loan starts at La Ye, near Ciénaga, and continues along the coast to Ríohacha, capital of the Department of Guajira, and then turns eastward crossing the lower part of the Peninsula of Guajira, through Maicao to Paraguachón. From there it will connect with the highway going to Maracaibo.

In addition to supporting the region's economic integration, the project will contribute to the agricultural development of one of the least developed sections of Colombia and to the growth of tourism along the Caribbean.

URUGUAY

HIGHWAY CONSTRUCTION

\$14.8 million 20-year 3¼% loan of Dec. 13, 1968 (\$13,110,000 and \$1,690,000 in Uruguayan pesos)

Borrower: **REPUBLIC OF URUGUAY**

Uruguay's national road network extends over some 5,700 miles, of which only about 1,250 are well paved. The remainder are unpaved or are only superficially treated. With the assistance of the World Bank, the Uruguayan Government has prepared a 10-year highway development plan which calls for the expenditure of \$160 million.

This loan will help carry out that plan by financing construction on national highways which will not only expand Uruguay's internal transportation network but will also improve integration between Uruguay and Brazil. The Bank's loan will help rebuild highway sections totaling 150 miles on Routes 9 and 26. Route 9 extends 211 miles from Chuy on the Brazilian border to Montevideo and Route 26 stretches 321 miles from Rio Branco on the Brazilian border to Paysandú on the Argentine border passing through Melo and Tacuarembó. A \$4.1 million loan approved by the Bank in 1962 is helping to improve 145 miles between Tacuarembó and Paysandú.

Specifically, the project calls for the construction of nine bridges and ap-

FUND FOR SPECIAL OPERATIONS

proaches totaling 22 miles on Route 26 between Tacuarembó and Melo; the reconstruction, improvement and paving of an 87-mile stretch of highway between Rocha and Chuy on Route 9; the widening and paving of 22 miles of Route 9 between San Carlos and Pan de Azúcar; the construction of 19 miles at the juncture of Routes 9 and 10 at the resort city of Punta del Este, and the acquisition of equipment and consulting services.

The improvements on Route 26 will ensure year-round use of the highway, 30 per cent of which is totally isolated during one-third of the year due to floods, and the Route 9 project will promote an increasing flow of tourist traffic from Brazil to Uruguay. Total cost of the project is \$22,360,000. The Bank's loan will cover 66.2 per cent of that sum and the Government of Uruguay will provide 33.8 per cent.

ELECTRIC POWER

ARGENTINA

RURAL ELECTRIFICATION

\$15 million 29½-year 3¼% loan of Sept. 6, 1968 (\$13 million and \$2 million in Argentine pesos)

Borrower: **BANCO DE LA NACION ARGENTINA**

The wide variety of climate and soil conditions have given Argentina a highly diversified agricultural structure. The farm sector contributes about 17 per cent of Argentina's gross domestic product, employs 19 per cent of the nation's economically active population and accounts for 90 per cent of its total exports. Nonetheless, this sector has made little progress since World War II and opportunities for increasing output by bringing new lands into use appear to be limited. Thus a more intensive application of technology is essential to the future progress of the nation's farm sector.

This loan will enable the *Banco de la Nación Argentina* and the *Dirección*

Nacional de Energía y Combustibles, the nation's power and fuel agency, to carry out a broad rural electrification program which will benefit nearly 40,000 of the estimated 470,000 farms and ranches scattered throughout the country. The loan will cover 33 per cent of the \$45.5 million total cost of the project; the remainder will be contributed by Argentine sources.

The program, which will contribute to the mechanization of farm and livestock activities and to the improvement of living conditions in rural areas, calls for the extension of credits to local co-operatives and other consumer associations to carry out electrification projects. Credits will be granted for the construction of substations, primary feeder networks, stepdown substations and networks of low-tension lines. The execution of the program will expand the proportion of farms supplied with electric power to 15 per cent of the nation's total and will benefit more than 300,000 persons.

The areas which will benefit most include the grain and dairy regions of the Provinces of Buenos Aires, Santa Fé and Córdoba; irrigated areas in the Cuyo region, and portions of the Northern, Northeast and Patagonian areas of the nation.

DOMINICAN REPUBLIC

HYDROELECTRIC POWER

\$22.9 million 25-year 3¼% loan of April 2, 1968 (\$20.4 million and \$2.5 million in Dominican pesos)

Borrower: **DOMINICAN REPUBLIC**

The Dominican Republic has only 38 watts of installed electric power capacity per capita, compared to an average 67 watts in Central America and 100 watts in Latin America as a whole. In addition, only 10 per cent of the country's installed capacity is derived from hydroelectric sources compared to 50 per cent in Latin America as a whole.

In order to increase power output and take advantage of the nation's plen-

tiful water resources, the Dominican Republic in 1968 initiated the first stage of a project to build a dam on the Yaque del Norte River at Tavera in the Cibao Valley located in the northern part of the nation.

In the first stage, a dam and a hydroelectric plant with an initial capacity of 40,000 kilowatts will be built and studies necessary subsequently to provide irrigation for 39,500 acres of land and to improve irrigation on another 50,600 will be carried out, thus leading to the agricultural development of nearly 91,000 acres of land in the vicinity of the dam site. In a future second stage, the plant will be expanded to 80,000 kilowatts and the irrigation system will be built. The hydroelectric project will be carried out by the *Corporación Dominicana de Electricidad* and the irrigation studies will be prepared by consultants for the *Instituto Nacional de Recursos Hidráulicos*.



ELECTRIC POWER FOR LITORAL region in Argentina has been expanded with Bank loan made in 1961 to improve system stretching from Santa Fe to Buenos Aires.

The Bank's loan will finance 66 per cent of the \$34.5 million cost of the first stage, the U.S. Agency for International Development 20 per cent, and the Dominican Republic 14 per cent. The second stage will be carried out later at a cost of \$22.6 million.

The Cibao Valley, a major farming area, is the nation's most densely populated zone. However, the region's potential for farm production has not been fully exploited due mainly to the lack of irrigation facilities and inadequate supplies of electric power. Execution of the project will increase the nation's power production by about 24 per cent and the future irrigation improvements are expected to lead to an increase of 90 per cent in agricultural output in the benefited area.

VENEZUELA

RURAL POWER DISTRIBUTION

\$2.7 million 20-year 4% loan of Nov. 29, 1968 (\$2.7 million in bolivars)

Borrower: **C.A. DE ADMINISTRACION Y FOMENTO ELECTRICO**

This loan, along with \$13.3 million from the ordinary capital resources (page 22), is helping Venezuela to foster establishment of a new development center in Venezuela's under-developed Western Andean region by helping to finance the first stage of a 240,000-kilowatt hydroelectric power plant.

The region, which accounts for 17 per cent of the country's population, enjoys a considerably lower stage of economic development than the national average with a per capita gross national product in 1966 of \$294, only one-third of the national average. The project will provide greater and cheaper power to the region and thus will speed up its economic growth.

The benefited zone includes the States of Trujillo and Mérida, most of Zulia (except Maracaibo and nearby areas along Lake Maracaibo) and the cities of Barinas and Guanare. In addition

to the construction of the dam and hydroelectric plant and the installation of the first two 60,000-kilowatt generators, the project provides for the installation of electric transmission lines to Guanare and Barinas.

This loan will be used to finance the latter part of the project. This will contribute to the Venezuelan Government's efforts to improve living standards in a large rural area which has a considerably lower standard of living than the rest of the nation.

The loan is guaranteed by the *Corporación Venezolana de Fomento*.

AGRICULTURE

CHILE

FOOT-AND-MOUTH DISEASE CAMPAIGN

\$2.3 million 20-year 2¼% loan of July 18, 1968 (\$1.5 million and \$800,000 in escudos)

Borrower: **REPUBLIC OF CHILE**

During 1968 the Inter-American Bank initiated a policy of providing financial support to its member nations in South America to help them step up their efforts to control and eventually eradicate foot-and-mouth disease, a virulent highly contagious disease which causes heavy losses in all cloven-hoofed animals. Both North and Central America are free of the disease but all nations in South America are affected by it.

In embarking on this new field for an international financial organization, the Bank is seeking to improve the contribution of the agricultural sector to the region's development. The first loans made under the policy were extended to Chile and Paraguay. Additional loans were under consideration at year end for other South American countries.

In 1965 about 8 per cent of Chile's 2.9 million head of cattle carried the disease virus, which is endemic throughout the country, except in the Southernmost Province of Magallanes. This has been a contributing factor in the poor

growth record of Chile's livestock sector over the past two decades. Between 1955 and 1965 the cattle herd increased by barely 30,000 head and Chile has had to import increasing amounts of beef and dairy products. In 1967 such imports amounted to \$36 million and if present trends continue they may reach \$74 million annually by 1975.

This loan will be used by Chile's *Servicio Agrícola y Ganadero (SAG)*, an agency of the Ministry of Agriculture, in carrying out a five-year campaign at a total cost of \$13.5 million. The loan will cover 17 per cent of that cost; Chilean Government entities will provide 50 per cent, and livestock owners will provide the remaining 33 per cent.

Under the program some 2.5 million head of livestock will be vaccinated against the disease at least three times a year for a period of five years. The Bank's loan will finance the purchase of vehicles, communications equipment, audiovisual materials, laboratory and vaccination equipment, imported chemicals and disinfecting equipment, construction of facilities at two experimental ranches and small test quantities of new, more potent vaccines.

Up to \$140,000 of the Bank's loan will be devoted to technical assistance services to improve the organization of *SAG* and to hire consultants who will advise on the campaign and train Chilean experts.

AGRICULTURAL CREDIT

\$10 million 20-year 3¼% loan of Nov. 21, 1968 (\$7.5 million and \$2.5 million in escudos)

Borrower: **BANCO DEL ESTADO**

Until the 1940's Chile was a net exporter of agricultural and livestock products. Since then, however, it has imported increasing amounts of such products and by 1966 its agricultural trade balance deficit had risen to \$149 million. Chile's national development plan for 1967-71 recognizes the need to



reverse this trend and calls for public investments in the agricultural sector to double—from 11 per cent in 1967 to 22 per cent in 1971.

This loan will contribute to that goal by providing credit resources to enable medium-scale farmers to improve their production and productivity. Primarily the loan will benefit 10 provinces which suffered acute losses during the 1968 drought, the worst to have stricken

FARM OUTPUT IN CHILE rises thanks to Bank loans provided for irrigation facilities. This Maule River project helps to water 180,000 acres.

Chile in more than a century. They are Aconcagua, O'Higgins, Curicó, Talca, Maure, Linares, Ñuble, Concepción, Arauco and Bío Bío.

The total cost of the program, which will benefit some 3,000 farmers, is estimated at \$22.6 million. The Bank's loan will cover 44.3 per cent of this;

the *Banco del Estado* 38.9 per cent; the *Servicio Agrícola y Ganadero*, Chile's farm extension service, 3.5 per cent, and benefited farmers 13.3 per cent.

The credit program, which will help Chile to overcome the adverse effects of the drought and improve its agricultural production, will be devoted to improvements designed to increase production of milk, beef, pork, poultry and fruit; to permanent farm fixtures, and to small irrigation projects.

Up to \$30,000 of the loan will be devoted to technical assistance aspects of the project.

COLOMBIA

FARM SETTLEMENT

\$10.8 million 25-year 2¼% loan of Nov. 29, 1968 (\$10.7 million and \$100,000 in Colombian pesos)

Borrower: **INSTITUTO COLOMBIANO DE REFORMA AGRARIA**

The agricultural and livestock sector is the most important in the Colombian economy, accounting for 48 per cent of the nation's total employment and 30 per cent of its gross domestic product. However, output has barely kept pace with population growth and productivity in the farm sector is far lower than in the industrial or service sectors of the economy. As a result, in recent years Colombia has had to import more than \$60 million annually in foods.

This is due partly to shortcomings in land use and distribution, since the nation enjoys adequate land and water resources to supply its domestic demand and produce substantial surpluses for export. Approximately 66 per cent of the nation's territory is idle, much of it in the Eastern Plains which contain 54 per cent of the nation's total area but only 2 per cent of its population. About 50 million acres of land are available for agriculture production in this area.

This loan will enable the *Instituto Colombiano de Reforma Agraria (INCORA)* to carry out a program to colonize two areas totaling 445,000 acres of land in this part of the nation. *IN-*

CORA will assist some 2,200 farm settlers and their families to colonize 235,000 acres of land in the Sarare region located east of Bucaramanga near the Venezuelan border, and 210,000 acres of land in the Ariari zone 138 miles south of Bogotá.

The program, which provides for the settlement of the farmers on farms ranging in size from 214 to 395 acres, involves the construction of nearly 350 miles of roads, the clearance of 234,000 acres of land and the extension of credit and technical assistance to the farmers. In addition, *INCORA* will establish schools, medical care centers and other social welfare installations.

The total cost of the program is \$35.9 million. The loan will cover 30.1 per cent, *INCORA* 58.5 per cent and the settlers the remaining 11.4 per cent.

The loan is guaranteed by the Republic of Colombia.

ECUADOR

FARM RESETTLEMENT

\$3 million 30-year 2¼% loan of Feb. 8, 1968 (\$2 million and \$1 million in sucres)

Borrower: **INSTITUTO ECUATORIANO DE REFORMA AGRARIA Y COLONIZACION**

Under its general economic and social development plan, Ecuador hopes to carry out a program by 1973 to settle more than 254,000 families on almost 9,633,000 acres of land. An estimated 796,400 acres in the Sierra, 2,470,000 on the coast and 6,866,000 in Eastern Ecuador are considered suitable for settlement.

In 1963 the Inter-American Bank extended a loan for \$2.6 million from the Social Progress Trust Fund to cooperate with Ecuador in this effort. That loan is being used to help settle 3,000 low-income families on 187,000 acres in the zone of Santo Domingo de los Colorados.

This new loan represents a further contribution to the over-all program. It will be devoted to land settlement on three government-owned estates—San

Vicente de Pusir, Pesillo and Tenguel—with a total area of 95,000 acres, of which 41,000 will be developed initially. The projects will benefit more than 1,000 families. The program calls for the subdivision of the estates among the farmers currently working them; the formation of cooperatives; the extension of credits for machinery, equipment and livestock, and the provision of farm extension services.

Up to \$100,000 of the loan will be devoted to technical assistance costs connected with the execution of the project.

The loan is guaranteed by the Republic of Ecuador.

EL SALVADOR

AGRICULTURAL CREDIT

\$2 million 25-year 2¼% loan of Aug. 8, 1968

Borrower: **BANCO CENTRAL DE RESERVA**

In 1961 the Inter-American Bank authorized a loan of \$2 million from the Social Progress Trust Fund to enable El Salvador to carry out a program to assist small-scale farmers to improve their livelihood and contribute to the nation's farm diversification program. That loan was utilized in extending more than 24,000 credits. It is estimated that the harvests obtained with the aid of these credits contributed some \$14.6 million to the gross domestic product.

This new loan will enable the *Banco Central de Reserva* to carry out an additional credit program designed to help an initial group of 3,000 small-scale farmers. The loan will finance 57 per cent of the \$3.5 million cost of the program; the remainder will come from local sources.

The program's resources will be used in granting credits to farmers through the nation's rural credit systems, consisting of cooperatives and other farm organizations under the Federation of Credit Funds, for such fixed investments as the construction of wells, dams and drainage facilities; water pumps,

insecticides and irrigation equipment; farm animals, tools, implements and tractors; fishery equipment, and storage facilities.

Up to \$25,000 of the loan will be used to finance the cost of technical assistance services in administration and accounting to the Federation of Credit Funds.

The Salvadoran economy depends to a considerable extent on agricultural production, with coffee and cotton accounting for 72 per cent of the value of exports. The high 8.1 per cent annual rate of economic growth achieved in the 1960-64 period resulted chiefly from high coffee and cotton exports. However, since mid-1965 prices for those commodities have dropped. Thus agricultural diversification programs hold high priority in the nation's development plans.

MEXICO

LAS ADJUNTAS IRRIGATION PROJECT

\$1.2 million 20-year 3% loan of Nov. 21, 1968 (\$1.2 million in Mexican pesos)

Borrower: **NACIONAL FINANCIERA, S.A.**

This loan, along with \$27.5 million from the ordinary capital resources (page 25), is helping Mexico to carry out the Las Adjuntas project to irrigate 103,740 acres of farm land in the sparsely populated central part of Mexico's Northeast State of Tamaulipas.

The project is another step in the Bank's continuing support for the development of Mexico's agricultural sector, primarily channeled to irrigation projects in arid portions of the nation.

In addition to the basic irrigation works, the Tamaulipas project, which will benefit 16,000 members of low-income farm families, calls for the execution of a variety of social improvements for benefited farmers.

This loan will help finance such works, which include the construction of 3,665 houses in ten rural settlements through the aided self-help sys-



tem, water supply systems distributed through 20 public water taps and electric power systems. In addition, the Government of Mexico will provide the settlers with schools and health centers.

The loan is guaranteed by the United Mexican States.

NICARAGUA

AGRICULTURAL DIVERSIFICATION

\$2.4 million 15-year 2¼% loan of Nov. 29, 1968

Borrower: **INSTITUTO DE FOMENTO NACIONAL**

This loan, along with \$2.6 million from the ordinary capital resources (page 27), will help Nicaragua carry out a program contributing to the na-

GRAIN PRODUCTION increases in Central America through Bank financing. Shown in Nicaragua is a rice combine purchased with credit provided by a Bank loan.

tion's agricultural diversification. The program will help expand the nation's dairy and pork production, extend its irrigated lands and increase its tobacco output. The dairy portion of the program will be carried out with the ordinary capital loan and the *Instituto de Fomento Nacional* will finance the tobacco project.

This loan will finance the pork development and irrigation phases. Under the pork development project, the number of hogs will be increased over a

five-year period by 80,000 through the establishment of six breeding stations, two feed concentrate plants and a feed laboratory. In addition, credits will be extended to improve farms. The projects will benefit about 24,000 rural families.

Under the irrigation project, agricultural production will be diversified through the construction of individual irrigation systems designed to rehabilitate 4,000 acres of new land.

Up to \$228,000 of the loan will be used to obtain the technical assistance services of three consultants to advise the *Instituto de Fomento Nacional* on the execution of the dairy sub-program and to provide fellowships to two Nicaraguan experts on hog breeding and development.

The loan is guaranteed by the Republic of Nicaragua.

PARAGUAY

FOOT-AND-MOUTH DISEASE CAMPAIGN

\$2.8 million 25-year 2¼% loan of July 18, 1968 (\$2.1 million and \$700,000 in guaranties)

Borrower: **REPUBLIC OF PARAGUAY**

Livestock is the most important sector in Paraguay's economy. In 1966 it accounted for nearly one-third of the value of the nation's total exports and 11 per cent of its gross national product. Cattle herds numbered 6 million head in 1966. However, between 25 and 50 per cent of the nation's livestock is infected with the foot-and-mouth disease virus, which causes severe losses to the nation's economy.

This loan will enable Paraguay, through the *Servicio Nacional de Lucha Contra la Fiebre Aftosa (SENALFA)*, a new governmental agency established to fight the disease, to carry out a systematic and continuous vaccination program. The loan will cover 37 per cent of the \$7.6 million total cost of the project, *SENALFA* 28 per cent and the ranchers 35 per cent.

By the completion of the first stage of the campaign, it is expected that 42

million vaccinations will have been given and that 80 per cent of the cattle herds in the eastern part of the country will be receiving inoculations every four months and that 60 per cent in the Chaco region will be receiving inoculations every six months. By then the incidence of the disease should be reduced to less than 5 per cent. This will lay the basis for its eradication within a 20-year period.

In a 15-year period the campaign is expected to yield benefits equivalent to \$40.2 million, of which sum \$18.3 million would result from increased meat production through weight gains, \$3.4 million from higher milk production and \$18.5 million from increases in cattle herds. The program will also enable Paraguay to expand its meat exports over the next 15 years to a level 42 per cent above the 1966 volume, which amounted to \$13.8 million.

Up to \$125,000 of the loan will be devoted to technical assistance designed to train Paraguayan experts abroad and to contract the services of consultants to advise the executing agency in carrying out the campaign.

HOUSING

COLOMBIA

URBAN HOUSING

\$9.1 million 25-year 2¼% loan of Aug. 15, 1968 (\$3.1 million and \$6 million in Colombian pesos)

Borrower: **INSTITUTO DE CREDITO TERRITORIAL**

Colombia's urban population has been expanding rapidly in recent years, growing between 1951 and 1964 at a rate of more than 5 per cent a year. A third of this growth has taken place in Colombia's four largest cities—Bogotá, Cali, Medellín and Barranquilla. One of the consequences of this rapid growth has been an increasing housing deficit, now estimated at 400,000 units throughout the nation.

The *Instituto de Crédito Territorial* (ICT) is the principal Colombian Government agency in the housing field.



HOUSING PROJECT SPREADS over hill top in Guatemala City. It was partially financed with Social Progress Trust Fund loan.

Since 1961 the Bank has cooperated with ICT's efforts to combat the housing deficit with three loans totaling \$25.2 million, which have helped to build some 23,600 housing units benefiting 141,600 members of low-income families.

This new loan will help ICT carry out a program, primarily in those four major cities, to build an additional 7,311 units for some 45,000 persons, and to provide them with such community facilities as schools, shops and parks. ICT

will build 7,091 of the units; the *Corporación Pro-Vivienda "Minuto de Dios,"* a private non-profit organization, will build the remaining 220. The houses will range in cost from \$1,600 to \$4,800 and will be awarded to families whose monthly incomes range from \$120 to \$220.

The Bank loan will provide 36.4 per cent of the \$25 million total cost of the project; ICT 31.6 per cent; *Minuto de Dios* 1.2 per cent, the beneficiaries 18.8 per cent, and other sources 12 per cent.

Up to \$215,000 of the loan will be devoted to technical assistance services

FUND FOR SPECIAL OPERATIONS

designed to improve the administration of *ICT* and to help establish and operate a national savings and loan system and an insured mortgage system.

The loan is guaranteed by the Republic of Colombia.

PERU

URBAN HOUSING

\$12,580,000 30-year 2¼% loan of April 11, 1968 (\$10,780,000 and \$1.8 million in soles)

Borrower: **BANCO DE LA VIVIENDA DEL PERU**

In 1961 the Inter-American Bank authorized a \$22.8 million loan from its Social Progress Trust Fund to enable the Republic of Peru to build some 22,800 houses in urban centers throughout the country. The targeted number of units was built and water and sewage connections were installed for an additional 24,000 dwellings.

This new loan will enable the Peruvian Government to accelerate its efforts to improve housing conditions for middle- and lower-income segments of the population. The program, which is being carried out by the *Junta Nacional de Vivienda (JNV)*, Peru's housing agency, calls for the construction of 2,560 homes in Lima, 280 in Arequipa, 230 in Chimbote, 600 in Ica, 720 in Piura and 260 in Huancayo. In addition such basic community services as sewage facilities, potable water, electricity, schools, health clinics, markets and recreation facilities will be provided.

The Bank will provide 62.2 per cent of the \$20,240,000 cost of the project; the remaining 37.8 per cent will come from local sources.

Up to \$270,000 of the resources of the loan will be devoted to technical assistance designed to improve the administrative, financial and research procedures of the *JNV* and to carry out basic studies related to institutional savings, family income and urban planning in Peru.

The loan is guaranteed by the Republic of Peru.

TRINIDAD AND TOBAGO

URBAN HOUSING

\$4.3 million 30-year 2¼% loan of Aug. 15, 1968 (\$3,319,000 and \$981,000 in Trinidad and Tobago dollars)

Borrower: **TRINIDAD AND TOBAGO**

The housing shortage in Trinidad and Tobago is estimated at 189,000 units. To eliminate this shortage, some 15,000 units must be built annually over the next 12 years. This loan will support the Government's efforts to mobilize public and private resources for housing construction and to develop the institutions needed to cope with the problem.

It will enable the National Housing Authority (NHA) to embark on an \$8.6 million program to build 2,090 housing units and related urban facilities, including schools, shops, recreational areas and community centers, in 12 communities throughout the two islands. The Bank's loan will finance 52.6 per cent of the cost; the Government and the beneficiaries will provide the remaining 47.4 per cent.

The units to be built will range in cost from \$3,245 to \$3,635 and will be awarded to families with average monthly incomes ranging from \$130 to \$220.

Up to \$240,000 of the loan will be devoted to technical assistance connected with the expansion and improvement of savings and loan and mortgage insurance systems, the secondary mortgage market, the administrative and financial organization of NHA, and the study of construction techniques.

INDUSTRY

COLOMBIA

INDUSTRIAL CREDIT

\$7.5 million 15-year 3¼% loan of Dec. 13, 1968

Borrower: **INSTITUTO DE FOMENTO INDUSTRIAL**

In recent years the industrial sector has been the most dynamic in Colombia's economy, growing in the 1960-64 period by an annual average of 6.1 per cent, in

1965 by 5 per cent and in 1966 by 7 per cent. However, this industrial growth has been somewhat unbalanced, with most of the increases being due to large-scale industry; small and medium industry, which account for more than 52 per cent of the nation's gross industrial production, lagged considerably behind.

Through its *Instituto de Fomento Industrial (IFI)*, the Colombian Government, has sought to correct this situation by strengthening small and medium industries.

This loan and another for \$2.5 million from the ordinary capital resources (page 23) will help *IFI* carry out a \$20 million credit program in which \$15 million will be devoted to small and \$5 million to medium industries. This loan will be used exclusively in the small industry phase. For program purposes, these are considered to be industries employing between 10 and 99 persons and having fixed investments in equipment of between \$10,000 and \$60,000.

The loan is guaranteed by the Republic of Colombia.

PERU

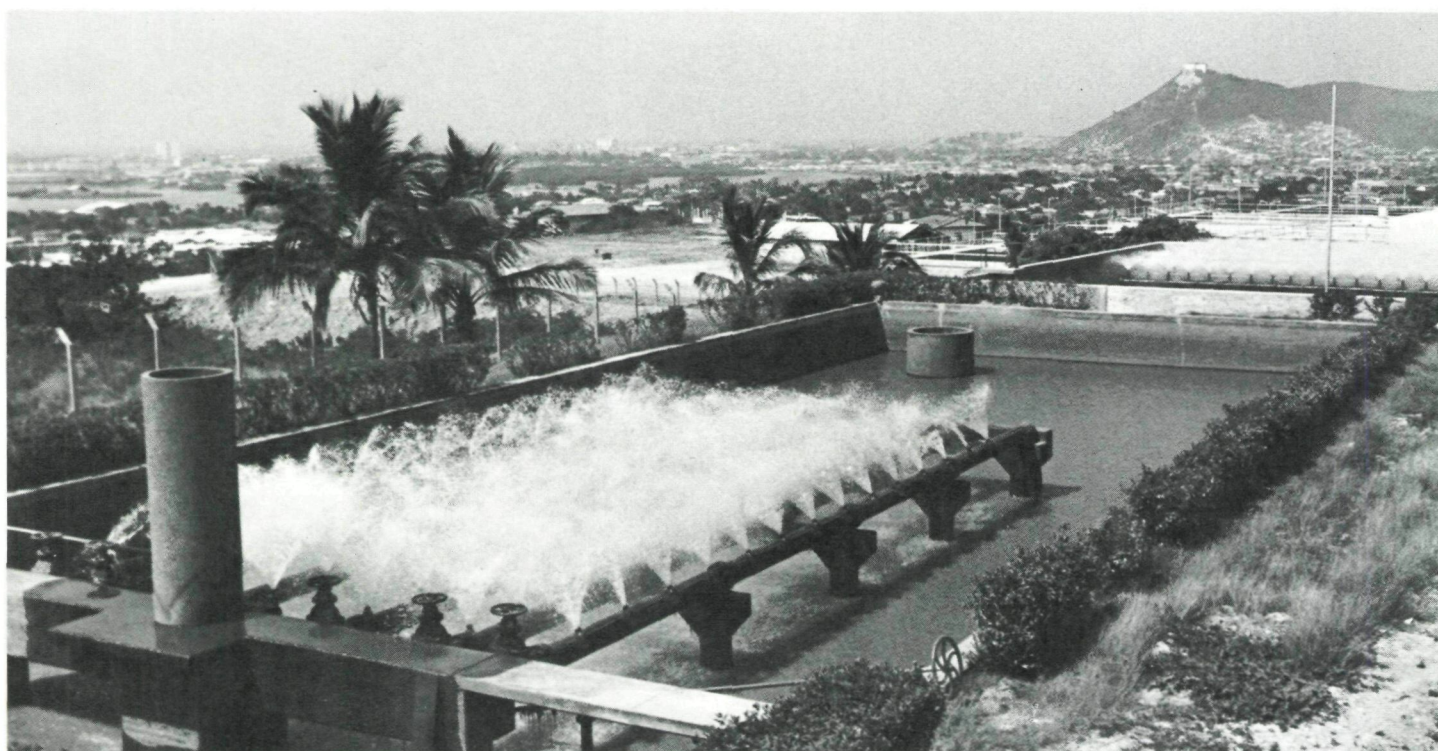
INDUSTRIAL CREDIT

\$2.5 million 15-year 3¼% loan of April 21, 1968

Borrower: **BANCO INDUSTRIAL DEL PERU**

This loan, along with \$6.5 million from the ordinary capital resources (page 24) and 358,000 pounds sterling (equivalent to \$859,200) from the resources which the Bank administers for the United Kingdom (page 138), is helping to finance a \$40 million industrial development program being carried out by the *Banco Industrial del Perú*, Peru's most important credit source.

The proceeds of the loan will be lent by the *Banco Industrial* to private enterprises to install new industries or expand and modernize existing ones. Priority will be given to projects in the chemical, mechanical, textile, clothing, wood, paper, cellulose products, electric



power and food industries, sectors which have high priority within Peru's national economic and social development plan for 1967-70.

Special efforts will be made under the credit program to contribute to the geographic decentralization of Peru's industry in support of the Government's efforts to stimulate the development of the interior. At least 45 per cent of the program funds will be channeled to borrowers outside the metropolitan area of Lima-Callao, where industry has traditionally been concentrated.

The loan is guaranteed by the Republic of Peru.

VENEZUELA

FERTILIZER COMPLEX

\$3.1 million 13-year 4% loan of Sept. 19, 1968 (\$3.1 million in bolivares)

Borrower: **INSTITUTO VENEZOLANO DE PETROQUIMICA**

This loan, along with \$13.1 million from the ordinary capital resources (page 25), will help finance a \$54 million petrochemical complex being built by the *Instituto Venezolano de Petroqui-*

mica (IVP) at Morón. In 1958 *IVP* began operating a fertilizer plant using imported nutrients and in 1961 it began small-scale production of some fertilizer nutrients of its own.

Its present yearly installed capacity includes 33,000 tons of ammonia, 66,000 tons of sulfuric acid, 33,000 tons of phosphoric acid and 61,000 tons of nitric acid. However, its production units suffer from poor design balance and uneconomic size capacity.

The expansion program being carried out by *IVP* includes a series of additions to the existing Morón fertilizer complex which will result in a five-fold increase in production. The intermediate units of the new complex will produce 198,000 tons of anhydrous ammonia, 660,000 tons of ground phosphate rock and 82,500 tons of phosphoric acid. The end products plants will have yearly capacities of 247,500 tons of urea, 99,000 tons of triple super phosphate, and 150,000 tons of diammonium phosphate, 115,500 tons of mixed NPK fertiliz-

WATER SYSTEM OF CARTAGENA, expanded with aid of an Inter-American Bank loan, was inaugurated during 1968.

ers (13-13-20) or 65,000 tons of granulated super phosphate.

This loan will finance the local cost component of service units and inspection expenses.

The loan is guaranteed by the Republic of Venezuela.

WATER SUPPLY AND SEWAGE SYSTEMS

NICARAGUA

RURAL WATER SYSTEMS

\$2 million 25-year 2¼% loan of Jan. 25, 1968 (\$1.2 million and \$800,000 in cordobas)

Borrower: **REPUBLIC OF NICARAGUA**

Only 37 per cent of the urban and 1.6 per cent of the rural population of Nicaragua enjoys adequate water supply services, and only 16 per cent of the urban and virtually none of the rural population has access to sewage systems.

This loan will help Nicaragua to improve the situation through the con-

FUND FOR SPECIAL OPERATIONS

struction of some 69 rural water supply systems benefiting 65,000 persons in 75 communities. The projects will be built in communities whose population ranges from 300 to 3,000 inhabitants where no potable water is available at present.

It is providing 60 per cent of the \$3.3 million total cost of the project which includes the installation and construction of intake and pumping facilities, conduits, storage tanks, distribution systems, public taps and home connections.

Up to \$30,000 of the loan will be used to finance technical assistance services related to improvements in the administrative and accounting systems of the *Departamento Nacional de Acueductos y Alcantarillados*, the agency of the Ministry of Public Health which is in charge of carrying out the project.

PARAGUAY

ASUNCION WATER AND SEWAGE SYSTEM
\$8.3 million 25-year 2¼% loan of Dec. 30, 1968
(\$7 million and \$1.3 million in guarantes)

Borrower: **CORPORACION DE OBRAS SANITARIAS**

The water system of Asunción, the capital of Paraguay, currently supplies only 135,000 of the 300,000 inhabitants of the city and the sewage system provides service to only 100,000. Due to a lack of storm sewers, the city also suffers damaging inconveniences during the periodic tropical rainstorms which hit the city on an average of 77 days a year.

This loan will enable Paraguay to partially solve these problems by doubling the number of persons served with water to 275,000 and those served by the sewage system to 200,000. In addition, storm sewers, the first in a proposed city-wide network, will be built in the commercial area of the city. The loan stems from a \$200,000 technical assistance study of the project's economic and technical feasibility carried out under Bank auspices. A total of \$100,000 of the cost of that technical assistance is being charged to the loan.

The project is being carried out at a total cost of \$11,850,000, of which the Bank will finance 70 per cent and the *Corporación de Obras Sanitarias*, the agency in charge of the nation's water and sewage services, will provide the remaining 30 per cent.

Specifically, the water supply project calls for the expansion of the city's treatment plant, the construction of new pumping stations and storage facilities, and the installation of some 193 miles of water mains and 22,000 connections. The sewage project calls for laying some 107 miles of new lines and 6 miles of collectors, the construction of an interceptor near the Paraguay River, and the installation of 18,000 household connections. The storm drainage project involves construction of 12 miles of concrete sewers, 2 miles of tunnels, as well as gutters and other facilities to channel rainwater to the Paraguay River.

The loan is guaranteed by the Republic of Paraguay.

EDUCATION

COLOMBIA

NEW UNIVERSITY CAMPUS
\$6.6 million 20-year 2¼% loan of April 4, 1968
(\$3.2 million and \$3.4 million in Colombian pesos)

Borrower: **UNIVERSIDAD DEL VALLE**

In 1965 the Inter-American Bank extended a loan of \$550,000 from the Social Progress Trust Fund to the *Universidad del Valle* in Cali, Colombia, to help it prepare a general design for a new university campus and construction plans for the first group of buildings in that design. The plans for the new 243-acre campus, located in Melendes six miles from the center of the city, have now been completed.

This new loan will help carry out the plans, which provide for the construction of 18 buildings for engineering and science laboratories; two buildings for lecture halls and classrooms;

three office buildings; a central library; two buildings for audiovisual, education and language centers; four dormitories for 1,500 students, and a cafeteria. In addition, laboratory equipment, furniture, textbooks and audiovisual material will be provided.

The total cost of the project is \$11.5 million, of which 57.4 per cent will be provided by the Bank. The remaining 42.6 per cent will be provided by the University. The university's enrollment, which totaled 3,905 in the 1966-67 academic year, is forecast at 12,000 by 1980. This reflects burgeoning economic and population growth of both Cali and the Cauca Valley. With 800,000 inhabitants, Cali is the third largest city in Colombia and the Department of Valle accounts for 10 per cent of the nation's inhabitants, 23 per cent of its national product and 10 per cent of its farm output.

The loan is guaranteed by the Republic of Colombia.

HONDURAS

SCIENCE EDUCATION
\$2.8 million 20-year 2¼% loan of July 11, 1968

Borrower: **UNIVERSIDAD NACIONAL AUTONOMA DE HONDURAS**

In order to improve its rate of development, Honduras needs to greatly expand its higher education system. With technical assistance from the Bank, the Government of Honduras has drafted a plan to do this by improving and expanding the *Universidad Nacional Autónoma de Honduras*.

The expansion program will enable the university to more than double its enrollment from 2,300 students to 5,100 by 1972, to strengthen instruction in basic and engineering sciences, and to provide new study courses in agricultural sciences. Agriculture accounts for 44 per cent of the nation's gross domestic product, 91 per cent of its total exports and employs 66 per cent of its economically active population.

This loan will finance 58 per cent of the \$4,830,000 total cost of the project. Some 49 per cent of that sum will be devoted to the construction of eight university buildings; another 20 per cent to the purchase of equipment, and the remainder to the improvement of the University's academic and administrative structure, to training for the faculty and to technical assistance.

A total of \$175,000 of the loan will be used to engage the services of consultants to provide the technical assistance.

The loan is guaranteed by the Republic of Honduras.

PREINVESTMENT

COLOMBIA

PREINVESTMENT FUND

\$3.1 million 17-year 3¼% loan of April 4, 1968 (\$2 million and \$1.1 million in Colombian pesos)

Borrower: **REPUBLIC OF COLOMBIA**

Since 1956 Colombian economic growth has varied up-and-down considerably due to sharp fluctuations in the nation's coffee export receipts which represent 65 per cent of the nation's foreign exchange earnings. During the 1960-66 period, the per capita product expanded at a rate of only 1.4 per cent per annum.

To improve this situation, the Colombian Government in 1961 launched a 10-year general economic and social development plan, whose external financing requirements are being coordinated by a consulting group headed by the World Bank. One of the handicaps encountered in executing this plan has been a lack of properly prepared investment projects suitable for external financing.

This new loan, along with one for 1,080,000 Canadian dollars (equivalent to \$1 million) extended from the resources which the Bank administers for Canada (page 138), will enable the

Departamento Administrativo de Planeación, Colombia's Planning Department, to accelerate the preparation of development projects through the establishment of a special fund. The Bank in 1961 loaned Colombia \$700,000 for a program of preinvestment studies. The Fund will have initial resources of \$6 million, 68 per cent of which will be provided by the two loans; 20 per cent by the national government, and 12 per cent by the beneficiaries.

The Fund will be used to provide credit to private and public enterprises for the preparation of studies of development projects. At least 90 per cent of these will be devoted to specific projects, primarily in the sectors of electric power, highways, communications, steel, paper, oil refining, fisheries and agriculture. The remaining 10 per cent will be devoted to the execution of general and sectoral projects.

DOMINICAN REPUBLIC

PILOT FARM SETTLEMENT PROJECT

\$355,000 10-year 2¼% loan of Sept. 13, 1968 (\$255,000 and \$100,000 in Dominican pesos)

Borrower: **DOMINICAN REPUBLIC**

Some 77 per cent of the 75,000 inhabitants of the Dominican Republic's

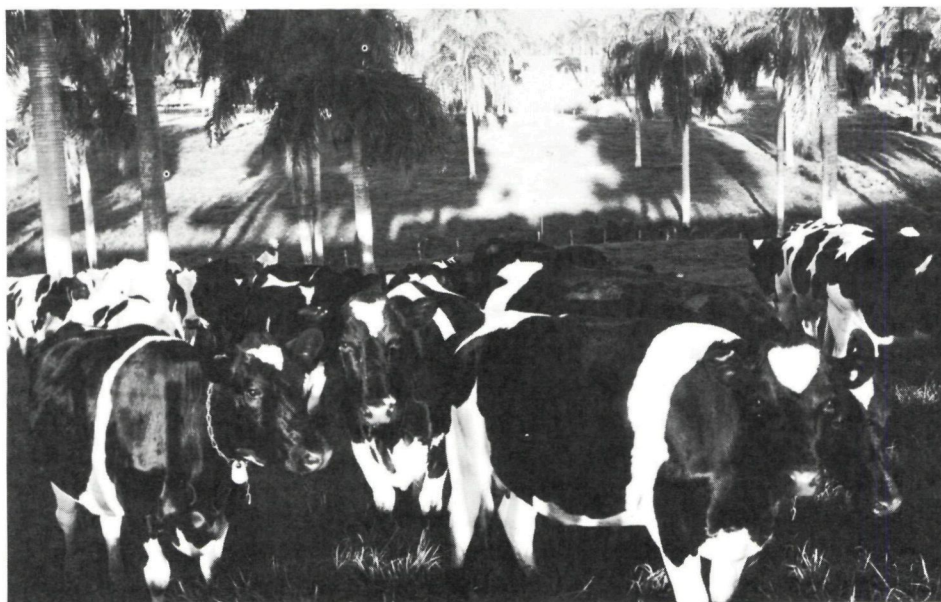
Azua Plain live in the countryside. Most of the plain, which covers some 119,000 acres of land on the Bahía de Ocoa in the nation's south, is idle due to a lack of rainfall or proper irrigation.

This technical assistance loan will enable the Dominican Republic to carry out hydrological studies and organize an experimental settlement and demonstration farm on the plain in order to help spark the area's future development.

The 1,000-acre demonstration farm on which some 90 families will be settled will serve as a pilot project for carrying out a colonization program involving 400 to 500 families. The hydrological studies will seek to determine surface and underground water resources in the area suitable for irrigation. In addition, soils will be analyzed for better planning of the agricultural development in the area.

The technical assistance project was prepared jointly by the Dominican Republic, the Organization of American States and an Israeli Government

MEAT AND DAIRY PRODUCTION in the Dominican Republic is being expanded under supervised farm credit program financed by the Bank.



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mission, which is cooperating with the Bank and the OAS in joint programs to foster Latin America's rural growth. The pilot farm settlement project and the organization and operation of the demonstration farm will be carried out with the cooperation of the technicians of the Israeli mission.

EL SALVADOR

PREINVESTMENT FUND

\$1 million 15-year 3¼% loan of Sept. 5, 1968
(\$800,000 and \$200,000 in colones)

Borrower: **BANCO CENTRAL DE RESERVA**

In order for El Salvador to recover a satisfactory and sustained rate of growth in its national product, investments must increase substantially. Despite this need, the flow of foreign resources from international financing agencies has been restricted in recent years due to a lack of properly prepared projects and because investment goals proposed in the nation's 1965-69 plan have been unmet.

This loan will help El Salvador overcome this lag by enabling the *Banco Central de Reserva* to establish a preinvestment fund devoted exclusively to the preparation of specific development projects and general sectoral studies. Execution of the program is expected to exert a favorable impact on the nation's balance of payments situation and on its rate of economic growth.

The fund will be used to provide credits to public and private organizations that need assistance in generating development projects in the agricultural, industrial and infrastructure fields.

Priority will be given to preinvestment activities connected with the processing and marketing of farm products, agricultural diversification, irrigation, highways, farm-to-market roads and feasibility studies for new industries. The total cost of the project will be \$1.5 million of which sum the Bank's loan will provide 66.7 per cent and local contributions the remainder.

MEXICO

LERMA BASIN DEVELOPMENT

\$2.5 million 15-year 4% loan of April 11, 1968
(\$2.5 million in Mexican pesos)

Borrower: **NACIONAL FINANCIERA, S.A.**

The Lerma-Chapala-Santiago Basin in Central Mexico, the second largest hydrographic system in Mexico, covers an area of about 50,000 square miles in ten states in the nation's western central highlands and contains 17 per cent of its total population.

In 1963 the Inter-American Bank extended a loan from its Fund for Special Operations to *Nacional Financiera, S.A.*, to help carry out a broad program of preinvestment studies for the development of the basin. With the proceeds of that loan the executing agency, *Plan Lerma-Asistencia Técnica*, carried out four general development and 26 specific project studies. Another 24 are nearly complete.

These studies cover investment possibilities totaling \$272 million in such fields as irrigation, agricultural production, fruit cultivation, fisheries, pastures and farm industries. A number of these projects are already being carried out, many with the Bank's assistance.

This new loan will help Mexico to continue planning development projects for the basin. Some 30 per cent of the loan will be devoted to general studies related to the agricultural development of the basin and 70 per cent will be used for specific project studies.

The loan is guaranteed by the United Mexican States.

NICARAGUA

UNIVERSITY CAMPUS PLANS

\$250,000 8-year 2¼% loan of April 11, 1968
(\$150,000 and \$100,000 in cordobas)

Borrower: **UNIVERSIDAD NACIONAL AUTONOMA DE NICARAGUA**

The *Universidad Nacional Autónoma de Nicaragua* has initiated a broad expansion program designed to improve its academic and administrative structure. Included in the program is a plan

to build the new *Rubén Darío* campus in Managua to serve approximately 10,000 students.

The university's headquarters and its Colleges of Medicine, Law, Pharmacy, Dentistry and Arts and Sciences are located in León; its Colleges of Physical and Mathematical Sciences, Economics and Humanities are in Managua.

This loan will help prepare the preinvestment studies needed for the new campus, including the preparation of the construction plans, urban improvement and architectural plans, technical specifications and budgets for the first stage of the construction of the campus. The loan will finance 67 per cent of the cost of the program; the university will provide 33 per cent.

In 1967 the university had an enrollment of 3,035 students and, according to projections, will have 6,735 by 1972. Its faculty numbered 285 professors—29 full-time, 21 half-time, 28 on a contract basis and 207 serving on an hourly basis.

The loan is guaranteed by the Republic of Nicaragua.

TRINIDAD AND TOBAGO

PREINVESTMENT FUND

\$700,000 10-year 3¼% loan of April 21, 1968

Borrower: **TRINIDAD AND TOBAGO**

One of the principal goals of the second five-year plan (1964-68) of Trinidad and Tobago is the improvement of the nation's planning procedures in order to accelerate the processing, evaluation and execution of development projects and programs.

This loan will help Trinidad and Tobago to carry out that objective, by enabling its Ministry of Planning and Development to establish a \$1 million Preinvestment Fund which will finance general and specific studies needed in the nation's economic and social development programs.

The studies will seek to identify and draft high priority projects in both the public and private sectors for eventual financing. The Planning and Development Ministry already has prepared a list of some 450 general and 1,100 specific studies. Of these, 52 per cent are devoted to agriculture, 20 per cent to industry, 20 per cent to infrastructure and 8 per cent to tourism. In these efforts, the nation hopes in its agricultural sector to lessen dependence on the export of sugar and cacao and in the industrial sector to reduce dependence on the petroleum industry.

URUGUAY

IMPROVEMENT IN PORT OF MONTEVIDEO
\$350,000 20-year 3¼% loan of Nov. 29, 1968
(\$300,000 and \$50,000 in Uruguayan pesos)

Borrower: **ADMINISTRACION NACIONAL DE PUERTOS**

The port of Montevideo is entered from the Atlantic through a 2½-mile-long, 218-yard-wide entrance channel with an average depth of only 26 feet. The port's docks have a capacity for 42 ocean river vessels at one time and thus could handle between 5,000 and 7,000 ships per year. In recent years, however, no more than 3,000 vessels have been handled per year. In order to improve this, the channel must be deepened considerably so it can handle deeper-draft ships, the port's installations must be modernized and maintenance must be improved.

To accomplish these ends the *Administración Nacional de Puertos (ANP)*, the nation's port authority, is undertaking a five-year development project with the help of an ordinary capital loan of \$9,350,000 (page 27), this loan and a parallel Netherlands loan of \$3,250,000.

This loan will be devoted to technical assistance aspects of the project. It will be used to engage the services of consultants to advise *ANP* on port operations, to carry out studies in deepening the port access channel, to es-

tablish systems for preventive maintenance of equipment and installation, to train personnel and review the effectiveness of operations.

The loan is guaranteed by the Republic of Uruguay.

Technical Assistance

During 1968 the Bank authorized \$12,202,875 in technical assistance, from its own resources, of which sum, \$10,904,400 was extended on a reimbursable basis and \$1,298,475 was made on a grant basis.

The 1968 authorizations brought the cumulative net total of technical assistance extended by the Bank from its own resources to \$87,103,428 of which \$77,415,566 has been authorized on a reimbursable basis and \$9,687,862 on a non-reimbursable basis.

By fields of activity, the 1968 technical assistance is distributed thus:

	Repayable	Grant	Total
GENERAL			
Specific Projects	\$10,904,400	\$ 300,000	\$11,204,400
Training		240,475	240,475
Studies and Promotional Activities		151,000	151,000
Total	\$10,904,400	\$ 691,475	\$11,595,875
ECONOMIC INTEGRATION			
Preinvestment ..		298,000	298,000
Training and Promotional Activities		309,000	309,000
Total		607,000	607,000
Grand Total ..	\$10,904,400	\$1,298,475	\$12,202,875

Following is a summary description of each of the technical assistance commitments made by the Bank from its own resources, first at the country and then at the regional level:

COUNTRY ACTIVITIES

BOLIVIA—Up to \$455,000 of a \$5,420,000 loan extended from the Fund for Special Operations April 21 to the *Republic of Bolivia* for telecommunications (page 59) will be used for advisory serv-

ices designed to strengthen the accounting, administrative and personnel systems of the executing agency, the *Empresa Nacional de Telecomunicaciones*.

BRAZIL—Up to \$270,000 of the \$11.5 million loan extended from the ordinary capital resources on April 25 for a water supply project in São Paulo (page 27) will be used to finance technical assistance services for the organization of the *Companhia Metropolitana de Aguas do Estado de São Paulo*, the agency carrying out the project.

CHILE—Up to \$140,000 of the \$2.3 million loan extended to the *Republic of Chile* from the Fund for Special Operations July 18 for a campaign to fight foot-and-mouth disease in cattle (page 63) will be used to train personnel of the *Servicio Agrícola y Ganadero*, an agency of the Ministry of Agriculture which is carrying out the project. Up to \$30,000 of the \$10 million loan made to the *Banco del Estado* Nov. 21 from the Fund for Special Operations (page 63) will be used to train personnel in agricultural credit methods and to carry out a study on agricultural credit insurance.

COLOMBIA—On April 4 the Bank authorized a \$3.1 million loan from the Fund for Special Operations to the *Republic of Colombia* to help the *Departamento Administrativo de Planeación*, Colombia's Planning Department, to establish a pre-investment fund for the preparation of development projects (page 71). Up to \$215,000 of the \$9.1 million loan extended from the Fund for Special Operations Aug. 15 to the *Instituto de Crédito Territorial* for a housing program (page 67) will be used for advisory services connected with the establishment of a national savings and loans system and an insured mortgage system.

DOMINICAN REPUBLIC — On Sept. 13, the Bank approved a \$355,000 loan from the Fund for Special Operations to the *Dominican Republic* to carry out hydrological studies and organize a pilot settlement and demonstration farm



in the nation's Azua Plain (page 71).

ECUADOR—Up to \$100,000 of the \$3 million loan authorized from the Fund for Special Operations Feb. 8 to the *Instituto Ecuatoriano de Reforma Agraria y Colonización*, the nation's agrarian reform agency, will be used to provide technical assistance services connected with the execution of a project to settle 1,000 families on three estates (page 65).

EL SALVADOR—Up to \$75,000 of the \$2 million loan extended to the *Banco Central de Reserva de El Salvador* from the Fund for Special Operations Aug. 8 for an agricultural credit program (page 65) will finance technical assistance in agricultural credit, administration and accounting. The *Banco Central de Reserva* also received a loan of \$1 million from the Fund for Special Operations Sept. 5 to help it establish a preinvestment fund devoted exclusively to the preparation of projects and sectoral studies (page 72).

HAITI—On Nov. 18 the Bank au-

thorized \$50,000 in grant technical assistance from the Fund for Special Operations to help the *Banque Nationale de la République d'Haiti* to formulate a rural water supply program and prepare specific projects to be carried out under the program.

HONDURAS—Up to \$175,000 of the \$2.8 million loan extended to the *Universidad Nacional Autónoma* of Honduras July 11 from the Fund for Special Operations (page 70) to improve and expand the university's facilities will finance technical assistance services required in carrying out the project.

MEXICO—On April 11 the Bank extended a \$2.5 million loan from the Fund for Special Operations (page 72) to *Nacional Financiera, S.A.*, to help finance a program of preinvestment studies for the development of the Lerma-Chapala-Santiago basin in Central Mexico.

NICARAGUA—Up to \$30,000 of a \$2 million loan extended Jan. 25 to the

TECHNICAL ASSISTANCE goes along with loan for farm credit provided by the Bank to Banco Central de Reserva in El Salvador.

Republic of Nicaragua from the Fund for Special Operations (page 69) for a rural water supply program will finance technical assistance services designed to improve the administrative and accounting systems of the *Departamento Nacional de Acueductos y Alcantarillado*, the agency which will carry out the program. On April 11 the Bank extended a \$250,000 loan from the Fund for Special Operations to the *Universidad Nacional Autónoma de Nicaragua* (page 72) to prepare the preinvestment studies needed for a new university campus to be built in Managua. The Bank also authorized the use of up to \$228,000 of the \$2.4 million loan from the Fund for Special Operations made Nov. 29 to the *Instituto de Fomento Nacional* (page 66) for an agricultural diversification program to provide advisory services to the borrower.

PARAGUAY—Up to \$125,000 of a \$2.8 million loan made to the *Republic of Paraguay* July 18 from the Fund for Special Operations to help finance a foot-and-mouth disease campaign (page 66) will be used to train personnel who will participate in the campaign and to engage consultants to advise on the program's execution. Up to \$100,000 of the \$8.3 million loan extended from the Fund for Special Operations to the *Corporación de Obras Sanitarias* Dec. 30 to help carry out a water and sewage project in Asunción (page 70) will be used to finance consulting services related to the project's construction.

PERU—Up to \$270,000 of a \$12,580,000 loan extended to Peru's *Banco de la Vivienda* April 11 from the Fund for Special Operations for the construction of 2,560 homes in six Peruvian cities (page 68) will be used to improve administrative, financial and research procedures.

On Aug. 30 the Bank authorized an increase of \$21,400 in the amount devoted to technical assistance in a \$15 million loan authorized in 1966 for a land settlement project in the Selva region of Peru. This raised the amount of the loan which can be used for technical assistance to \$101,400.

TRINIDAD AND TOBAGO—On March 27 the Bank authorized \$75,000 in reimbursable and \$75,000 in grant technical assistance from the Fund for Special Operations to the Government of Trinidad and Tobago to help finance advisory services connected with the reorganization of the nation's Agricultural Development Bank. The nation also received a \$700,000 loan from the Fund for Special Operations April 21 to help establish a \$1 million Preinvestment Fund which will finance general and specific studies needed to carry out the nation's economic and social development programs (page 72). Up to \$240,000 of the \$4.3 million Fund for Special Operations loan extended Aug. 15 to the Government to carry out a pro-

gram to build 2,090 housing units (page 68) will be devoted to advisory services related to the expansion of the nation's savings and loans and mortgage insurance systems, the administrative and financial organizations of the National Housing Authority and the study of construction techniques.

URUGUAY—On March 1 the Bank authorized the use of up to \$100,000 of a \$3 million loan extended from the ordinary capital resources to the *Banco de la República Oriental* of Uruguay in 1963 for an industrial and farm credit program to finance technical assistance services to help carry out the program and train domestic personnel abroad. On Nov. 29 the Bank authorized a loan of \$350,000 from the Fund for Special Operations (page 73) to the *Administración Nacional de Puertos*, the nation's port authority, to finance technical assistance services related to the execution of port improvements in Montevideo.

OTHER ACTIVITIES

In addition to the technical assistance extended at the national level, the Bank in 1968 authorized grants totaling \$1,173,475 to finance activities connected with Latin American integration, general and specific development studies, training programs and seminars and other purposes associated with Latin America's economic and social development.

INTEGRATION—A total of \$607,000 was committed in 1968 for technical assistance designed to foster Latin America's economic integration process. Included were two studies financed with resources assigned by the Bank to its Preinvestment Fund for Latin American Integration. One of these, \$48,000 authorized Jan. 29, is financing a study of Latin America's prospects for manufacturing telecommunications equipment and measures that might be adopted to make existing industries in the field more competitive. The study is related to the establishment of a proposed Inter-American Tele-

communications Network whose feasibility has been studied by the Bank.

The other, \$250,000 authorized April 4, will help finance a new stage of a program of studies related to the integrated development of the River Plate basin. The program was initiated in 1967 at the request of the five countries involved—Argentina, Bolivia, Brazil, Paraguay and Uruguay. It deals with the possible joint utilization of the resources of the basin's 1,235,000-square-mile area, the interconnection of its transportation systems, the economic complementation of border areas, and cooperation in joint social development projects.

As part of its direct contribution to the study and research of the integration process, the Bank allocated \$270,000 from its own resources and a similar amount from the Social Progress Trust Fund to finance the 1969 activities of its Latin American Institute for Economic Integration, located in Buenos Aires.

Other commitments undertaken to foster Latin America's integration process in 1968 included: \$10,000 authorized Feb. 13, to help the Inter-American Institute of International Juridical Studies to sponsor a meeting in Tegucigalpa on the legal problems facing the Central American economic integration movement; \$15,000 April 1 to contribute to promotional activities in various sectors on Latin American Integration, and \$8,000 April 8 to assist Latin American labor organizations conduct courses and seminars on labor's role in the economic integration movement.

The Bank also assigned \$6,000 Jan. 16 to help conduct a seminar at Tokyo's Sofia University on Latin America's development and integration.

PROJECT AND GENERAL STUDIES—In this field the Bank authorized \$250,000 as follows:

- 125,000 Oct. 3 to continue jointly with the Organization of American States (OAS) and the Government of Israel a program initiated in 1966 for rural devel-

FUND FOR SPECIAL OPERATIONS

opment in Latin America. The Bank's allocation was matched by an OAS contribution of \$125,000 and by an Israeli contribution of \$100,000. Specific activities to which the Bank's aid is being applied include the preparations of a number of farm settlement projects in Central America.

- \$50,000 Oct. 3 from the Bank's own resources, together with \$50,000 from the Social Progress Trust Fund, to continue the Bank-FAO program under which advisory services are being provided to Brazil, the Dominican Republic, Honduras, Paraguay and Uruguay in identifying and preparing specific agricultural development projects in the fields of land settlement, food production and marketing and the industrialization of agricultural and forestry products.

- \$50,000 Dec. 5 from its own resources, together with \$46,600 from the Social Progress Trust Fund to carry out a study of development financing problems facing Latin America with a view to making recommendations designed: at the international level, to increase the volume and improve the conditions of external financing; at the Latin American level, to improve the mobilization of domestic resources and to insure more efficient utilization of both internal and external resources; and at the Bank level, to provide guidance for its development financing role.

- \$25,000 July 1 for the preparation of a manual on project formulation and evaluation for use by personnel of Latin American development agencies.

TRAINING—The Bank conducts training courses at its headquarters for officials of Latin American development agencies and also co-sponsors training activities with other Latin American agencies. During 1968 the Bank made the following allocations for courses in the fields of development financing, loan administration and project preparation and evaluation:

- *Development financing*: \$48,250 was authorized Feb. 13 from its own resources and a similar amount from the Trust Fund to conduct two courses at its headquarters on "The Bank and Other External Financing Agencies," designed to acquaint Latin American officials with the operations and objectives of international lending agencies. An additional \$15,000 was authorized May 21 to finance additional fellowships in this field.

- *Loan administration*: \$14,500 was authorized June 24 from its own resources and a similar amount from the Trust Fund to conduct a training program at its headquarters to acquaint personnel from borrowing enterprises with the Bank's loan administration procedures. It assigned \$36,375 July 1 to a seminar on financial analysis held in São Paulo, Brazil, at the Brazilian Institute for Municipal Administration. The Bank authorized \$30,000 Dec. 17 to hold a seminar at its headquarters on project administration techniques for personnel of Latin American development agencies.

- *Project preparation and evaluation*: The Bank approved \$47,500 Nov. 25 to hold courses in Peru and Guatemala on the preparation and evaluation of industrial projects. Peru's *Banco Industrial* and the *Banco de Guatemala* also participated in financing those courses.

In addition, the Bank assigned \$47,850 Oct. 21 to sponsor five courses, one regional and four national, on concepts, principles and methods in the fields of financial and accounting administration.

CONFERENCES AND SEMINARS

—In 1968 the Bank authorized the following funds to help sponsor conferences and seminars related to Latin American development efforts: \$18,000 Feb. 19 to help the Inter-American Center of Tax Administration hold its second meeting in Buenos Aires; \$11,000 May 27 to cooperate in a seminar held by the Italian-Latin American Institute in Rome at which Latin America's development problems,

capital requirements and European aid to the region were analyzed; \$12,000 July 8 to assist the Inter-American Planning Society in holding the Seventh Inter-American Planning Congress in Lima, Peru; and \$10,000 July 15 to help the Institute of Peruvian Studies sponsor the second meeting of the Inter-American Council on Social Sciences.

Financial Highlights

The *net earnings* of the Fund for Special Operations in 1968 amounted to \$3,042,074, before deducting charges for technical assistance expenses which amounted to \$1,290,890. These figures compared with net income of \$4,236,518 and technical assistance expenses of \$1,050,971 in 1967.

The *gross income* from the Fund for Special Operations in 1968 was \$12,129,123, compared with \$9,038,244 in 1967. The 1968 income included \$7,386,033 derived from interest on loans, \$4,065,286 derived from commitment charges, \$538,901 derived from commissions on loans, \$76,060 from investments and \$62,843 from other sources.

As of Dec. 31, 1968, the *general reserve* of the Fund for Special Operations had risen to \$10,719,841, compared with \$8,968,657 at the end of 1967. Total *administrative expenses* chargeable to the Fund for Special Operations during 1968 were \$9,087,049, compared with \$4,801,726 in 1967.

Disbursements on loans from the Fund for Special Operations during 1968 amounted to \$120,478,836, compared with \$69,646,004 in 1967. These brought cumulative disbursements on such loans as of Dec. 31, 1968, to \$314,631,106.

Repayments on loans amounted to \$8,564,385, compared with \$6,648,439 in 1967, bringing total repayments at the end of the year to \$24,740,871. The audited financial statements of the Fund for Special Operations, as well as the statement on loans as of Dec. 31, 1968, are contained in the following pages.

FUND FOR SPECIAL OPERATIONS
FINANCIAL STATEMENTS

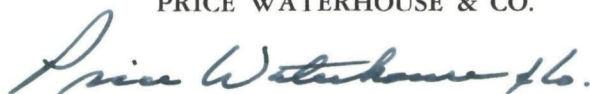
OPINION OF INDEPENDENT ACCOUNTANTS
FUND FOR SPECIAL OPERATIONS

Board of Governors
Inter-American Development Bank

In our opinion, the accompanying financial statements (Appendices II-1 to II-7) present fairly, in terms of United States currency, the financial position of Inter-American Development Bank—Fund for Special Operations at December 31, 1968, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Washington, D.C.
February 10, 1969



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FUND FOR SPECIAL OPERATIONS

APPENDIX II-1

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

BALANCE SHEET

DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix II-7

ASSETS

Due from banks (Appendix II-6) (Note B)

Unrestricted

United States dollars

Member currencies other than United States dollars

Restricted

United States dollars (Note E)

Member currencies other than United States dollars (Note C)

Investments

United States Government obligations (at amortized cost-face amount 1968—
\$1,300,000; 1967—\$3,600,000)

Loans outstanding held by Bank (Appendix II-4)

Total loans approved by Bank since inception, less cancellations

Less principal repayments to Bank

Less loans sold (Appendix III-6, Note F)

Approved loans held by Bank

Less undisbursed balance of approved loans held by Bank

Accrued charges on loans held by Bank

Due from members (Note D)

Contribution quotas receivable

United States dollars or gold

Member currencies other than United States dollars

Non-negotiable, non-interest-bearing demand obligations denominated in members'
currencies including 1968—US\$1,274,424,000; 1967—US\$720,740,000 restricted
(Appendix II-6) (Note E)

Other assets

Total assets

1968

1967

\$ 168,022

135,730,891

49,816

48,615,827

\$ 184,564,556

1,282,983

1,169,807,330

23,064,842

27,140,008

1,119,602,480

855,176,224

264,426,256

3,393,609

300,186,300

100,990,900

1,490,088,297

1,891,265,497

368,624

\$2,345,301,525

\$ 227,425

67,101,871

53,650

36,900,674

\$ 104,283,620

3,577,299

967,526,723

15,048,315

9,483,915

942,994,493

773,374,454

169,620,039

2,331,324

900,248,400

251,081,200

882,930,780

2,034,260,380

414,660

\$2,314,487,322

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

BALANCE SHEET

DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix II-7

LIABILITIES AND FUND BALANCES

	1968	1967
Liabilities		
Accrued expenses and accounts payable	\$ 985,851	\$ 269,068
Funds held in trust (Note J)	19,572	12,562
Special letters of credit (Note E)	11,198,935	1,209,611
Fund for Special Supervision and Inspection of Loans (Note K)	941,326	318,424
Fund balance		
Contribution quotas authorized (Appendix II-5) (Notes D and F)	\$2,321,436,000	\$2,321,436,000
Less quotas not subscribed		17,727,000
Total quotas subscribed	2,321,436,000	2,303,709,000
General reserve (Appendix II-2) (Notes H and I)	10,719,841	8,968,657
Total liabilities and Fund balances	<u>\$2,345,301,525</u>	<u>\$2,314,487,322</u>

FUND FOR SPECIAL OPERATIONS

APPENDIX II-2

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

STATEMENT OF INCOME AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix II-7

	1968	1967
Income		
From loans		
Interest	\$7,386,033	\$5,343,071
Commitment charges	4,065,286	2,805,208
Commissions	538,901	200,329
	<u>\$11,990,220</u>	<u>\$8,348,608</u>
From investments	76,060	657,802
From other sources	62,843	31,834
Gross income	<u>12,129,123</u>	<u>9,038,244</u>
Expenses		
Administrative expenses (Note G) (Appendix I-7, Note L)		
Board of Governors		
Annual meeting	123,145	60,910
Board of Executive Directors		
Salaries	211,798	117,279
Other compensation and benefits	53,187	32,873
Travel	77,537	41,397
Review and evaluation group	17,128	
Staff		
Salaries	4,405,564	2,381,316
Other compensation and benefits	1,458,851	801,114
Travel	538,037	318,215
Other administrative expenses		
Communications	292,649	173,567
Office occupancy	597,936	282,147
Publications and printing	80,532	60,604
Supplies and equipment	295,543	108,896
Miscellaneous	378,349	183,541
Field offices		
Salaries	347,090	162,343
Other	996,409	557,707
	<u>9,873,755</u>	<u>5,281,909</u>
Charge equivalent to depreciation (Note G)	79,082	48,809
	<u>9,952,837</u>	<u>5,330,718</u>
Less amounts charged to Social Progress Trust Fund for indirect and overhead expenses by Bank as Administrator (Appendix III-6, Note B)	865,788	528,992
Total administrative expenses including depreciation	<u>9,087,049</u>	<u>4,801,726</u>
Net income	<u>\$ 3,042,074</u>	<u>\$4,236,518</u>

STATEMENT OF DISPOSITION OF NET INCOME AND CHANGES IN GENERAL RESERVE

	1968	1967
Net income	\$ 3,042,074	\$4,236,518
Disposition:		
Technical assistance (Appendix II-3) (Note I)	1,290,890	1,050,971
Addition to general reserve (Note H)	1,751,184	3,185,547
General reserve beginning of year	8,968,657	5,783,110
General reserve end of year (Note H)	<u>\$10,719,841</u>	<u>\$8,968,657</u>

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

STATEMENT OF TECHNICAL ASSISTANCE EXPENSE (NOTE I)

YEAR ENDED DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix II-7

Bolivia	\$ 18,717
Costa Rica	13,288
Dominican Republic	74,743
Ecuador	18,436
Guatemala	876
Haiti	4,114
Honduras	15,846
Mexico	4,129
Paraguay	10,960
Central American Bank for Economic Integration	8,137
Central America—Planning Program	12,446
Joint Rural Development Program—OAS-BID-ISRAEL	103,174
Integration—Studies	356,344
Integration—Training	14,920
Integration—Miscellaneous	26,892
Intern training in the Bank	53,695
Substantive studies	37,945
Institute for Latin American Integration (Note J)	119,000
Courses and seminars	247,838
Miscellaneous	156,155
	<u>1,297,655</u>
Less refunds and adjustments for prior years	6,765
	<u>\$ 1,290,890</u>

FUND FOR SPECIAL OPERATIONS

APPENDIX II-4

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

SUMMARY STATEMENT OF LOANS

DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix II-7

Member in whose territory loans have been made (1)	Total loans approved by Bank since inception, less cancellations (2)	Principal repayments to Bank	Loans sold	Approved loans held by Bank			Currency in which outstanding portion of approved loans held by Bank is repayable	
				Total	Undisbursed	Outstanding	United States dollars	Member's currency
Argentina	\$ 127,613,270	\$ 283,230	\$ 1,600,000	\$ 125,730,040	\$119,421,166	\$ 6,308,874	\$ 671,548	\$ 5,637,326
Bolivia	67,980,000	8,611,933	530,000	58,838,067	38,930,186	19,907,881	7,712,590	12,195,291
Brazil	241,871,140	3,653,090	5,690,000	232,528,050	163,179,075	69,348,975	14,229,972	55,119,003
Chile	100,360,503	723,223	2,363,158	97,274,122	67,305,803	29,968,319	1,807,388	28,160,931
Colombia	95,405,104	244,846	2,058,074	93,102,184	78,128,929	14,973,255	4,874,087	10,099,168
Costa Rica	11,468,958	107,875	1,130,000	10,231,083	6,358,029	3,873,054	1,852,340	2,020,714
Dominican Republic	33,394,500		450,000	32,944,500	29,263,031	3,681,469	3,082,432	599,037
Ecuador	24,961,892	2,071,892		22,890,000	17,297,096	5,592,904	4,925,955	666,949
El Salvador	3,182,728			3,182,728	3,000,000	182,728	123,801	58,927
Guatemala	19,304,374	136,250	400,000	18,768,124	16,989,546	1,778,578	51,524	1,727,054
Haiti	7,160,000	608,221		6,551,779	3,500,843	3,050,936	2,853,060	197,876
Honduras	39,241,603	1,218,007	1,048,776	36,974,820	20,349,437	16,625,383	11,176,357	5,449,026
Mexico	134,471,136	930,611	1,870,000	131,670,525	113,652,246	18,018,279	8,620,401	9,397,878
Nicaragua	26,750,000	175,313	1,880,000	24,694,687	12,653,018	12,041,669	8,584,122	3,457,547
Panama	22,673,290	889,347	480,000	21,303,943	10,347,940	10,956,003	2,998,331	7,957,672
Paraguay	53,163,192	2,565,623		50,597,569	28,537,033	22,060,536	17,148,803	4,911,733
Peru	75,754,713	138,342	3,870,000	71,746,371	63,266,232	8,480,139	254,118	8,226,021
Trinidad and Tobago	5,300,000			5,300,000	5,272,750	27,250		27,250
Uruguay	26,847,000	197,000		26,650,000	25,829,274	820,726	780,726	40,000
Venezuela	24,200,000	80,000	3,770,000	20,350,000	18,250,727	2,099,273	416,200	1,683,073
Central American Countries- Central American Bank for Eco- nomic Integration	28,703,927	430,039		28,273,888	13,643,863	14,630,025	2,842,137	11,787,888
Total	\$1,169,807,330	\$23,064,842	\$27,140,008	\$1,119,602,480	\$855,176,224(3)	\$264,426,256	\$95,005,892	\$169,420,364

(1) The Bank makes loans to its members or political subdivisions of its members or to private enterprises located in the territories of its members. For loans to borrowers other than members and central banks, the Bank in many instances has received either the member's guarantee or other security deemed appropriate by the Bank.

(2) All of the loans have been approved by the Bank, but certain loans have not become effective and disbursements thereunder will not begin until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank.

(3) Of the undisbursed balances the Bank has entered into irrevocable commitments to disburse approximately \$36,000,000.

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

STATEMENT OF CONTRIBUTION QUOTAS

DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix II-7

Member	Percent of total	Total subscribed quota	Contributions received		Non-negotiable, non-interest-bearing demand obligations	Contribution quotas receivable
			United States dollars	Member currency		
Argentina	4.96	\$ 115,086,000	\$ 7,735,500	\$ 3,708,500	\$ 81,571,000	\$ 22,071,000
Bolivia .....	.40	9,240,000	621,000	1,809,000	5,038,000	1,772,000
Brazil	4.96	115,086,000	7,735,500	85,279,500		22,071,000
Chile	1.36	31,599,000	2,124,000	23,415,000		6,060,000
Colombia	1.36	31,578,000	2,122,500	23,399,500		6,056,000
Costa Rica .....	.20	4,620,000	310,500	3,423,500		886,000
Dominican Republic .....	.26	6,159,000	414,000	4,564,000		1,181,000
Ecuador .....	.26	6,159,000	414,000	4,564,000		1,181,000
El Salvador .....	.20	4,620,000	310,500	3,423,500		886,000
Guatemala .....	.26	6,159,000	414,000	4,564,000		1,181,000
Haiti .....	.20	4,620,000	310,500	310,500	3,113,000	886,000
Honduras .....	.20	4,620,000	310,500	3,423,500		886,000
Mexico	3.19	73,989,000	4,972,500	54,826,500		14,190,000
Nicaragua .....	.20	4,620,000	310,500	3,423,500		886,000
Panama .....	.20	4,620,000	310,500	998,500	2,425,000	886,000
Paraguay .....	.20	4,620,000	310,500	757,500	2,666,000	886,000
Peru .....	.66	15,414,000	1,036,500	2,527,500	8,894,000	2,956,000
Trinidad and Tobago .....	.20	4,620,000	124,200	3,303	2,429,297	2,063,200
United States	77.54	1,800,000,000	168,076,000	—	1,331,924,000	300,000,000
Uruguay .....	.53	12,342,000	829,500	49,000	9,096,500	2,367,000
Venezuela	2.66	61,665,000	4,144,500	2,763,000	42,931,500	11,826,000
Total	100.00	\$2,321,436,000	\$ 202,937,200	\$ 227,233,303	\$1,490,088,297	\$ 401,177,200

FUND FOR SPECIAL OPERATIONS

APPENDIX II-6

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

STATEMENT OF CURRENCIES AND DEMAND OBLIGATIONS HELD BY THE BANK

DECEMBER 31, 1968

See Notes to Financial Statements—Appendix II-7

Member	Unit of currency	Due from banks		Non-negotiable, non-interest-bearing demand obligations		Total	
		Amount in local currency	Expressed in United States dollars	Amount in local currency	Expressed in United States dollars	Amount in local currency	Expressed in United States dollars
Argentina	Peso	351,593,428	\$ 1,020,938	28,549,850,009	\$ 81,571,000	28,901,443,437	\$ 82,591,938
Bolivia	Peso Boliviano	89,826,834	7,564,022	59,826,250	5,038,000	149,653,084	12,602,022
Brazil	Cruzeiro	246,910,619	67,948,476			246,910,619	67,948,476
Chile	Escudo	115,142,520	15,190,306			115,142,520	15,190,306
Colombia	Peso	287,996,479	17,557,804			287,996,479	17,557,804
Costa Rica	Colon	19,387,444	2,927,284			19,387,444	2,927,284
Dominican Republic	Peso	4,173,347	4,173,347			4,173,347	4,173,347
Ecuador	Sucre	79,604,488	4,418,606			79,604,488	4,418,606
El Salvador	Colon	7,892,072	3,156,829			7,892,072	3,156,829
Guatemala	Quetzal	522,239	522,239			522,239	522,239
Guatemala (Note C)	Quetzal	2,939,493	2,939,493			2,939,493	2,939,493
Haiti	Gourde	4,587,730	917,546	15,565,000	3,113,000	20,152,730	4,030,546
Honduras	Lempira	4,234,956	2,117,478			4,234,956	2,117,478
Mexico (Note C)	Peso	570,954,175	45,676,334			570,954,175	45,676,334
Nicaragua	Cordoba	19,485,685	2,783,669			19,485,685	2,783,669
Panama	Balboa	483,091	483,091	2,425,000	2,425,000	2,908,091	2,908,091
Paraguay	Guarani	286,122,512	2,270,814	335,916,000	2,666,000	622,038,512	4,936,814
Peru	Sol	55,337,399	1,433,962	344,197,800	8,894,000	399,535,199	10,327,962
Trinidad and Tobago	T.T. Dollar	5,042	2,521	4,858,594	2,429,297	4,863,636	2,431,818
United States	Dollar	168,022	168,022	57,500,000	57,500,000	57,668,022	57,668,022
United States (Note E)	Dollar	49,816	49,816	1,274,424,000	1,274,424,000	1,274,473,816	1,274,473,816
Uruguay	Peso	7,203,564	28,814	2,274,125,000	9,096,500	2,281,328,564	9,125,314
Venezuela	Bolivar	5,459,151	1,213,145	193,191,750	42,931,500	198,650,901	44,144,645
Total expressed in United States dollars			<u>\$184,564,556</u>		<u>\$1,490,088,297</u>		<u>\$1,674,652,853</u>

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1968

Note A

Amounts in member currencies other than United States dollars have been translated into United States dollars at the rates at which the amounts were received or loaned by the Bank, except for the undisbursed balances and accrued charges on certain loans denominated in member currencies other than United States dollars which have been translated into United States dollars at the approximate market rates of exchange existing at December 31, 1968. No representation is made that any of such currencies is convertible into any other of such currencies at any rate or rates.

Note B

In accordance with Article V, Section 3 of the Agreement Establishing the Bank (Agreement), each member is required, if the par value of its currency is reduced or if the foreign exchange value of its currency depreciates to a significant extent, to pay to the Bank (Fund for Special Operations) an additional amount of its own currency sufficient to maintain the value of all the currency of the member held in the Fund, excepting currency derived from borrowings by the Fund; likewise the Bank (Fund for Special Operations) is required, if the par value of a member's currency is increased or the foreign exchange value of such member's currency appreciates to a significant extent, to pay to such member an amount of its currency equal to the increase in value of such member's currency which is held in the Fund, excepting currency derived from borrowings by the Fund. The standard of value for these purposes shall be the United States dollar of the weight and fineness in effect on January 1, 1959.

Note C

In accordance with the provisions of Article V, Section 1 of the Agreement the use of these funds by the Fund or any recipient from the Fund has been restricted by the members to making payments for goods and services produced in their territories.

Note D

As of December 31, 1966 the authorized contribution quotas of the Fund for Special Operations amounted to \$1,119,474,000 and all member countries had paid their respective quotas in full.

In April 1967 the Board of Governors voted to admit Trinidad and Tobago to membership in the Bank and in July 1967 Trinidad and Tobago agreed to contribute to the Fund \$1,962,000 of which \$310,500 is payable in United States dollars and/or gold and the equivalent of US\$1,651,500 is payable in the currency of Trinidad and Tobago. The contribution quota of Trinidad and Tobago is payable in five equal annual installments each consisting of \$62,100 in United States dollars and/or gold and the equivalent of US\$330,300 in its own currency. The first and second installments have been paid and the remaining installments are payable annually through 1971.

In December 1967 the Board of Governors approved an increase in the equivalent of US\$1,200,000,000 in the authorized contribution quotas of the Fund after 17 members had deposited with the Bank appropriate instruments setting forth their agreement to subscribe and contribute a total of \$1,182,273,000. The United States has agreed to contribute \$900,000,000 of the increase and the other member countries are to contribute the equivalent of US\$300,000,000 in their respective currencies. The increased contribution quotas are payable in three equal installments. As of December 31, 1968 the first and second installments (US\$800,000,000) had been paid in full. The third installment is payable on or before December 31, 1969. Non-negotiable, non-interest-bearing demand obligations have been accepted, as permitted under the provisions of Article V, Section 4 of the Agreement, in lieu of part of the payment required to be made in the member's currency.

In December 1968 the Board of Governors authorized the President of the Bank to accept Barbados as a member of the Bank upon fulfillment of the formal conditions for membership.

Note E

In accordance with the provisions of Article V, Section 1 of the Agreement the United States has specified that \$1,650,000,000 of its contributions to the Fund for Special Operations shall be restricted to making payments for the purchase of goods or services from the United States, or for the acquisition of goods or services of local origin in the country in which the project is located. The United States has specified also that the funds may be used for the acquisition of goods or services produced in other countries which are members of the Bank if in the judgment of the Bank such transaction would be advantageous to the borrower. With respect to the use of funds for purchases in the countries where the projects are located the related dollars are disbursed under a special letter of credit procedure whereby the equivalent in local currency is provided to the borrowers for use under the loan contract and the dollars are utilized to purchase goods and services from the United States for export to the respective countries.

FUND FOR SPECIAL OPERATIONS

FINANCIAL STATEMENTS

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1968

—(Continued)

At the request of the Bank special letters of credit have been opened by commercial banks in the United States in favor of certain banks in member countries which have been designated to advance local currencies to borrowers. Advances have been made to borrowers by several banks in member countries upon receipt of advices that the relative special letters of credit had been opened without corresponding disbursements by the Bank to the appropriate commercial banks in the United States. Under the terms of the loan agreements these advances have been charged to the respective loans. As of December 31, 1968 the Bank's liability for advances made under the special letter of credit procedure amounted to \$11,198,935.

Note F

In making decisions concerning operations of the Fund, the number of votes and percent of total vote for each member are the same as shown in Appendix 1-5 of the financial statements of the Ordinary Capital. All such decisions shall be adopted by at least a two-thirds majority of the total voting power.

Note G

Article III, Section 3 (b) of the Agreement provides: "Expenses pertaining directly to ordinary operations shall be charged to the ordinary capital resources of the Bank. Expenses pertaining directly to special operations shall be charged to the resources of the Fund [for Special Operations]. Other expenses shall be charged as the Bank determines". For each of the years through 1968 expenses which have been deemed to be not identifiable as pertaining directly to either the Ordinary Capital or the Fund for Special Operations have been distributed pursuant to the decisions of the Board of Executive Directors. In 1967 these expenses were charged $\frac{2}{3}$ to the income of the Ordinary Capital and $\frac{1}{3}$ to the income of the Fund for Special Operations.

Due to the increase in lending activities of the Fund for Special Operations, the Board of Executive Directors decided that commencing with the year 1968, the administrative expenses of the Bank not identifiable as pertaining directly to either the ordinary operations or the special operations of the Bank, shall be charged to the income from the Ordinary Capital and to the income from the Fund for Special Operations, respectively, in the proportions, rounded to the nearest whole per cent, which the cumulative loan commitments (adjusted for cancellations, principal repayments and participations sold) of each resource bear to the total of such adjusted commitments at the close of the preceding year. During 1968 expenses which have been deemed to be not identifiable as pertaining directly to either the Ordinary Capital or the Fund for Special Operations have been charged 46% to the income of the Ordinary Capital and 54% to the income of the Fund for Special Operations. In 1968 the administrative expenses of the Fund for Special Operations are approximately \$3,475,000 more than they would have been had the rate of distribution applied in 1967 been used.

In 1964 the Bank purchased the twelve story building in Washington, D.C. in which its principal offices are located. The cost of the land and building less the reserve for depreciation is included in the assets of the Ordinary Capital of the Bank. In accordance with the expense allocation formula specified by the Board of Executive Directors, a charge equivalent to depreciation has been made against the income of the Fund for Special Operations.

Note H

Pursuant to the actions of the Board of Governors the excess of expenditures or income of the Fund for Special Operations, after deduction of technical assistance expenditures, has been allocated to a general reserve for possible future losses and the future net income less technical assistance expenditures of the Fund will, until further action by the Board of Governors, be allocated automatically to such reserve each year.

Note I

Under the provisions of Article VI of the Agreement the Bank may, at the request of any member or members or of private firms that may obtain loans from it, provide technical advice and assistance.

At December 31, 1968 the amount approved by the Bank for expenditures in the future for technical assistance projects was \$1,855,911. Pursuant to resolutions of the Board of Executive Directors all technical assistance expenditures after January 1, 1963 are to be charged first to the net income of the Fund for Special Operations, including such income accumulated in the general reserve of that Fund, and thereafter to the net income of the Ordinary Capital.

The accumulated technical assistance expenditures made by the Fund as of December 31, 1968 include \$171,402 which may be reimbursed to the Fund if loans are granted as a result of the technical assistance projects.

INTER-AMERICAN DEVELOPMENT BANK—FUND FOR SPECIAL OPERATIONS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1968

Note J

In 1964 the Board of Executive Directors approved a resolution which authorized the creation, as a dependency of the Bank, of the Institute for Latin American Integration to study the various economic, technical, legal and institutional measures required to strengthen the process of Latin American integration and to provide training in this field. The resolution specified that the Institute be located in Buenos Aires, Argentina and authorized the President of the Bank to enter, in the name and on behalf of the Bank, into the necessary agreements to finance the expenses of installation and operation of the Institute. The resolution also authorized contribution of up to \$463,000 to be made through the technical assistance operations of the Bank—Fund for Special Operations as the Bank's share of such expenses. By separate resolution the Board of Executive Directors authorized contribution of up to \$463,000 to be made through the technical assistance operations of the Social Progress Trust Fund, which is administered by the Bank. The resolutions provided that each of the contributions should be paid in four annual installments; the first of up to \$106,000 in 1965 and the remaining three of up to \$119,000 each in 1966 through 1968.

The Institute was established in 1965 and began its operations in Buenos Aires in the offices provided for its headquarters by the Government of Argentina as part of that country's contribution to the Institute. As a further contribution toward the operation of the Institute, the Government of Argentina has agreed to provide the funds necessary to cover the expenses of maintenance of the offices and the annual salaries and related expenses of local administrative personnel of the Institute.

In addition to the contributions agreed to be made by the Bank—Fund for Special Operations, the United States through the Social Progress Trust Fund and Argentina, contributions totalling \$132,000 were specified for seventeen members of the Bank for each of the years 1965 through 1968. The contributions by member countries to finance the operations of the Institute are not considered to be contributions to the resources of the Bank.

The Institute maintains financial records and books of account separate from those maintained by the Bank and is subject to a separate accounting. Accordingly the assets, liabilities and results of operations of the Institute are not included in the accompanying financial statements. The Bank—Fund for Special Operations, however, handles certain transactions for the Institute and during 1968 received \$361,000 in behalf of the Institute from the following sources: \$119,000 of its own funds transferred to funds held in trust as the Bank's contribution, \$119,000 paid by the Social Progress Trust Fund as its contribution and \$123,000 paid by fourteen members of the Bank, not including Argentina and the United States, as their contributions. Of the amounts held as of January 1, 1968 plus the additional amounts received in behalf of the Institute in 1968, the Bank disbursed directly to the Institute or in its behalf \$353,990 and the remaining \$19,572 is held for the Institute at December 31, 1968 and is included in the accompanying financial statements as funds held in trust.

In June 1968 the Board of Executive Directors approved resolutions which authorized contribution of up to \$270,000 to be made as a technical assistance operation of the Bank—Fund for Special Operations, a contribution of up to \$270,000 to be made as a technical assistance operation of the Social Progress Trust Fund and established contribution quotas of up to \$302,000 for 19 members of the Bank in each of the years 1969 through 1971 to finance the operations of the Institute. The Government of Argentina is to provide the funds necessary to cover the expenses of maintenance, annual salaries and related expenses of local administrative personnel of the Institute as its contribution during the three year period.

Note K

In accordance with the loan contracts borrowers have agreed to special charges to cover costs of extraordinary supervision and inspection services performed in connection with projects financed under the loans. Beginning in 1966 the Bank established a special fund in each of the separate windows of the Bank (Ordinary Capital, Fund for Special Operations and Social Progress Trust Fund) to accumulate the amounts charged under the special provisions of the loans. Each loan is charged pursuant to the contract and the offsetting credit is accumulated in an account called "Fund for Special Supervision and Inspection of loans". Expenses associated with supervision and inspection of these loans which are over and above those normally and routinely performed by the Bank are charged to the respective accounts. There follows a summary of the transactions in the Fund for Special Operations account for 1968 and 1967:

	1968	1967
Balance beginning of period	\$ 318,424	—0—
Charges against loans	1,922,284	\$720,245
Less expenses incurred in special supervision and inspection of loan projects, principally salaries of specialists	1,299,382	401,821
Balance end of period	<u>\$ 941,326</u>	<u>\$ 318,424</u>

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
ARGENTINA									
Republic of Argentina Public entity	Technical assistance for preparation of development projects and plans (\$3,792,000)	Project completed; advisory services for establishment of planning agency provided	Pesos	25,000,000	25,000,000	22,006,664	2,993,336	2/28/62	4%
			U.S. dollars	500,000	500,000	500,000	(6/29/62)	(1967-72)	
			Total in U.S. dollars	645,884	645,884	517,467			
Province of Río Negro Public Entity	Development and colonization of an agricultural project in the lower Viedma Valley, Province of Río Negro (\$9,608,000)	Project 26% complete	Pesos ¹	2,845,000	1,871,102	62,370	1,808,732	7/31/62	4%
			U.S. dollars	2,683,000	177,284	5,736	171,548	(5/10/63)	(1968-83)
			Total in U.S. dollars	5,528,000	2,048,386	68,106	1,980,280		
Minera y Siderúrgica Patagónica Sierra Grande, S.A. (Acíndar, Industria Argentina de Aceros, S.A.; Minera Aluminé, S.A., and S.E.T., Sociedad de Responsabilidad Limitada) Private entity	Preinvestment studies for the establishment of a steel complex in Province of Río Negro (\$798,000)	Project completed	U.S. dollars	148,244	148,244	148,244		4/8/64 (6/1/64)	5¼% ² (1966-71)
Administración General de Obras Sanitarias de la Nación (Republic of Argentina) Public entity	Expansion of water supply system in Buenos Aires suburbs of Avellaneda and Lanús (\$3,818,000)	Project 34% complete	Pesos ¹	2,000,000	936,413		936,413	7/30/60 (10/7/64)	4% (1969-83)
Administración General de Obras Sanitarias de la Nación (Republic of Argentina) Public entity	Improvement of water systems of Buenos Aires, San Miguel de Tucumán, San Salvador de Jujuy, Córdoba and Mendoza (\$45,200,000)	Project 18% complete	Pesos ¹	6,500,000	461,795		461,795	12/9/65	2¼% ⁴
			U.S. dollars	12,000,000	1,333,838	1,333,838	(6/10/66)	(1970-86)	
			Total in U.S. dollars	18,500,000	1,795,633	1,795,633			
Republic of Argentina Public entity	Continuation of technical assistance for studies of development projects and plans (\$239,000)	Studies initiated	U.S. dollars	131,142	131,142		131,142	12/16/65 (5/23/66)	3¼% ⁵ (1969-70)
Republic of Argentina Public entity	Completion of a Hospital-School to improve teaching and research in medical sciences at University of Buenos Aires (\$10,500,000)	40% of equipment acquired; 45% of technical assistance provided	Pesos ¹	200,000	41,400		41,400	4/24/66	2¼% ⁴
			U.S. dollars	3,600,000	5,000	5,000	(2/21/67)	(1970-87)	
			Total in U.S. dollars	3,800,000	46,400	46,400			
Republic of Argentina Public entity	Improvement in teaching and research in metallurgical sciences in Buenos Aires (\$1,490,000)	71% of equipment acquired	U.S. dollars	1,000,000	483,442		483,442	4/24/66 (8/19/66)	2¼% ⁴ (1970-86)
Republic of Argentina Public entity	Establishment of preinvestment fund for the preparation of specific projects and general studies (\$6,450,000)		Pesos ¹	1,000,000				9/15/66	3¼% ⁵
			U.S. dollars	3,300,000				(2/21/67)	(1970-82)
			Total in U.S. dollars	4,300,000					
Municipalidad de la Ciudad de Buenos Aires (Republic of Argentina) Public entity	Construction of 6,800 housing units and respective services as part of an urban renewal project in Buenos Aires (\$18,170,000)	Project initiated	Pesos ¹	1,800,000	314,064		314,064	11/3/66	2¼% ⁴
			U.S. dollars	10,400,000	70,000	70,000	(2/21/67)	(1971-97)	
			Total in U.S. dollars	12,200,000	384,064	384,064			
Agua y Energía Eléctrica, Empresa del Estado (Republic of Argentina) Public entity	Irrigation phase of broad rural development program in the Dulce River Valley, Province of Santiago del Estero (\$57,130,000)	Project initiated	Pesos ¹	6,600,000	140,000		140,000	2/2/67	3¼% ⁵
			U.S. dollars	15,630,000	139,000	139,000	(2/21/67)	(1971-92)	
			Total in U.S. dollars	22,230,000	279,000	279,000			
Province of Santiago del Estero (Republic of Argentina) Public entity	Land resettlement phase of above program (\$40,730,000)	Project initiated	Pesos ¹	4,000,000	102,643		102,643	2/2/67	2¼% ⁴
			U.S. dollars	6,480,000	89,000	89,000	(2/21/67)	(1971-92)	
			Total in U.S. dollars	10,480,000	191,643	191,643			
Republic of Argentina Public entity	Technical assistance for rural electrification program (\$150,000)	Project initiated	U.S. dollars	100,000	24,853	833	24,020	3/16/67 (6/23/67)	2¼% ⁴ (1969-77)
Republic of Argentina Public entity	Expansion of 7 grain elevator facilities in 6 major port cities (\$21,038,000)	Project 25% complete	Pesos ¹	4,000,000				7/20/67	3¼% ⁵
			U.S. dollars	6,400,000	1,077,000	1,077,000	(12/5/67)	(1972-87)	
			Total in U.S. dollars	10,400,000	1,077,000	1,077,000			

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
ARGENTINA (Cont'd.)									
Republic of Argentina Public entity	Construction of highway sections providing better integration links to Chile and Bolivia (\$44,826,000)		Pesos ¹ U.S. dollars Total in U.S. dollars	8,660,000 12,490,000 21,150,000				12/28/67	3¼% ⁵ (1972-88)
Banco de la Nación Argentina Public entity	Rural electrification (\$45,500,000)		Pesos ¹ U.S. dollars Total in U.S. dollars	2,000,000 13,000,000 15,000,000				9/6/68 (10/31/68)	3¼% ⁵ (1972-98)
TOTAL LOANS TO ARGENTINA EXPRESSED IN U.S. DOLLARS				127,613,270	8,192,104	345,600	7,846,504		
Less: Participations				1,600,000	1,600,000	62,370	1,537,630		
Net total loans to Argentina expressed in U.S. dollars				126,013,270	6,592,104	283,230	6,308,874		
BOLIVIA									
Corporación Boliviana de Fomento (Banco Central de Bolivia) Public entity	Industrial, agricultural and electric power credits (\$10,000,000)	Project completed; 66 industrial credits for \$2,550,623; 12 agricul- tural credits for \$2,000,000, and 17 mining credits for \$1,186,383 authorized; \$2,279,557 in loans for 5 electric power projects approved	U.S. dollars	10,000,000	10,000,000	3,955,597	6,044,403	2/24/61 (5/11/61)	4½% (1964-74)
Corporación Minera de Bolivia (Banco Central de Bolivia) Public entity	First phase of project to rehabilitate Bolivia's tin mines (\$25,350,000)	Project completed	U.S. dollars	4,500,000	4,500,000	2,571,429	1,928,571	7/14/61 (8/31/61)	4% (1965-71)
Banco Agrícola de Bolivia (Banco Central de Bolivia) Public entity	Agricultural credits for farm settlement projects in the Departments of Cochabamba, Santa Cruz and La Paz (\$6,129,000)	13 credits for projects worth \$1,219,546 authorized	U.S. dollars	2,600,000	602,677	42,607	560,070	12/28/62 (1/24/63)	4% (1968-80)
Corporación Minera de Bolivia (Banco Central de Bolivia) Public entity	Second phase of project to rehabilitate Bolivia's tin mines (\$19,240,000)	Project completed	Pesos ¹ U.S. dollars Total in U.S. dollars	400,000 4,460,000 4,860,000	400,000 4,460,000 4,860,000	160,000 1,784,000 1,944,000	240,000 2,676,000 2,916,000	2/14/63 (3/15/63)	4% (1966-73)
Republic of Bolivia Public entity	Agricultural credits to sup- port rural development bases (\$1,567,000)	167 credits for \$407,259 authorized	U.S. dollars	1,100,000	552,033	80,000	472,033	10/31/63 (1/16/64)	4% (1967-79)
Republic of Bolivia Public entity	Construction of first stage of 27,000-kilowatt hydro- electric plant at Corani, along with transmission and distribution facilities (\$15,500,000)	Project completed	Pesos ¹ U.S. dollars Total in U.S. dollars	400,000 3,100,000 3,500,000	400,000 2,628,355 3,028,355		400,000 2,628,355 3,028,355	7/23/64 (7/24/64)	4% (1969-89)
Universidad Mayor de San Simón (Republic of Bolivia) Public entity	Academic and administra- tive improvements in teach- ing agricultural sciences in Cochabamba (\$754,000)	11% of equipment ac- quired; 8% of construc- tion completed; 18% of technical assistance provided	Pesos ¹ U.S. dollars Total in U.S. dollars	128,000 372,000 500,000		50,000 50,000		12/21/65 (4/1/66)	2¾% ⁴ (1969-86)
Universidad Técnica de Oruro (Republic of Bolivia) Public entity	Academic and administra- tive improvements in Col- lege of Engineering in Oruro (\$800,000)	55% of equipment ac- quired; 50% of construc- tion completed; 100% of technical assistance provided	Pesos ¹ U.S. dollars Total in U.S. dollars	161,000 239,000 400,000	12,043 163,501 175,544		12,043 163,501 175,544	12/21/65 (4/1/66)	2¼% ⁴ (1969-86)
Universidad Autónoma Gabriel René Moreno (Republic of Bolivia) Public entity	Academic and administra- tive improvements in Col- lege of Veterinary Medicine in Santa Cruz (\$600,000)	22% of equipment ac- quired; 17% of construc- tion completed; 38% of technical assistance provided	Pesos ¹ U.S. dollars Total in U.S. dollars	146,000 254,000 400,000	6,300 34,220 40,520		6,300 34,220 40,520	12/21/65 (4/1/66)	2¼% ⁴ (1969-86)
Corporación Minera de Bolivia (Banco Central de Bolivia) Public entity	Third phase of project to rehabilitate Bolivia's tin mines (\$10,100,000)	Third phase 76% com- plete	Pesos ¹ U.S. dollars Total in U.S. dollars	41,000 2,459,000 2,500,000	41,000 1,786,984 1,827,984	18,300 18,300	41,000 1,768,684 1,809,684	2/10/66 (3/11/66)	3¼% ⁵ (1969-79)

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
BOLIVIA (Cont'd.)									
Banco Industrial, S.A. (Banco Central de Bolivia) Private entity	Industrial credits (\$1,500,000)	24 credits for projects worth \$2,275,447 author- ized	U.S. dollars	1,000,000	389,598		389,598	6/23/66 (7/29/66)	3¼% ^a (1970-81)
Republic of Bolivia Public entity	Establishment of preinvest- ment fund for the prepara- tion of specific projects and general studies (\$3,150,000)	27 credits to finance studies worth \$1,270,908 authorized	Pesos ¹	400,000	250,783		250,783	9/1/66	3¼% ^a
			U.S. dollars	1,700,000	293,132		293,132	(9/30/66)	(1970-82)
			Total in U.S. dollars	2,100,000	543,915		543,915		
Corporación Boliviana de Fomento (Republic of Bolivia) Public entity	Industrial and mining credits (\$17,298,000)	30 credits for projects worth \$5,757,914 author- ized	Pesos ¹	2,000,000	500,000		500,000	11/10/66	3¼% ^a
			U.S. dollars	8,800,000	866,399		866,399	(2/28/67)	(1971-82)
			Total in U.S. dollars	10,800,000	1,366,399		1,366,399		
Consejo Nacional de Vivienda (Republic of Bolivia) Public entity	Construction of 3,500 low- income housing units and community services through- out the country (\$8,507,000)	810 units in construc- tion	Pesos ¹	2,000,000	639,777		639,777	7/27/67	2¼% ⁴
			U.S. dollars	3,500,000	36,380		36,380	(11/3/67)	(1972-97)
			Total in U.S. dollars	5,500,000	676,157		676,157		
Republic of Bolivia Public entity	Construction of water sys- tems for 60 communities with 160,000 inhabitants (\$3,475,000)		U.S. dollars	1,800,000				8/17/67	2¼% ⁴ (1972-93)
Republic of Bolivia Public entity	Improvement and expansion of water systems of Cochabamba and Potosí and water and sewage facilities of Santa Cruz (\$17,640,000)	Santa Cruz project underway	Pesos ¹	1,300,000	60,632		60,632	12/7/67	2¼% ⁴
			U.S. dollars	9,700,000	376,000		376,000		(1972-93)
			Total in U.S. dollars	11,000,000	436,632		436,632		
Republic of Bolivia Public entity	National telecommunica- tions system (\$7,189,000)		Pesos ¹	800,000				4/21/68	3¼% ^b
			U.S. dollars	4,620,000				(10/22/68)	(1973-94)
			Total in U.S. dollars	5,420,000					
TOTAL LOANS TO BOLIVIA EXPRESSED IN U.S. DOLLARS				67,980,000	29,049,814	8,611,933	20,437,881		
Less: Participations				530,000	530,000		530,000		
Net total loans to Bolivia expressed in U.S. dollars				67,450,000	28,519,814	8,611,933	19,907,881		
BRAZIL									
Banco do Nordeste do Brasil Public entity	Industrial credits for Brazil's Northeast (\$64,020,000)	Project completed; 41 credits for projects worth \$64,200,000 authorized	U.S. dollars	9,695,507	9,695,507	2,827,856	6,867,651	4/9/61 (8/3/61)	4½% (1965-77)
Fundação Comissão de Planejamento Econômico da Bahia (State of Bahia) Public entity	Preparation of specific in- dustrial, infrastructure and social projects in State of Bahia (\$681,000)	Project completed; studies on 6 projects concluded	Cruzeiros ¹	135,633	135,633	93,900	41,733	2/21/62 (8/9/62)	4% (1964-70)
Banco do Estado da Guanabara S.A. (State of Guanabara) Public entity	Expansion and improvement in the water system of Rio de Janeiro (\$25,653,000)	Project completed	Cruzeiros ¹	2,500,000	2,500,000	90,459	2,409,541	3/13/62	4%
			U.S. dollars	9,000,000	9,000,000	325,654	8,674,346	(5/5/62)	(1967-92)
			Total in U.S. dollars	11,500,000	11,500,000	416,113	11,083,887		
Departamento Municipal de Água e Esgotos (Banco do Estado de Rio Grande do Sul) Public entity	Expansion and improvement in water and sewage sys- tem of Porto Alegre (\$6,973,000)	Water system 96% com- plete; sewage system 27% complete	Cruzeiros ¹	1,500,000	1,500,000		1,500,000	12/19/63	4%
			U.S. dollars	1,650,000	1,093,431		1,093,431	(9/17/64)	(1969-89)
			Total in U.S. dollars	3,150,000	2,593,431		2,593,431		
Banco do Estado da Guanabara S.A. (State of Guanabara) Public entity	Expansion and improvement in water system of Rio de Janeiro (\$12,484,000)	Project 62% complete	Cruzeiros ¹	3,000,000	3,000,000	171,429	2,828,571	12/24/64	4%
			U.S. dollars	4,000,000	1,965,263	103,792	1,861,471	(12/31/64)	(1968-85)
			Total in U.S. dollars	7,000,000	4,965,263	275,221	4,690,042		
Usina Siderurgica da Bahia S.A. (Federal Republic of Brazil) Public entity	Feasibility study for con- struction of steel mill at Salvador, Bahia, in Brazil's Northeast (\$382,000)	Project completed	U.S. dollars	200,000	200,000	40,000	160,000	7/1/65 (12/1/65)	4% (1968-72)
Federal Republic of Brazil Public entity	Establishment of preinvest- ment fund for the prepara- tion of specific projects and general studies (\$7,500,000)	8 credits to finance studies worth \$589,502 authorized	Cruzeiros ¹	1,500,000	500,000		500,000	9/27/65	4% ^a
			U.S. dollars	3,500,000	20,000		20,000	(10/1/65)	(1970-80)
			Total in U.S. dollars	5,000,000	520,000		520,000		

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
BRAZIL (Cont'd.)									
Federal Republic of Brazil Public entity	Agricultural credits (\$40,500,000)	6,979 credits for \$16,804,000 author- ized	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	3,000,000 17,500,000 20,500,000	30,000 7,014,284 7,044,284		30,000 7,014,284 7,044,284	12/9/65 (4/1/66)	2¼% ² (1969-86)
Departamento Nacional de Estradas de Rodagem (Federal Republic of Brazil) Public entity	Construction of 411 miles of highway between Port of Paranaguá and Foz do Iguaçu on Paraguayan border (\$40,000,000)	Project 98% complete	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	4,000,000 16,000,000 20,000,000	3,534,754 12,711,509 16,246,263		3,534,754 12,711,509 16,246,263	12/21/65 (4/1/66)	3¼% ⁵ (1969-86)
Departamento Nacional de Portos e Vias Navegáveis (Federal Republic of Brazil) Public entity	Improvement in port in- stallations at Paranaguá (\$11,860,000)	Project 40% complete	U.S. dollars	5,640,000	341,195		341,195	12/21/65 (4/1/66)	3¼% ⁵ (1969-86)
Federal Republic of Brazil Public entity	Improvement of water sys- tem of Salvador and water supply projects for 200 other Brazilian communities (\$29,303,000)	Salvador project 78% complete; 5 other systems completed; 79 in con- struction	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	3,100,000 11,900,000 15,000,000	2,898,557 1,602,497 4,501,054		2,898,557 1,602,497 4,501,054	12/21/65 (7/28/66)	2¼% ⁴ (1971-86)
Banco Nacional da Habitação (Federal Republic of Brazil) Public entity	Construction of 25,038 housing units in 40 Brazil- ian communities (\$44,000,000)	6,237 units built; 18,801 in construction	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	5,000,000 15,000,000 20,000,000	1,900,000 7,444,000 9,344,000		1,900,000 7,444,000 9,344,000	8/4/66 (10/10/66)	2¼% ⁴ (1970-96)
Companhia Hidro Elétrica do São Francisco (Federal Republic of Brazil) Public entity	Expansion of Paulo Afonso hydroelectric plant by 300,000 kilowatts and re- lated facilities in Brazil's Northeast (\$24,370,000)	Project 20% complete	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	3,600,000 5,500,000 9,100,000	600,000 600,000		600,000 600,000	8/25/66 (11/3/66)	3¼% ⁵ (1972-84)
Banco do Nordeste do Brasil (Federal Republic of Brazil) Public entity	Expansion of water supply systems in Northeast cities of Aracajú, Fortaleza and João Pessoa (\$28,900,000)	Project 8% complete	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	3,000,000 11,450,000 14,450,000	1,463,719 1,463,719		1,463,719 1,463,719	11/29/66 (6/30/67)	2¼% ⁴ (1971-92)
Departamento Municipal de Aguas e Esgotos de Belo Horizonte (Caixa Econômica do Estado de Minas Gerais and State of Minas Gerais) Public entity	Expansion of water system of Belo Horizonte (\$25,170,000)	Project 34% complete	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	4,000,000 8,000,000 12,000,000	500,000 13,000 513,000		500,000 13,000 513,000	12/22/66 (6/30/67)	3¼% ⁵ (1971-87)
Banco do Nordeste do Brasil S.A. (Federal Republic of Brazil) Public entity	Industrial credits for Brazil's Northeast (\$24,000,000)	Used jointly with ordinary capital loan	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	50,000 5,950,000 6,000,000	 21,716 21,716		 21,716 21,716	12/28/66 (6/30/67)	3¼% ⁵ (1971-83)
Federal Republic of Brazil Public entity	Expansion and improvement of technical and industrial schools and training centers in 14 states (\$4,600,000)	Project initiated	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	1,000,000 2,000,000 3,000,000	300,000 6,000 306,000		300,000 6,000 306,000	5/12/67 (6/30/67)	2¼% ⁴ (1971-92)
Banco Nacional do Desenvolvimento Econômico Public entity	Industrial credits (\$25,309,000)	57 credits for projects worth \$16,055,411 author- ized	Cruzeiros ¹	8,700,000	900,000		900,000	7/20/67 (9/26/67)	3¼% ⁵ (1971-82)
Federal Republic of Brazil Public entity	Strengthening basic, tech- nological and agricultural sciences at 9 universities (\$45,400,000)	Project underway	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	5,000,000 20,000,000 25,000,000	 2,525,000 2,525,000		 2,525,000 2,525,000	11/16/67 (12/6/67)	2¼% ⁴ (1971-92)
Banco do Brasil S.A. (Federal Republic of Brazil) Public entity	Credits for agricultural, livestock, forestry and fishery processing industries (\$21,600,000)		Cruzeiros ¹ U.S. dollars Total in U.S. dollars	3,300,000 7,500,000 10,800,000				12/28/67	3¼% ⁵ (1972-88)
Departamento Nacional de Estradas de Rodagem Public entity	Basic highway network for Brazil's Northeast (\$76,090,000)	Project well under- way	Cruzeiros ¹ U.S. dollars Total in U.S. dollars	12,000,000 23,000,000 35,000,000	5,250,000 26,000 5,276,000		5,250,000 26,000 5,276,000	9/6/68 (9/13/68)	3¼% ⁵ (1972-88)
TOTAL LOANS TO BRAZIL EXPRESSED IN U.S. DOLLARS				241,871,140	78,692,065	3,653,090	75,038,975		
Less: Participations				5,690,000	5,690,000		5,690,000		
Net total loans to Brazil expressed in U.S. dollars				236,181,140	73,002,065	3,653,090	69,348,975		

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
CHILE									
Corporación de Fomento de la Producción Public entity	Resettlement in 8 projects in South-Central Chile (\$13,067,000)	Project completed; 600 houses built; 59 miles of access roads installed; 2,551 credits provided	Escudos U.S. dollars Total in U.S. dollars	1,470,000 5,657,000 6,265,503	1,470,000 5,657,000 6,265,503	163,333 532,869 600,480	1,306,667 5,124,131 5,665,023	12/21/61 (5/2/62)	4% (1966-92)
Corporación de Fomento de la Producción Corporación de la Reforma Agraria Public entities	Technical assistance for above resettlement project (\$265,000)	Project completed	U.S. dollars	265,000	265,000	101,486	163,514	12/21/61 (5/2/62)	4% (1965-71)
Corporación de Fomento de la Producción Public entity	Aerophotogrammetric survey in Central Chile (\$5,380,000)	Project completed	U.S. dollars	2,100,000	2,100,000	663,158	1,436,842	10/18/62 (12/20/62)	4% (1966-75)
Corporación de Fomento de la Producción Public Entity	Establishment of preinvestment fund for the preparation of specific projects and general studies (\$4,500,000)	48 credits to finance studies for \$1,271,090 and 5,128,082 escudos authorized	Escudos ¹ U.S. dollars Total in U.S. dollars	1,090,000 1,910,000 3,000,000	145,434 385,986 531,420	5,817 15,440 21,257	139,617 370,546 510,163	8/12/65 (11/26/65)	4% ² (1968-80)
Universidad de Concepción (Corporación de Fomento de la Producción) Private entity	Buildings and other improvements for Schools of Education and Sociology in Concepción (\$2,920,000)	Construction 40% complete; 11% of equipment acquired; 25% of technical assistance provided	Escudos ¹ U.S. dollars Total in U.S. dollars	450,000 750,000 1,200,000	348,476 60,814 409,290		348,476 60,814 409,290	11/4/65 (1/20/66)	2¼% ⁴ (1970-86)
Republic of Chile Public entity	Expansion and improvement of water systems in 39 cities (\$26,000,000)	4 water systems completed; 27 in construction; project 23% complete	U.S. dollars	15,500,000	3,007,377		3,007,377	12/14/65 (3/25/66)	2¼% ⁴ (1970-86)
Universidad Técnica Federico Santa María (Corporación de Fomento de la Producción) Private entity	Buildings and other improvements at technological university in Valparaíso (\$4,100,000)	Construction 39% complete; 28% of equipment acquired	Escudos ¹ U.S. dollars Total in U.S. dollars	900,000 1,600,000 2,500,000	295,892 577,106 872,998		295,892 577,106 872,998	1/6/66 (6/20/66)	2¼% ⁴ (1970-91)
Corporación de Servicios Habitacionales (Republic of Chile) Public entity	Construction of 10,700 housing units in 71 communities (\$24,000,000)	10,181 housing units built or in construction	Escudos ¹ U.S. dollars Total in U.S. dollars	3,050,000 9,000,000 12,050,000	3,050,000 1,745,813 4,795,813		3,050,000 1,745,813 4,795,813	4/24/66 (10/6/66)	2¼% ⁴ (1969-96)
Universidad de Chile (Corporación de Fomento de la Producción) Public entity	Improvements in teaching agricultural sciences at University of Chile in Santiago (\$6,400,000)	Construction 31% complete; 14% of equipment acquired	Escudos ¹ U.S. dollars Total in U.S. dollars	2,200,000 2,800,000 5,000,000	1,427,337 660,003 2,087,340		1,427,337 660,003 2,087,340	5/12/66 (10/11/66)	2¼% ⁴ (1970-91)
Republic of Chile Public entity	Construction on 127 miles of the Chilean section of Trans-Andean highway between Valparaíso, Chile, and Mendoza, Argentina (\$27,000,000)	About 36% of the project carried out	Escudos ¹ U.S. dollars Total in U.S. dollars	1,500,000 13,500,000 15,000,000	1,022,000 3,950,000 4,972,000		1,022,000 3,950,000 4,972,000	6/16/66 (10/6/66)	3¼% ² (1971-86)
Instituto de Desarrollo Agropecuario (Corporación de Fomento de la Producción) Public entity	Agricultural credits (\$33,610,000)	4,096 credits for projects worth \$30,179,800 authorized	Escudos ¹ U.S. dollars Total in U.S. dollars	2,500,000 8,500,000 11,000,000	2,500,000 3,626,922 6,126,922		2,500,000 3,626,922 6,126,922	9/15/66 (10/6/66)	2¼% ⁴ (1969-81)
Universidad Técnica del Estado (Corporación de Fomento de la Producción) Public entity	Improvements in training and research in technological sciences (\$2,980,000)	Project initiated	Escudos ¹ U.S. dollars Total in U.S. dollars	100,000 900,000 1,000,000				4/13/67 (6/26/67)	2¼% ⁴ (1972-92)
Corporación de Fomento de la Producción Public entity	Credits for small-scale industries and crafts (\$17,492,000)	24 credits for projects worth \$1,124,915	Escudos ¹ U.S. dollars Total in U.S. dollars	800,000 5,700,000 6,500,000	711,138 294,899 1,006,037		711,138 294,899 1,006,037	6/1/67 (6/20/67)	3¼% ⁵ (1971-92)
Caja Central de Ahorros y Préstamos (Republic of Chile) Public entity	Construction of 3,030 low-income housing units (\$13,614,000)	650 units in construction	Escudos ¹ U.S. dollars Total in U.S. dollars	1,000,000 5,000,000 6,000,000	600,000 15,000 615,000		600,000 15,000 615,000	8/3/67 (9/8/67)	2¼% ⁴ (1971-97)
Republic of Chile Public entity	Assistance to train personnel for Chile's agrarian reform program (\$1,408,000)	Project initiated	U.S. dollars	680,000				8/24/67 (12/13/67)	2¼% ⁴ (1971-75)
Republic of Chile Public entity	Campaign against foot-and-mouth disease (\$13,514,000)		Escudos ¹ U.S. dollars Total in U.S. dollars	800,000 1,500,000 2,300,000				7/18/68	2¼% ⁵ (1972-89)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
CHILE (Cont'd.)									
Banco del Estado de Chile	Agricultural credits		Escudos ¹	2,500,000				11/21/68	3¼% ⁵
Public entity	(\$25,000,000)		U.S. dollars	7,500,000					(1972-89)
			Total in U.S. dollars	10,000,000					
TOTAL LOANS TO CHILE EXPRESSED IN U.S. DOLLARS				100,360,503	33,054,700	1,386,381	31,668,319		
Less: Participations				2,363,158	2,363,158	663,158	1,700,000		
Net total loans to Chile expressed in U.S. dollars				97,997,345	30,691,542	723,223	29,968,319		
COLOMBIA									
Corporación Autónoma Regional de los Valles del Magdalena y del Sinú	Preinvestment studies for development of Sinú River watershed (\$1,586,000)	Project 67% complete	Pesos	4,930,000	3,666,125	1,833,062	1,833,063	5/11/62	4%
(Republic of Colombia)			U.S. dollars	280,000	67,290	33,645	33,645	(7/17/62)	(1966-71)
Public entity			Total in U.S. dollars	655,104	359,568	179,784	179,784		
Instituto Nacional de Fomento Municipal	Construction of first stage of projects to build water and sewage systems in 367 communities (\$5,680,000)	180 water and 80 sewage systems completed; project 87% complete	Pesos ¹	1,000,000	1,000,000	55,487	944,513	7/12/62	4%
(Republic of Colombia)			U.S. dollars	1,500,000	1,500,000	97,649	1,402,351	(8/21/62)	(1967-92)
Public entity			Total in U.S. dollars	2,500,000	2,500,000	153,136	2,346,864		
Empresas Públicas de Medellín	Second stage in project to expand water system of Medellín (\$7,550,000)	Project 80% complete	Pesos ¹	800,000	800,000		800,000	4/15/65	4¼% ²
(Republic of Colombia)			U.S. dollars	3,950,000	3,438,091		3,438,091	(9/30/65)	(1970-89)
Public entity			Total in U.S. dollars	4,750,000	4,238,091		4,238,091		
Establecimiento Público Empresas Municipales de Cali	Expansion of electric power distribution system of Cali (\$8,263,000)	Project 40% complete	U.S. dollars	3,300,000	2,474,904		2,474,904	10/21/65	3¼% ⁵
(Republic of Colombia)								(4/19/66)	(1969-81)
Public entity									
Universidad de los Andes	Expansion and improvements of the School of Engineering of the Universidad de Los Andes in Bogotá (\$1,948,000)	Construction 81% complete; 4% of equipment acquired; 66% of technical assistance provided	Pesos ¹	470,000	246,049		246,049	12/16/65	2¼% ⁴
(Republic of Colombia)			U.S. dollars	530,000	45,701		45,701	(8/6/66)	(1970-86)
Private entity			Total in U.S. dollars	1,000,000	291,750		291,750		
Instituto Colombiano de la Reforma Agraria	Execution of two irrigation and farm settlement projects near Cartagena and Cali (\$22,532,000)	Project 33% complete	Pesos ¹	4,300,000	3,161,267		3,161,267	4/24/66	2¼% ⁴
(Republic of Colombia)			U.S. dollars	5,400,000	208,374		208,374	(11/1/66)	(1969-91)
Public entity			Total in U.S. dollars	9,700,000	3,369,641		3,369,641		
Universidad de Antioquia	Construction of new university campus in Medellín (\$9,650,000)	Construction phase 71% complete; 15% of equipment acquired; 75% of technical assistance provided	Pesos ¹	1,600,000	1,600,000		1,600,000	7/21/66	2¼% ⁴
(Republic of Colombia)			U.S. dollars	3,700,000	338,976		338,976	(10/25/66)	(1971-85)
Public entity			Total in U.S. dollars	5,300,000	1,938,976		1,938,976		
Universidad Nacional de Colombia	Improvement of facilities at campuses at Bogotá, Medellín, Manizales and Palmira (\$18,400,000)	Construction 28% complete; 5% of technical assistance provided	Pesos ¹	3,200,000	359,404		359,404	12/8/66	2¼% ⁴
(Republic of Colombia)			U.S. dollars	4,500,000	172,841		172,841	(3/16/67)	(1971-87)
Public entity			Total in U.S. dollars	7,700,000	532,245		532,245		
Banco Ganadero	Livestock credits (\$24,000,000)	10 credits for \$326,517 authorized	Pesos ¹	4,700,000	750,000		750,000	12/14/67	3¼% ⁴
(Republic of Colombia)			U.S. dollars	6,000,000	24,000		24,000		(1971-83)
Public entity			Total in U.S. dollars	10,700,000	774,000		774,000		
Republic of Colombia	Establishment of pre-investment fund for preparation of specific projects and general studies (\$4,537,000)		Pesos ¹	1,100,000	80,000		80,000	4/4/68	3¼%
Public entity			U.S. dollars	2,000,000	208,200		208,200	(4/21/68)	(1972-85)
			Total in U.S. dollars	3,100,000	288,200		288,200		
Universidad del Valle	Construction of new university campus at Cali, Colombia (\$11,500,000)		Pesos ¹	3,400,000				4/4/68	2¼% ⁵
(Republic of Colombia)			U.S. dollars	3,200,000	508,800		508,800	(4/21/68)	(1972-88)
Public entity			Total in U.S. dollars	6,600,000	508,800		508,800		
Republic of Colombia	Construction of highway skirting Caribbean coast (\$24,500,000)		U.S. dollars	12,700,000				4/21/68	3¼% ⁵
Public entity								(4/21/68)	(1972-88)
Instituto de Crédito Territorial	Construction of 7,311 housing units and related facilities in Bogotá, Cali, Medellín and Barranquilla (\$25,000,000)		Pesos ¹	6,000,000				8/15/68	2¼% ⁵
(Republic of Colombia)			U.S. dollars	3,100,000				(10/30/68)	(1972-94)
Public entity			Total in U.S. dollars	9,100,000					

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
COLOMBIA (Cont'd.)									
Instituto Colombiano de Reforma Agraria (Republic of Colombia) Public entity	Farm settlement in Co- lombia's Eastern Plains (\$35,900,000)		Pesos ¹	100,000				11/29/68	2¼% ⁵ (1973-94)
			U.S. dollars	10,700,000					
			Total in U.S. dollars	10,800,000					
Instituto de Fomento Industrial (Republic of Colombia) Public entity	Industrial credits (\$15,000,000)		U.S. dollars	7,500,000				12/13/68	3¼% ⁵ (1972-84)
TOTAL LOANS TO COLOMBIA EXPRESSED IN U.S. DOLLARS				95,405,104	17,276,175	332,920	16,943,255		
Less: Participations				2,058,074	2,058,074	88,074	1,970,000		
Net total loans to Colombia expressed in U.S. dollars				93,347,030	15,218,101	244,846	14,973,255		
COSTA RICA									
Banco Nacional de Costa Rica Public entity	Credits for agricultural cooperatives (\$2,000,000)	8 credits for \$1,848,411 authorized	U.S. dollars	1,000,000	580,862	60,000	520,862	4/4/63 (5/15/64)	4% (1967-85)
Banco Nacional de Costa Rica (Republic of Costa Rica) Public entity	Credits to rehabilitate farms damaged by Irazú Volcano and settle farmers in other areas (\$11,872,000)	268 credits for \$2,197,643 authorized	Colones ¹	400,000	300,000		300,000	8/26/65 (11/23/65)	4% (1970-85)
			U.S. dollars	4,800,000	1,331,479		1,331,479		
			Total in U.S. dollars	5,200,000	1,631,479		1,631,479		
Servicio Nacional de Acueductos y Alcantarillados (Republic of Costa Rica) Public entity	Construction or improve- ment of 60 rural and 2 urban water systems (\$2,300,000)	30 systems finished; 10 under construction; project 59% complete	Colones ¹	70,000	70,000		70,000	10/21/65 (12/1/65)	2¼% (1969-95)
			U.S. dollars	1,230,000	773,043		773,043		
			Total in U.S. dollars	1,300,000	843,043		843,043		
Banco de Costa Rica (Republic of Costa Rica) Public entity	Industrial credits (\$3,771,000)	30 credits for projects worth \$4,998,789 author- ized	U.S. dollars	2,200,000	1,594,037		1,594,037	12/21/65 (6/8/66)	3¼% (1970-82)
Banco Nacional de Costa Rica Public entity	Livestock credits (\$815,000)	Project completed; 42 credits for \$814,661 authorized.	Colones ¹	398,958	398,958	47,875	351,083	8/2/66 (8/29/66)	3¼% (1968-74)
Universidad de Costa Rica Public entity	Improvements in the engineering, agronomy and pharmacy departments of the Universidad de Costa Rica (\$2,519,000)	40% of equipment ac- quired; 8% of construc- tion completed; 13% of technical assistance provided	Colones ¹	200,000	60,000		60,000	5/12/67 (10/2/67)	2¼% ⁴ (1971-87)
			U.S. dollars	1,170,000	2,550		2,550		
			Total in U.S. dollars	1,370,000	62,550		62,550		
TOTAL LOANS TO COSTA RICA EXPRESSED IN U.S. DOLLARS				11,468,958	5,110,929	107,875	5,003,054		
Less: Participations				1,130,000	1,130,000		1,130,000		
Net total loans to Costa Rica expressed in U.S. dollars				10,338,958	3,980,929	107,875	3,873,054		
DOMINICAN REPUBLIC									
Banco Central de la República Dominicana Public entity	Industrial credits (\$10,000,000)	31 credits for projects worth \$9,214,259 author- ized	Pesos ¹	150,000	150,000		150,000	4/15/65 (5/19/66)	4% ² (1970-81)
			U.S. dollars	4,850,000	3,082,432		3,082,432		
			Total in U.S. dollars	5,000,000	3,232,432		3,232,432		
Corporación Azucarera Dominicana (Dominican Republic) Public entity	Technical assistance to carry out improvements in operations of state sugar corporation (\$343,000)	Project completed	Pesos ¹	71,849	71,849		71,849	12/2/65 (6/28/66)	3¼% ⁵ (1969-74)
			U.S. dollars	167,651	167,651		167,651		
			Total in U.S. dollars	239,500	239,500		239,500		
Dominican Republic Public entity	Expansion of water and sewage facilities for Puerto Plata (\$4,150,000)	Project 5% complete	Pesos ¹	900,000	90,000		90,000	3/2/67 (4/28/67)	2¼% ⁴ (1970-92)
			U.S. dollars	2,050,000	369,537		369,537		
			Total in U.S. dollars	2,950,000	459,537		459,537		
Dominican Republic Public entity	Construction of water systems for 89 small towns (\$3,000,000)	Project 7% complete	Pesos ¹	400,000	200,000		200,000	12/28/67	2¼% ⁴ (1971-93)
			U.S. dollars	1,550,000					
			Total in U.S. dollars	1,950,000	200,000		200,000		
Dominican Republic Public entity	Construction of 40,000- kilowatt hydroelectric plant in the Cibao valley (\$34,531,000)		Pesos ¹	2,500,000				4/2/68 (4/30/68)	3¼% ⁵ (1972-93)
			U.S. dollars	20,400,000					
			Total in U.S. dollars	22,900,000					

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
DOMINICAN REPUBLIC (Cont'd)									
Dominican Republic	Pilot farm settlement		Pesos ¹	100,000				9/13/68	2¼% ⁵
Public entity	project (\$809,000)		U.S. dollars	255,000					(1971-89)
			Total in U.S. dollars	355,000					
TOTAL LOANS TO DOMINICAN REPUBLIC EXPRESSED IN U.S. DOLLARS				33,394,500	4,131,469		4,131,469		
Less: Participations				450,000	450,000		450,000		
Net total loans to Dominican Republic expressed in U.S. dollars				32,944,500	3,681,469		3,681,469		
ECUADOR									
Banco Nacional de Fomento (Republic of Ecuador)	Credits for oil palm cultivation in area of Santo Domingo de los Colorados (\$3,941,000)	29 credits for projects worth \$2,665,318 authorized	Sucres ¹	276,000	276,000	75,000	201,000	7/13/61	5%
Public entity			U.S. dollars	1,089,000	825,955	100,000	725,955	(10/31/61)	(1964-74)
			Total in U.S. dollars	1,365,000	1,101,955	175,000	926,955		
Banco Nacional de Fomento Public entity	Technical assistance for administrative and accounting improvements of development bank (\$187,000)	Project completed	U.S. dollars	96,892	96,892	96,892		7/5/62 (9/20/62)	4% (Repaid)
Banco Nacional de Fomento (Republic of Ecuador) Public entity	Industrial and agricultural credits (\$12,000,000)	Project completed; 49 industrial credits for projects worth \$8,470,420 and 1,060 farm credits for projects worth \$9,127,380 authorized	U.S. dollars	6,000,000	6,000,000	1,800,000	4,200,000	10/25/62 (11/7/62)	4% (1966-75)
Municipalidad de Quito (Republic of Ecuador) Public entity	Expansion of water system for Quito (\$17,555,000)		Sucres ¹	1,300,000				7/14/66	2¼% ⁴
			U.S. dollars	10,700,000				(10/21/66)	(1970-89)
			Total in U.S. dollars	12,000,000					
Comisión de Valores- Corporación Financiera Nacional (Republic of Ecuador) Public entity	Industrial credits (\$4,165,000)	Used jointly with ordinary capital loan	U.S. dollars	2,500,000	465,949		465,949	1/26/67 (7/11/67)	3¼% ⁵ (1971-82)
Instituto Ecuatoriano de Reforma Agraria y Colonización (Republic of Ecuador) Public entity	Farm settlement on three Government owned estates (\$4,300,000)		Sucres ¹	1,000,000				2/8/68	2¼% ⁵
			U.S. dollars	2,000,000				(8/6/68)	(1972-98)
			Total in U.S. dollars	3,000,000					
TOTAL LOANS TO ECUADOR EXPRESSED IN U.S. DOLLARS				24,961,892	7,664,796	2,071,892	5,592,904		
EL SALVADOR									
Banco Central de Reserva de El Salvador (Republic of El Salvador) Public entity	Expansion of electric power distribution systems for 11 communities (\$183,000)	Project completed	Colones	147,317	147,317		147,317	8/10/61	4%
			U.S. dollars	123,802	123,802		123,802	(11/17/61)	(1970-86)
			Total in U.S. dollars	182,728	182,728		182,728		
Banco Central de Reserva de El Salvador Public entity	Agricultural credits (\$3,500,000)		U.S. dollars	2,000,000				8/8/68	2%¼% ⁵ (1972-94)
Banco Central de Reserva de El Salvador Public entity	Establishment of pre-investment fund for the preparation of specific projects and general studies (\$1,500,000)		Colones ¹	200,000				9/5/68	3¼% ⁵ (1972-84)
			U.S. dollars	800,000					
			Total in U.S. dollars	1,000,000					
TOTAL LOANS TO EL SALVADOR EXPRESSED IN U.S. DOLLARS				3,182,728	182,728		182,728		
GUATEMALA									
Republic of Guatemala Public entity	Preinvestment study for water system of Guatemala City (\$319,000)	Project completed	Quetzales ¹	49,800	49,800	33,200	16,600	7/30/64	4%
			U.S. dollars	154,574	154,574	103,050	51,524	(8/26/64)	(1967-69)
			Total in U.S. dollars	204,374	204,374	136,250	68,124		
Banco de Guatemala Public entity	Agricultural and industrial credits (\$3,333,000)	79 agricultural credits for \$384,788 and 2 industrial credits for projects worth \$25,354 authorized	Quetzales ¹	700,000	416,517		416,517	8/9/66	2¼% ⁴
			U.S. dollars	1,300,000	17,000		17,000	(12/1/66)	(1970-84)
			Total in U.S. dollars	2,000,000	433,517		433,517		

FUND FOR SPECIAL OPERATIONS

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Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid Outstanding		Approved (Signed)	Interest (Maturity)
GUATEMALA (Cont'd)									
Banco de Guatemala Public entity	Industrial and agricultural credits (\$1,333,000)	19 agricultural credits for \$788,011 and 1 industrial credit for projects worth \$11,444 authorized	Quetzales ¹	800,000	617,292		617,292	8/9/66 (12/1/66)	3¼% ⁵ (1970-84)
Republic of Guatemala Public entity	Construction of water supply systems for 100 communities (\$2,100,000)	10 systems completed; 57 under construction; project 35% complete	Quetzales ¹ U.S. dollars Total in U.S. dollars	100,000 1,200,000 1,300,000	50,000 169,645 219,645		50,000 169,645 219,645	9/22/66 (9/30/66)	2¼% ⁴ (1970-96)
Republic of Guatemala Public entity	Construction of 21 access roads 294 miles long and improvement of 14 others 198 miles long (\$14,000,000)	Work going forward on 119 miles of roads	U.S. dollars	9,000,000	840,000		840,000	12/28/66 (3/9/67)	3¼% ⁵ (1971-92)
Republic of Guatemala Public entity	Construction of 30 small and medium irrigation projects in eastern and southern areas (\$10,000,000)		Quetzales ¹ U.S. dollars Total in U.S. dollars	1,000,000 5,000,000 6,000,000				12/19/67	2¼% ⁴ (1971-98)
TOTAL LOANS TO GUATEMALA EXPRESSED IN U.S. DOLLARS				19,304,374	2,314,828	136,250	2,178,578		
Less: Participations				400,000	400,000		400,000		
Net total loans to Guatemala expressed in U.S. dollars				18,904,374	1,914,828	136,250	1,778,578		
HAITI									
Banque Nationale de la République d'Haiti (Republic of Haiti) Public	Agricultural and industrial credits (\$5,000,000)	28,838 farm credits for \$1,493,660 and 73 in- dustrial credits for projects worth \$2,349,849 authorized	U.S. dollars	3,500,000	1,921,712	608,221	1,313,491	4/9/61 (8/17/61)	4% (1965-76)
Banque Nationale de la République d'Haiti (Republic of Haiti) Public entity	Expansion of water system of Port-au-Prince (\$2,520,000)	Project 75% complete	Gourdes ¹ U.S. dollars Total in U.S. dollars	190,000 2,170,000 2,360,000	189,638 1,539,570 1,729,208		189,638 1,539,570 1,729,208	3/5/64 (9/1/64)	2% (1972-91)
Banque Nationale de la République d'Haiti (Republic of Haiti) Public entity	Improvements in teaching agricultural sciences and medicine (\$2,700,000)	Project initiated	U.S. dollars	1,300,000	8,237		8,237	11/17/66 (2/14/67)	2¼% ⁴ (1972-97)
TOTAL LOANS TO HAITI EXPRESSED IN U.S. DOLLARS				7,160,000	3,659,157	608,221	3,050,936		
HONDURAS									
Republic of Honduras Public entity	Construction of 5 highways 178 miles long in Northwest Honduras (\$13,082,000)	Project completed; 88 miles of main and 30 miles of access roads built	U.S. dollars	2,081,603	2,081,603	455,351	1,626,252	5/11/61 (8/11/61)	4% (1966-81)
Republic of Honduras Public entity	Feasibility studies for 4 highways 346 miles long (\$1,660,000)	3 studies completed; fourth well-advanced	U.S. dollars	960,000	823,595	810,447	13,148	11/9/61 (3/30/62)	4% (Repaid)
Banco Nacional de Fomento (Banco Central de Honduras) Public entity	Agricultural and industrial credits (\$9,027,000)	Project completed; 1,997 agricultural credits for \$8,800,000 and 24 in- dustrial credits for projects worth \$3,750,000 authorized	U.S. dollars	6,000,000	6,000,000	750,000	5,250,000	4/12/62 (6/8/62)	4% (1966-78)
Republic of Honduras Public entity	Construction of a 128-mile section of the Northern Highway from Puerto Cortés to Tegucigalpa (\$24,500,000)	Project 45% complete; 42 miles built; bridge over Ulúa river con- structed	U.S. dollars	10,130,000	4,286,957		4,286,957	3/25/65 (7/22/65)	4% ² (1971-90)
Instituto de Vivienda (Republic of Honduras) Public entity	Construction of 2,800 housing units in Tegucigalpa (\$4,170,000)	1,209 housing units built; 1,585 in con- struction	Lempiras ¹ U.S. dollars Total in U.S. dollars	500,000 2,225,000 2,725,000	499,065 983,009 1,482,074		499,065 983,009 1,482,074	4/7/66 (4/22/66)	2¼% ⁴ (1969-96)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
HONDURAS (Cont'd)									
Banco Nacional de Fomento (Banco Central de Honduras) Public entity	Industrial and agricultural credits (\$6,258,000)	780 agricultural credits for \$2,800,000 and 21 industrial credits for projects worth \$1,132,286 authorized	Lempiras ¹	420,000	252,531		252,531	10/27/66	3¼% ⁵
			U.S. dollars	3,880,000	1,461,160		1,461,160	(12/5/66)	(1970-86)
			Total in U.S. dollars	4,300,000	1,713,691		1,713,691		
	Agricultural credits (\$3,792,000)	8,885 credits for \$6,051,000 authorized	Lempiras ¹	1,030,000	1,030,000	985	1,029,015	10/27/66	2¼%
			U.S. dollars	1,670,000	1,432,246		1,432,246	(12/5/66)	(1970-86)
			Total in U.S. dollars	2,700,000	2,462,246	985	2,461,261		
Federación Sindical de Trabajadores de Honduras (Republic of Honduras) Private entity	Construction of 1,000 housing units for labor federation members (\$3,570,000)	Project initiated	U.S. dollars	2,270,000	42,000		42,000	2/2/67 (5/7/67)	2¼% ⁴ (1970-97)
Republic of Honduras Public entity	Construction of 59-mile link in highway from San Pedro Sula to Tela (\$6,940,000)		Lempiras ¹	100,000				8/3/67	3¼% ⁵
			U.S. dollars	5,175,000				(11/6/67)	(1972-92)
			Total in U.S. dollars	5,275,000					
Universidad Nacional Autónoma de Honduras (Republic of Honduras) Public entity	Expansion of instruction facilities in the basic, engineering and agricultural sciences (\$4,830,800)		U.S. dollars	2,800,000				7/11/68	2¼% ⁵ (1973-89)
TOTAL LOANS TO HONDURAS EXPRESSED IN U.S. DOLLARS				39,241,603	18,892,166	2,016,783	16,875,383		
Less: Participations				1,048,776	1,048,776	798,776	250,000		
Net total loans to Honduras expressed in U.S. dollars				38,192,827	17,843,390	1,218,007	16,625,383		
MEXICO									
Nacional Financiera, S.A. (United Mexican States) Public entity	Preinvestment studies for the development of the Lerma-Chapala-Santiago Basin in West Central Mexico (\$5,000,000)	Project completed	Pesos ¹	3,415,000	3,415,000	569,167	2,845,833	4/4/63	4%
			U.S. dollars	376,136	376,136	62,689	313,447	(9/19/63)	(1967-78)
			Total in U.S. dollars	3,791,136	3,791,136	631,856	3,159,280		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of 9 irrigation systems in the Lerma-Chapala-Santiago Basin in West Central Mexico (\$19,600,000)	Work largely completed on 5 irrigation dams	Pesos ¹	500,000	474,571	15,816	458,755	10/22/64	4% ²
			U.S. dollars	9,300,000	5,188,686	294,184	4,894,502	(10/30/64)	(1968-89)
			Total in U.S. dollars	9,800,000	5,663,257	310,000	5,353,257		
Asociacion Civil "Enseñanza e Investigación Superior de Monterrey" (Cervecería Cuauhtemoc, S.A.; Hojalata y Lámina, S.A.; Vidriería Monterrey, S.A.) Private entity	Expansion and improvement of a technological institute in Monterrey (\$2,988,000)	96% of equipment acquired; construction work completed	U.S. dollars	1,000,000	775,845		775,845	10/21/65 (1/7/66)	3% ³ (1970-86)
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction or improvements on 82 feeder roads 1,800 miles long (\$55,000,000)	Project 35% complete; 633 miles built	Pesos ¹	8,500,000	3,265,918		3,265,918	12/30/65	4% ²
			U.S. dollars	24,500,000	2,213,702		2,213,702	(3/7/66)	(1971-91)
			Total in U.S. dollars	33,000,000	5,479,620		5,479,620		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of El Sabino irrigation project in the Carrizo Valley, States of Sinaloa and Sonora (\$22,155,000)	Project 28% complete	Pesos ¹	7,080,000	2,795,537		2,795,537	12/15/66	4% ²
			U.S. dollars	4,000,000	287,129		287,129	(4/28/67)	(1971-92)
			Total in U.S. dollars	11,080,000	3,082,666		3,082,666		
Nacional Financiera, S.A. (United Mexican States) Public entity	Establishment of pre-investment fund for preparation of specific projects and general studies (\$7,182,000)	2 credits to finance studies worth \$875,120 authorized	Pesos ¹	3,000,000	300,000		300,000	12/28/66	4% ²
			U.S. dollars	2,000,000	101,776		101,776	(3/31/67)	(1972-83)
			Total in U.S. dollars	5,000,000	401,776		401,776		
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of 400 small-scale irrigation works in Northeast (\$26,000,000)	Work going forward on 206 projects	Pesos ¹	4,500,000	1,066,840		1,066,840	3/23/67	3% ³
			U.S. dollars	8,500,000	11,000		11,000	(4/28/67)	(1971-92)
			Total in U.S. dollars	13,000,000	1,077,840		1,077,840		
Nacional Financiera, S.A. (United Mexican States) Public entity	Agricultural credits (\$50,000,000)		U.S. dollars	20,000,000				12/19/67	3% ³ (1971-93)

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
MEXICO (Cont'd.)									
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of 560 small-scale irrigation works in five Mexican regions (\$71,870,000)	Work going forward on 215 projects	Pesos ¹ U.S. dollars Total in U.S. dollars	2,750,000 31,350,000 34,100,000	275,000 23,000 298,000		275,000 23,000 298,000	12/28/67	3% ³ (1972-94)
Nacional Financiera, S.A. (United Mexican States) Public entity	Continuation of preinvestment studies for development of Lerma-Chapala-Santiago Basin in Central Mexico (\$5,000,000)	Studies initiated	Pesos ¹	2,500,000	248,750		248,750	4/11/68 (5/3/68)	4% ³ (1971-83)
Nacional Financiera, S.A. (United Mexican States) Public entity	Las Adjuntas irrigation project in State of Tamaulipas (\$2,730,000)		Pesos ¹	1,200,000				11/21/68	3% ⁴ (1972-89)
TOTAL LOANS TO MEXICO EXPRESSED IN U.S. DOLLARS				134,471,136	20,818,890	941,856	19,877,034		
Less: Participations				1,870,000	1,870,000	11,245	1,858,755		
Net total loans to Mexico expressed in U.S. dollars				132,601,136	18,948,890	930,611	18,018,279		
NICARAGUA									
Banco Nacional de Nicaragua (Republic of Nicaragua) Public entity	Livestock credits (\$9,608,000)	Used jointly with ordinary capital resources loan for \$4.6 million; 3,136 credits for \$9,331,000 authorized	U.S. dollars	4,500,000	4,349,367	175,313	4,174,054	12/31/64 (4/6/65)	4% ² (1968-80)
Instituto de Fomento Nacional (Republic of Nicaragua) Public entity	Feasibility studies of specific industrial projects (\$448,000)	2 studies for \$743,300 authorized	Cordobas ¹ U.S. dollars Total in U.S. dollars	100,000 100,000 200,000	3,815 52,890 56,705		3,815 52,890 56,705	8/5/65 (12/13/65)	4% ² (1969-81)
Republic of Nicaragua Public entity	Construction of 20 access roads 388 miles long (\$17,152,000)	Project 31% complete; 42 miles built	Cordobas ¹ U.S. dollars Total in U.S. dollars	350,000 11,650,000 12,000,000	350,000 4,357,178 4,707,178		350,000 4,357,178 4,707,178	9/27/65 (10/25/65)	4% ² (1969-90)
Instituto Agrario de Nicaragua (Republic of Nicaragua) Public entity	Feasibility studies of a project to settle 4,500 farm families on new lands at Rigoberto Cabezas in the Department of Zelaya (\$498,000)	Studies virtually completed	Cordobas ¹ U.S. dollars Total in U.S. dollars	100,000 200,000 300,000	89,615 194,356 283,971		89,615 194,356 283,971	3/17/66 (9/14/66)	2¼% ⁴ (1969-73)
Banco Nacional de Nicaragua (Republic of Nicaragua) Public entity	Agricultural credit (\$11,923,000)	59,165 credits for \$17,868,000 authorized	Cordobas ¹ U.S. dollars Total in U.S. dollars	1,050,000 4,050,000 5,100,000	1,050,000 3,649,761 4,699,761		1,050,000 3,649,761 4,699,761	11/10/66 (12/21/66)	2¼% ⁴ (1970-87)
Republic of Nicaragua Public entity	Construction of 69 rural water systems for 65,000 persons (\$3,330,000)		Cordobas ¹ U.S. dollars Total in U.S. dollars	800,000 1,200,000 2,000,000				1/25/68 (3/28/68)	2¼% ⁵ (1971-93)
Universidad Nacional Autónoma de Nicaragua (Republic of Nicaragua) Public entity	Preinvestment studies for new university campus in Managua (\$375,000)		Cordobas ¹ U.S. dollars Total in U.S. dollars	100,000 150,000 250,000				4/11/68 (5/29/68)	1¼% ⁵ (1970-76)
Instituto de Fomento Nacional (Republic of Nicaragua) Public entity	Agricultural diversification (\$4,055,000)		U.S. dollars	2,400,000				11/29/68	1¼% ⁵ (1972-84)
TOTAL LOANS TO NICARAGUA EXPRESSED IN U.S. DOLLARS				26,750,000	14,096,982	175,313	13,921,669		
Less: Participations				1,880,000	1,880,000		1,880,000		
Net total loans to Nicaragua expressed in U.S. dollars				24,870,000	12,216,982	175,313	12,041,669		
PANAMA									
Instituto de Fomento Económico (Republic of Panama) Public entity	Agricultural credit (\$11,112,000)	Project completed; 21,445 credits for projects worth \$26,472.087 authorized	Balboas U.S. dollars Total in U.S. dollars	186,000 2,714,000 2,900,000	186,000 2,714,000 2,900,000	54,250 791,583 845,833	131,750 1,922,417 2,054,167	12/7/61 (1/10/62)	4% (1965-77)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
PANAMA (Cont'd)									
Republic of Panama Public entity	Feasibility study of an 80-mile highway linking Penonomé and Colón (\$223,000)	Project completed	U.S. dollars	123,290	123,290	43,514	79,776	12/31/63 (4/17/64)	4% (1966-74)
Banco Nacional de Panamá (Republic of Panama) Public entity	Industrial credit (\$2,350,000)	41 credits for a total investment of \$3,013,150 authorized	U.S. dollars	1,000,000	996,139		996,139	12/10/64 (1/19/65)	4% (1969-79)
Instituto de Vivienda y Urbanismo (Republic of Panama) Public entity	Construction of 6,000 housing units in Panama City, Colón, and other cities (\$12,000,000)	1,725 units built; 752 in construction	Balboas ¹ U.S. dollars Total in U.S. dollars	500,000 8,500,000 9,000,000	439,043 4,317,401 4,756,444		439,043 4,317,401 4,756,444	12/2/65 (2/17/66)	2¼% ⁴ (1971-96)
Republic of Panama Public entity	Establishment of loan fund for university students and post-graduates (\$1,000,000)	70% of technical assistance provided	U.S. dollars	700,000	480,913		480,913	3/17/66 (3/21/66)	2¼% ⁴ (1970-86)
Banco Nacional de Panamá (Republic of Panama) Public entity	Credits for development of livestock, pork and poultry production (\$3,473,000)	123 credits for \$946,374 authorized	Balboas ¹ U.S. dollars Total in U.S. dollars	300,000 1,700,000 2,000,000	67,656 473,045 540,701		67,656 473,045 540,701	9/22/66 (9/27/66)	3¼% ⁶ (1970-86)
Republic of Panama Public entity	Construction of 16 farm access roads 126 miles long (\$7,050,000)	Work going forward on 15 roads 118 miles long	U.S. dollars	3,500,000	736,435		736,435	11/3/66 (2/15/67)	2¼% ⁴ (1970-87)
Instituto de Acueductos y Alcantarillados Nacionales (Republic of Panama) Public entity	Construction of improve- ments of water systems in 7 cities and 37 commu- nities and improvement of sewage works for Chitré (\$5,284,000)	Project 32% complete	Balboas ¹ U.S. dollars Total in U.S. dollars	300,000 3,150,000 3,450,000	150,000 1,641,428 1,791,428		150,000 1,641,428 1,791,428	5/25/67 (5/29/67)	2¼% ⁴ (1970-94)
TOTAL LOANS TO PANAMA EXPRESSED IN U.S. DOLLARS				22,673,290	12,325,350	889,347	11,436,003		
Less: Participations				480,000	480,000		480,000		
Net total loans to Panama expressed in U.S. dollars				22,193,290	11,845,350	889,347	10,956,003		
PARAGUAY									
Banco Nacional de Fomento (Republic of Paraguay) Public entity	Industrial and agricultural credit (\$5,447,000)	Project completed; 195 agricultural credits for \$1,686,456 and 58 industrial credits for projects worth \$2,813,457 authorized	U.S. dollars	2,946,942	2,946,942	1,812,850	1,134,092	3/24/61 (7/28/61)	5¼% (1963-69)
Republic of Paraguay Public entity	Development of a pilot land colonization project at Puerto Presidente Stroessner in Eastern Paraguay (\$1,050,000)	Project completed	U.S. dollars	250,000	250,000	166,667	83,333	5/26/61 (7/28/61)	4% (1963-71)
Republic of Paraguay Public entity	Land settlement studies in the Alto Paraná area (\$310,000)	Project completed	U.S. dollars	231,250	231,250	84,091	147,159	4/5/62 (12/3/62)	4% (1966-71)
Administración Nacional de Electricidad (Banco Central del Paraguay) Public entity	Preparation of design and construction plans for 45,000-kilowatt hydro- electric plant on Acaray River (\$400,000)	Project completed	U.S. dollars	400,000	400,000	400,000		12/6/62 (12/7/62)	4% (Repaid)
Administración Nacional de Electricidad (Republic of Paraguay) Public entity	Construction of a 45,000- kilowatt hydroelectric plant on Acaray River; 195 miles of transmission lines to Asunción, and other improvements (\$31,817,000)	Project completed	U.S. dollars	14,150,000	14,150,000		14,150,000	4/18/63 (8/17/64)	4% (1970-89)
Banco Nacional de Fomento (Republic of Paraguay) Public entity	Industrial credit (\$9,000,000)	56 credits for projects worth \$4,867,000 authorized	Guaraníes ¹ U.S. dollars Total in U.S. dollars	500,000 3,500,000 4,000,000	76,666 2,603,025 2,679,691	3,333 98,682 102,015	73,333 2,504,343 2,577,676	7/30/64 (8/17/64)	4% (1968-79)
Republic of Paraguay Public entity	Expansion of agricultural colonization project at Puerto Presidente Stroess- ner in Eastern Paraguay (\$1,415,000)	Project 41% complete	Guaraníes ¹ U.S. dollars Total in U.S. dollars	400,000 260,000 660,000	91,834 176,038 267,872		91,834 176,038 267,872	5/27/65 (1/21/66)	4% ² (1970-81)

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
PARAGUAY (Cont'd.)									
Republic of Paraguay Public entity	Establishment of a pre-investment fund for preparation of specific projects and general studies (\$1,000,000)	1 credit to finance study worth \$6,905 authorized	U.S. dollars	700,000	10,000		10,000	6/9/66 (9/30/66)	3¼% ⁵ (1970-82)
Banco Nacional de Fomento (Republic of Paraguay) Public entity	Agricultural and industrial credit (\$8,800,000)	2,043 credits for \$1,695,536 authorized	Guaraníes ¹ U.S. dollars Total in U.S. dollars	1,600,000 4,400,000 6,000,000	919,737 175,407 1,095,144		919,737 175,407 1,095,144	11/10/66 (4/28/67)	2¼% ⁴ (1971-92)
Administración Nacional de Electricidad (Republic of Paraguay) Public entity	Feasibility studies for expansion of Acaray River hydroelectric plant to 135,000 kilowatts (\$270,000)	Project 36% complete	U.S. dollars	225,000	81,725		81,725	3/9/67 (5/19/67)	3¼% ⁵ (1969-74)
Administración Nacional de Electricidad (Republic of Paraguay) Public entity	Installation of two 45,000-kilowatt generator plants (\$21,526,000)	Project 15% complete	Guaraníes ¹ U.S. dollars Total in U.S. dollars	3,000,000 9,500,000 12,500,000	959,272 1,554,263 2,513,535		959,272 1,554,263 2,513,535	7/20/67 (9/2/67)	3¼% ⁵ (1972-92)
Republic of Paraguay Public entity	Campaign against foot-and-mouth disease (\$7,600,000)		Guaraníes ¹ U.S. dollars Total in U.S. dollars	700,000 2,100,000 2,800,000				7/18/68	2¼% ⁵ (1973-94)
Corporación de Obras Sanitarias (Republic of Paraguay) Public entity	Expansion of water, sewage and storm drain system for Asunción (\$11,850,000)		Guaraníes ¹ U.S. dollars Total in U.S. dollars	1,300,000 7,000,000 8,300,000				12/30/68	2¼% ⁵ (1973-94)
TOTAL LOANS TO PARAGUAY EXPRESSED IN U.S. DOLLARS				53,163,192	24,626,159	2,565,623	22,060,536		
PERU									
Republic of Peru Public entity	Preinvestment studies of 66-mile Jaén-San Ignacio road in Northern Peru and 115-mile road between Inambari and Puerto Maldonado in Southeast Peru (\$560,000)	Project completed	Soles ¹ U.S. dollars Total in U.S. dollars	114,713 360,000 474,713	114,713 360,000 474,713	32,460 105,882 138,342	82,253 254,118 336,371	8/20/60 (11/6/64)	4% (1966-74)
Republic of Peru Public entity	Integrated development of Indian communities in the Sierra (\$39,542,000)	Variety of farm extension, credit, sanitation, irrigation, housing, road, health, veterinary and education services provided; 222,260 acres of land parceled out to 2,594 families, 10 social groups and 13 communities	Soles ¹ U.S. dollars Total in U.S. dollars	2,400,000 17,600,000 20,000,000	2,134,701 4,848,911 6,983,612		2,134,701 4,848,911 6,983,612	1/27/66 (3/4/66)	2¼% ⁴ (1970-96)
Corporación Financiera de la Reforma Agraria (Republic of Peru) Public entity	Settlement of 5,125 farm families in the Huallaga River Basin in the Departments of Huánuco and San Martín (\$25,000,000)	Project well underway; 1,192 farm families settled	Soles ¹ U.S. dollars Total in U.S. dollars	1,500,000 13,500,000 15,000,000	521,725 2,215,634 2,737,359		521,725 2,215,634 2,737,359	5/26/66 (9/30/66)	2%¼ ⁴ (1971-91)
Republic of Peru Public entity	Establishment of preinvestment fund for preparation of specific projects and general studies (\$5,167,000)	7 credits to finance studies worth \$1,374,000 authorized	Soles ¹ U.S. dollars Total in U.S. dollars	500,000 2,600,000 3,100,000	238,110 238,110		238,110 238,110	9/29/66	3¼% ⁵ (1971-83)
Universidad Nacional de Trujillo (Republic of Peru) Public entity	Expansion and improvement of Schools of General Studies and Chemical Engineering (\$3,100,000)	Project underway	Soles ¹ U.S. dollars Total in U.S. dollars	100,000 1,700,000 1,800,000	182,657 182,657		182,657 182,657	12/8/66 (6/1/67)	2¼% ⁴ (1971-92)
Republic of Peru Public entity	Construction of irrigation dam at Aguada Blanca near Arequipa (\$1,130,000)	Project 40% complete	Soles ¹	800,000	309,022		309,022	12/28/66 (3/21/67)	3¼% ⁵ (1970-87)
Republic of Peru Public entity	Improvement of water and sewage systems in 11 cities with 800,000 inhabitants (\$33,415,000)	Project 5% complete	Soles ¹ U.S. dollars Total in U.S. dollars	75,000 16,290,000 16,365,000	953,823 953,823		953,823 953,823	4/6/67 (4/24/67)	¼% ⁴ (1971-92)
Republic of Peru Public entity	Construction of water systems in 307 rural communities with 240,000 inhabitants (\$7,179,000)	48 systems completed; 78 in construction; project 24% complete	Soles ¹ U.S. dollars Total in U.S. dollars	25,000 3,110,000 3,135,000	609,185 609,185		609,185 609,185	4/6/67 (4/24/67)	2%¼ ⁴ (1970-92)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid	Outstanding	Approved (Signed)	Interest (Maturity)
PERU (Cont'd.)									
Banco Industrial del Perú (Republic of Peru) Public entity	Industrial credits (\$10,106,000)		U.S. dollars	2,500,000				4/21/68 (4/26/68)	3¼% ⁵ (1971-83)
Banco de la Vivienda del Perú (Republic of Peru) Public entity	Construction of 4,650 housing units and related facilities in cities of Lima, Arequipa, Chimbote, Ica, Piura and Huancayo (\$20,240,000)		Soles ¹ U.S. dollars Total in U.S. dollars	1,800,000 10,780,000 12,580,000				4/11/68	2¼% ⁵ (1973-99)
TOTAL LOANS TO PERU EXPRESSED IN U.S. DOLLARS				75,754,713	12,488,481	138,342	12,350,139		
Less: Participations				3,870,000	3,870,000		3,870,000		
Net total loans to Peru expressed in U.S. dollars				71,884,713	8,618,481	138,342	8,480,139		
TRINIDAD AND TOBAGO									
Trinidad and Tobago Public entity	Studies to improve potable water systems throughout nation (\$500,000)	Project initiated	U.S. dollars	300,000	27,250		27,250	12/7/67 (12/21/67)	2¼% ⁴ (1970-78)
Trinidad and Tobago Public entity	Establishment of preinvest- ment fund for the prepara- tion of specific projects and general studies (\$1,000,000)		U.S. dollars	700,000				4/21/68 (8/26/68)	3¼% ⁵ (1972-79)
Trinidad and Tobago Public entity	Construction of 2,090 housing units and related facilities in 12 communities (\$8,173,000)		T.T. dollars U.S. dollars Total in U.S. dollars	981,000 3,319,000 4,300,000				8/15/68 (10/23/68)	2¼% ⁵ (1972-99)
TOTAL LOANS TO TRINIDAD AND TOBAGO EXPRESSED IN U.S. DOLLARS				5,300,000	27,250		27,250		
URUGUAY									
Establecimientos Frigorí- ficos del Cerro, S.A. Private entity	Soap manufacturing plant (\$197,000)	Project completed	U.S. dollars	197,000	197,000	197,000		8/3/61 (11/30/61)	5¼% (Repaid)
Cooperativa Nacional de Productos de Leche (Banco de la República Oriental del Uruguay) Public entity	Expansion of dairy industry (\$5,900,000)	Project 20% complete	U.S. dollars	3,600,000	698,226		698,226	11/5/64 (3/9/65)	4% ² (1969-81)
Republic of Uruguay Public entity	Expansion of water supply services in eastern coastal cities (\$1,778,000)	Project initiated	U.S. dollars	1,000,000	82,500		82,500	6/10/65 (8/19/65)	4% ² (1969-85)
Banco de la República Oriental del Uruguay Public entity	Establishment of preinvest- ment fund for the prepara- tion of specific projects and general studies (\$2,150,000)		Pesos ¹ U.S. dollars Total in U.S. dollars	150,000 1,350,000 1,500,000				9/1/66 (2/28/67)	3¼% ⁵ (1971-83)
Republic of Uruguay Public entity	Construction of water systems in communities in the interior (\$7,100,000)	2 systems completed; 4 in construction; project 7% complete	Pesos ¹ U.S. dollars Total in U.S. dollars	1,250,000 3,150,000 4,400,000	40,000 40,000		40,000 40,000	8/31/67	2¼% ⁴ (1971-98)
Administración Nacional de Combustibles, Alcohol y Portland (Republic of Uruguay) Public entity	Technical assistance to improve financial and accounting systems (\$1,200,000)		U.S. dollars	1,000,000				11/16/67	3¼% ⁵ (1971-88)
Administración Nacional de Puertos (Republic of Uruguay) Public entity	Technical assistance to im- prove operations of Port of Montevideo (\$350,000)		Pesos ¹ U.S. dollars Total in U.S. dollars	50,000 300,000 350,000				11/29/68	3¼% ⁵ (1974-89)
Republic of Uruguay Public entity	Construction of two national highways; Routes 9 and 26 (\$22,360,000)		Pesos ¹ U.S. dollars Total in U.S. dollars	1,690,000 13,110,000 14,800,000				12/13/68	3¼% ⁵ (1974-89)
TOTAL LOANS TO URUGUAY EXPRESSED IN U.S. DOLLARS				26,847,000	1,017,726	197,000	820,726		

FUND FOR SPECIAL OPERATIONS

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid	Outstanding	Approved (Signed)	Interest (Maturity)		
VENEZUELA											
Instituto Agrario Nacional (Republic of Venezuela) Public entity	Settlement of 800 farm families (\$10,019,000)	Project completed	Bolivares ¹	2,700,000	2,700,000	132,406	2,567,594	11/8/62 (12/19/62)	4% (1966-85)		
Instituto Nacional de Obras Sanitarias (Republic of Venezuela) Public entity	Expansion of water systems for Cumaná, Puerto Cabello and Puerto Ordaz and of sewage system for Mara- caibo (\$19,814,000)	Water systems 20% complete; sewage system 28% complete	Bolivares ¹	7,200,000	1,343,403		1,343,403	11/29/66 (3/17/67)	4% (1970-85)		
Fundación Andrés Bello (Corporación Venezolana de Fomento) Private entity	Expansion of University facilities at Universidad Católica Andrés Bello (\$2,990,000)	Construction 20% complete	Bolivares ¹	1,240,000	283,745		283,745	12/19/67	3% ³ (1971-88)		
			U.S. dollars	260,000	4,200	4,200					
			Total in U.S. dollars	1,500,000	287,945	287,945					
Corporación Venezolana de Fomento Public entity	Industrial and fishery credit (\$6,000,000)	Used jointly with ordinary capital loan	Bolivares ¹	3,000,000	1,205,925		1,205,925	12/21/67	4% ² (1970-83)		
Corporación Venezolana de Fomento Public entity	Establishment of preinvest- ment fund for preparation of specific projects and general studies (\$6,000,000)	Project initiated	U.S. dollars	4,000,000	412,000		412,000	12/21/67	4% ² (1971-83)		
Instituto Venezolano de Petroquímica (Republic of Venezuela) Public entity	Fertilizer petrochemical complex (\$10,333,000)		Bolivares ¹	3,100,000				9/19/68	4% ³ (1972-82)		
C.A. de Administración y Fomento Eléctrico (Corporación Venezolana de Fomento) Public entity	Construction of first stage of 240,000-kilowatt hydroelectric plant in Venezuela's Andes (\$8,180,000)		Bolivares ¹	2,700,000				11/29/68	4% ³		
TOTAL LOANS TO VENEZUELA EXPRESSED IN U.S. DOLLARS				24,200,000	5,949,273	132,406	5,816,868				
Less: Participations				3,770,000	3,770,000	52,406	3,717,594				
Net total loans to Venezuela expressed in U.S. dollars				20,430,000	2,179,273	80,000	2,099,273				
REGIONAL											
Central American Bank for Economic Integration Public entity	Industrial and infrastruc- ture credit (\$9,004,000)	Project completed; 24 industrial loans for projects worth \$26,171,731 author- ized	Colones (Costa Rica)	1,350,000	1,350,000	126,562	1,223,437	4/4/63 (4/26/63)	4% (1967-83)		
			Colones (El Salvador)	350,000	350,000	24,219	325,781				
			Quetzales	270,000	270,000	18,683	251,317				
			Lempiras	380,000	380,000	35,625	344,375				
			Cordobas	1,400,000	1,400,000	131,250	1,268,750				
			U.S. dollars	5,000,000	5,000,000	345,988	4,654,012				
			Total in U.S. dollars	6,003,927	6,003,927	430,039	5,573,888				
Central American Bank for Economic Integration Public entity	Industrial and infrastruc- ture credit (\$13,600,000)	20 industrial loans for projects worth \$34,067,977 author- ized	Colones (Costa Rica) ¹	80,000	80,000		80,000	12/24/64	4%		
			Colones (El Salvador) ¹	100,000							
			Quetzales ¹	120,000	120,000		120,000				
			Cordobas ¹	100,000	100,000		100,000				
			U.S. dollars	7,800,000	7,800,000		7,800,000				
			Total in U.S. dollars	8,200,000	8,200,000		8,200,000				
Central American Bank for Economic Integration Public entity	Preparation of preinvest- ment studies of specific projects of regional interest (\$4,300,000)	6 credits to finance studies worth \$3,580,855 authorized	Colones (Costa Rica) ¹	60,000				4/24/66 (9/29/66)	3¼% ⁵ (1972-86)		
			Colones (El Salvador) ¹	60,000							
			Quetzales ¹	60,000							
			Lempiras ¹	60,000							
			Cordobas ¹	60,000							
			U.S. dollars	2,700,000	592,137		592,137				
Central American Bank for Economic Integration Public entity	Infrastructure credits (\$13,800,000)	Project 10% complete	U.S. dollars	3,000,000	592,137		592,137				
				11,500,000	264,000		264,000	1/26/67 (4/26/67)	3¼% ⁵ (1971-97)		
TOTAL REGIONAL LOANS EXPRESSED IN U.S. DOLLARS				28,703,927	15,060,064	430,039	14,630,025				
TOTAL LOANS EXPRESSED IN U.S. DOLLARS				1,169,807,330	314,631,106	24,740,871	289,890,235				
Less: Participations				27,140,008	27,140,008	1,676,029	25,463,979				
Net total loans expressed in U.S. dollars				1,142,667,322	287,491,098	23,064,842	264,426,256				

NOTES

A) All loans have been approved by the Bank, but certain loans become effective and disbursements thereunder will not begin until the borrower and guarantor, if any, takes certain action and furnishes certain documents to the Bank.

B) The Bank has entered into irrevocable commitments to disburse \$36,407,821.

¹Expressed in U.S. dollar equivalent.

²In addition to the interest rate shown, also subject to a commitment fee of $\frac{3}{4}\%$ on the undisbursed balance.

³In addition to the interest rate shown, also subject to a commitment fee of $\frac{1}{2}\%$ on the undisbursed balance.

⁴In addition to the interest rate shown, also subject to a commitment fee of $\frac{1}{2}\%$ and a service charge of $\frac{3}{4}\%$.

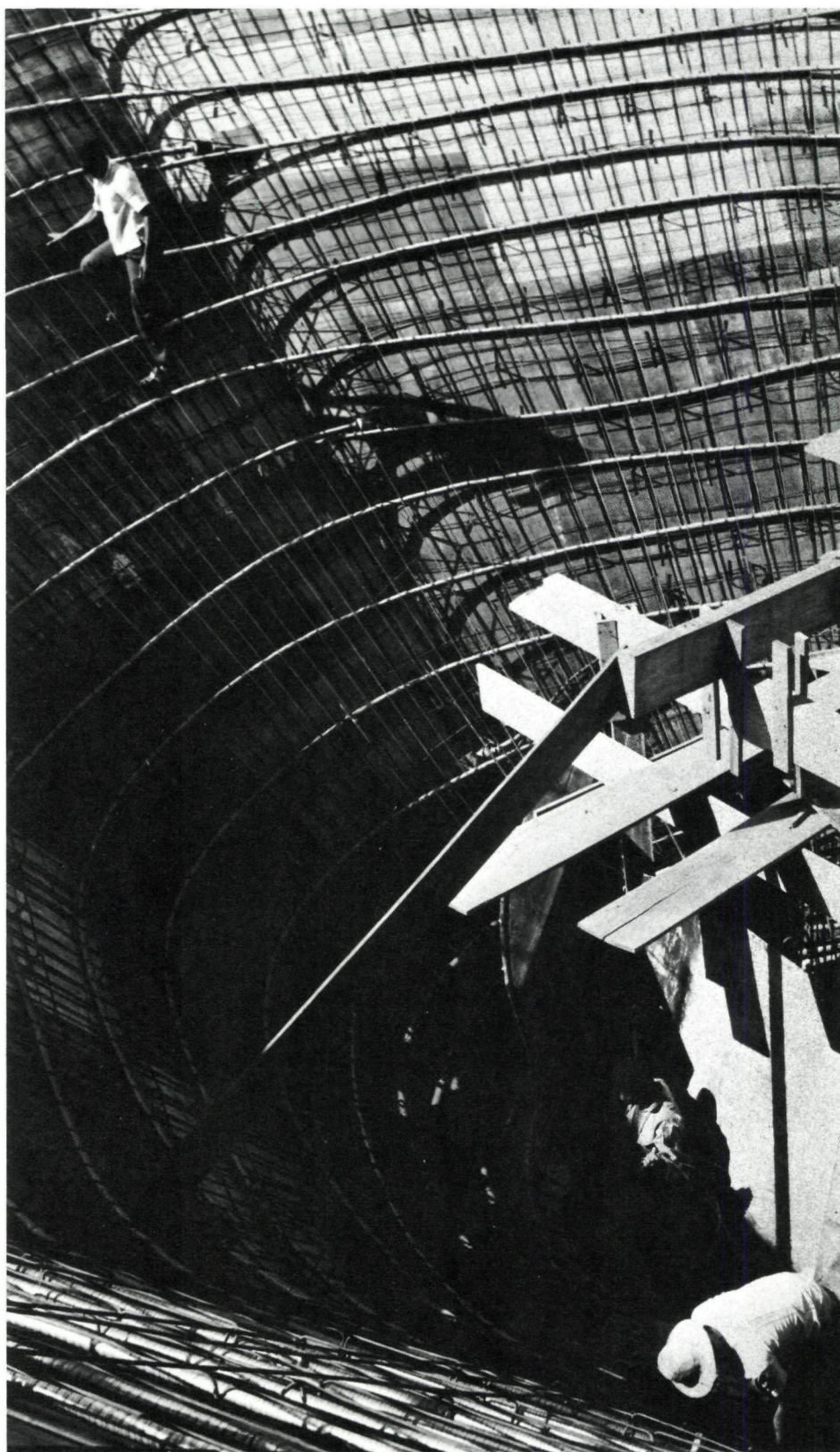
⁵In addition to the interest rate shown, also subject to a commitment fee of $\frac{3}{4}\%$ and a service charge of $\frac{3}{4}\%$.

Part III
SOCIAL
PROGRESS TRUST
FUND

Operations/
Fiscal Year 1968

(Administered by the Inter-American Development
Bank as Administrator under the Social
Progress Trust Fund Agreement executed
between the United States Government and the
Bank June 19, 1961)

WATER SYSTEMS throughout Brazil are being
improved with financial assistance of the
Bank. Shown is construction going forward
on treatment plant for City of Salvador in
State of Bahia in Brazil's Northeast.



Activities

The establishment of the Social Progress Trust Fund in June 1961 has proved to be a milestone in the movement to foster social development in Latin America. The Trust Fund was established under an agreement between the Bank and the United States Government as part of the Special Inter-American Fund for Social Development which the United States pledged to provide and which the Latin American nations approved in the Act of Bogota in September 1960. When the Trust Fund was established in 1961 the United States assigned an initial \$394 million to it. This was augmented in 1964 with a further contribution of \$131 million, to a total of \$525 million.

Under the agreement through which the Bank administers the Trust Fund, its resources are used "to provide capital resources and technical assistance on flexible terms and conditions, including repayment in local currency and the relending of repaid funds and interest, in accordance with appropriate and selective criteria in the light of the resources available, to support the efforts of the Latin American countries that are prepared to initiate or expand effective institutional improvements and to adopt measures to employ efficiently their own resources with a view to achieving greater social progress and more balanced economic growth."

The resources of the Trust Fund are devoted to making loans in the fields of land settlement and land use, housing for low-income groups, community water supply and sanitation facilities, and advanced education and training. The resources are also used to provide technical assistance in those four fields as well as to help mobilize domestic financial resources and strengthen financial institutions in Latin America.

Virtually all of the original resources of the Fund had been committed in loans and technical assistance in Latin America

by the end of 1965. As of Dec. 31, 1968, the Bank's total commitments from the Trust Fund stood at 116 loans for \$498,719,032, net of cancellations and exchange adjustments. These loans are financing projects whose total cost is \$1.1 billion. The Fund's loans are providing 44 per cent of that sum and the borrowers themselves are providing the remaining 56 per cent.

Since 1965 projects in the social development field previously financed with the resources of the Trust Fund have been financed with the expanded resources of the Fund for Special Operations. At the same time amounts repaid on Social Progress Trust Fund loans are now being used in taking participations in loans made from the Fund for Special Operations which substantially comply with the provisions of the Trust Fund. During 1968 the Bank authorized the use of \$17,536,979 in dollars and other member currencies from the Trust Fund for participations in loans previously extended from the Fund for Special Operations. This brought the cumulative total of such participations to \$25,463,979 in 32 loans. Such purchases free resources of the Fund for Special Operations for new loans.

Under the terms of the Trust Fund agreement, the Bank, as administrator, publishes a separate report on the measures taken by the Latin American countries to accomplish the objectives spelled out in the Act of Bogota and the Charter of Punta del Este. The 1968 report, a comprehensive country-by-country review of Latin America during 1968 has already been published under the title of "Socio-Economic Progress in Latin America."

Technical Assistance

During 1968 the Bank authorized \$2,540,750 for technical assistance from the Social Progress Trust Fund.

The 1968 authorizations included \$175,000 approved on a reimbursable basis and \$2,365,750 on a grant basis.

The 1968 commitments brought the net cumulative total technical assistance authorized from the Social Progress Trust Fund to \$19,693,670, including \$14,315,589 extended on a reimbursable basis and \$5,378,084 on a grant basis.

By fields of activity, the 1968 technical assistance from the Trust Fund was distributed thus:

	Repayable	Grant	Total
GENERAL			
Specific Projects ...	\$175,000	\$ 298,000	\$ 473,000
Training		442,350	442,350
Studies and Promotional Activities ..		469,400	469,400
Total	<u>\$175,000</u>	<u>\$1,209,750</u>	<u>\$1,384,750</u>
ECONOMIC INTEGRATION			
Preinvestment		798,000	798,000
Training and Promotional Activities ..		358,000	358,000
Total		<u>\$1,156,000</u>	<u>\$1,156,000</u>
Grand Total	<u>\$175,000</u>	<u>\$2,365,750</u>	<u>\$2,540,750</u>

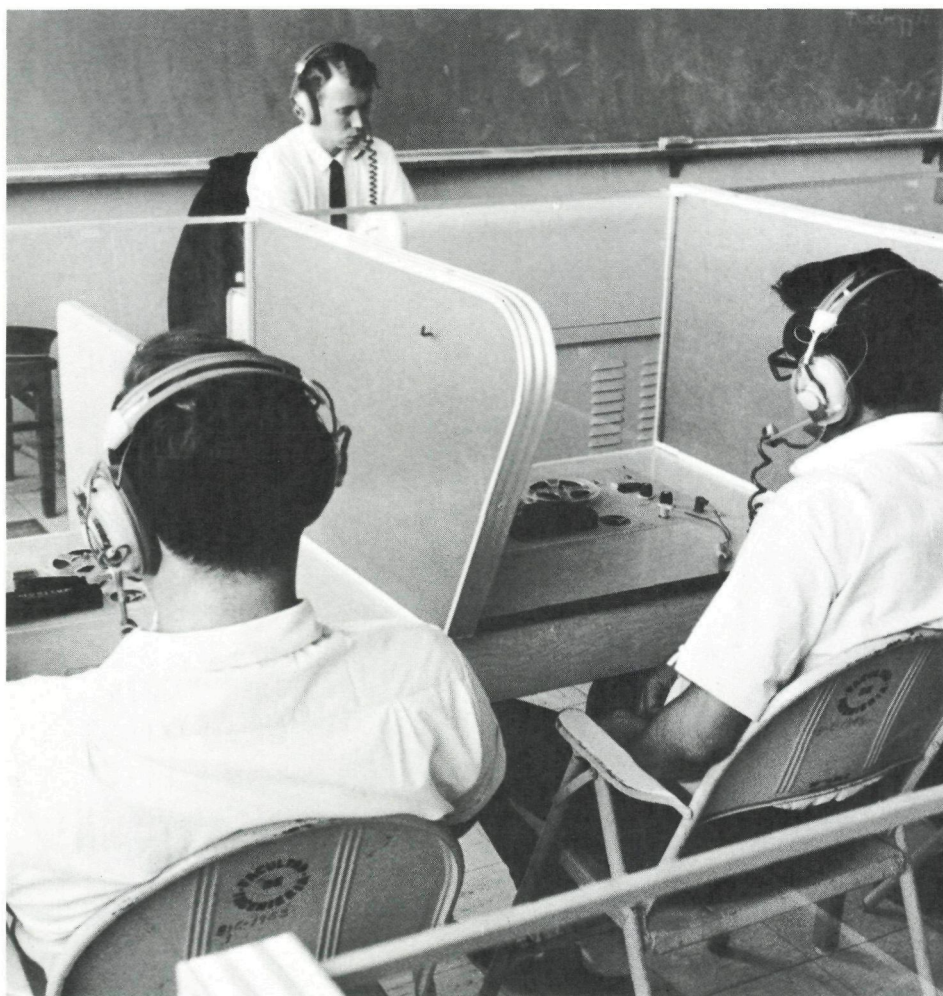
Following is a summary description of each of the technical assistance commitments, first those at a country level and then those of a general or regional nature.

COUNTRY ACTIVITIES

BOLIVIA—On Feb. 12 the Bank authorized the use of \$75,000 from a \$2.6 million Trust Fund loan extended in 1965 to the Republic of Bolivia to improve and expand the water supply system of Oruro for technical assistance services connected with the project. This raised the portion of the loan devoted to technical assistance from \$330,000 to \$405,000.

COSTA RICA—The Bank extended a \$22,000 grant to the Republic of Costa Rica May 27 to prepare technical and professional training programs and another for \$28,000 Sept. 10 to hire soil consultants to carry out agrologic studies in the Tempisque Valley.

DOMINICAN REPUBLIC—A sum of \$25,000 was allocated Dec. 17 for a study of farm productivity designed to



UNIVERSIDAD DE SAN CARLOS in Guatemala is improving its teaching methods with assistance of Bank loan.

introduce modern agricultural techniques to the Cibao Valley of the Dominican Republic.

EL SALVADOR—On Dec. 17 the Bank increased by \$5,000 to \$23,000 the grant technical assistance it has been providing El Salvador to improve the nation's farm credit agencies.

GUATEMALA—In 1962 the Bank extended a Trust Fund loan of \$2,925,000 to help finance improvements in the basic sciences in the five Central American Universities. On Aug. 30, it authorized the use of up to \$100,000 of the \$785,000 loan portion allocated to the *Universidad de San Carlos* in Guatemala to hire spe-

cialists to prepare a plan for the development of the university's physical facilities. This raised to \$130,000 the amount of technical assistance committed to the project by the Bank.

HONDURAS—A \$49,000 grant was extended March 11 to the Republic of Honduras to hire consultants who will prepare a project to build a hospital-school in Tegucigalpa. The Bank also allocated \$39,000 Nov. 18 to finance advisory services for the administrative, financial and accounting procedures of an agrarian agency, the *Instituto Agrario Nacional*.

PARAGUAY—On Feb. 27 the Bank allocated \$6,000 to help finance services provided to the nation's Planning Secretariat. It also extended a \$110,000 grant to the *Universidad Nacional de Asunción*

July 18 to engage an economist and architectural consultants to advise in the execution of a university expansion project being undertaken with the aid of a \$2,150,000 Trust Fund loan made to the University in 1965.

OTHER ACTIVITIES

The Bank authorized grants totaling \$2,081,750 for technical projects in the fields of economic integration, preinvestment studies and research, training and seminars, and other development activities.

INTEGRATION—The Bank devoted a total of \$1,156,000 from the Trust Fund in 1968 to finance activities related to the Latin American economic integration process. These commitments included:

- \$50,000 authorized Jan. 29 to co-sponsor, along with the UN Economic Commission for Latin America and the Latin American Institute of Economic and Social Planning, an evaluation of the long-term prospects of regional integration in Latin America's automobile industry.

- \$200,000 March 14 to help the Permanent Secretariat of the General Treaty of Central American Economic Integration to carry out a program of research and studies on projects designed to promote regional integration in industry and agriculture and to attain greater coordination in public investment and budget preparation among the five Central American countries.

- \$155,000 approved April 4 to help finance the second phase of a preinvestment study to determine the requirements for putting an Inter-American Telecommunications Network (ITN) into operation. This phase calls for the preparation of detailed technical and economic feasibility studies related to the interconnection of the national telecommunications networks which would make up the ITN.

- \$60,000 approved April 21 to help the Latin American Free Trade Association (LAFTA) to continue its program of



studies on industrial complementation and integration, particularly in regard to steel, petrochemicals, pulp and paper, and chemicals, and on trademarks and patents.

- \$190,000 June 24 for the first phase of a technical and economic feasibility study of a highway that would link the port of Ilo in Peru with La Paz in Bolivia.

- \$23,000 July 29 to help the Central American Bank for Economic Integration to evaluate the bids and inspect the equipment required by the Central American Telecommunications Network. The Bank is helping to finance the network with a loan of \$3 million channeled through the Central American Bank for Economic Integration.

The Bank authorized \$20,000 Aug. 12 to assist the *Banco Industrial del Perú* to study the possible effects of the process of regional integration on the Peruvian economy; \$10,000 Oct. 7 to make a study

of the role of Latin American universities in the economic integration process, and \$20,000 Oct. 31, to finance a study on multinational enterprises in Latin America.

The Bank authorized \$25,000 April 1 to help the Inter-American School of Public Administration in Brazil conduct courses on customs policies and tax administration and \$6,000 April 1 to assist the Inter-American Institute on Labor Union Studies of the ILO to conduct its Fifteenth Course in Mexico.

It also allocated \$7,000 April 8 and \$15,000 April 15 to conduct courses in Bolivia and Colombia, respectively, on the economic integration process and the participation of these nations in the process. Similarly, it assigned \$25,000 May 13 to a study related to Brazil's participation in economic integration and for a course at the *Universidad Nacional de Estudios Sociales Pro Deo*.

ECONOMIC INTEGRATION in Latin America is furthered through courses given at the Bank's Institute for Latin American Integration in Buenos Aires.

The Bank also authorized \$80,000 in grant assistance Oct. 24 to the Central American Institute for Industrial and Technological Research (ICAITI) to improve its services to the Central American countries.

Also, it allocated \$270,000 from the Trust Fund and a similar sum from its own resources Dec. 13 to help finance the 1969 activities of its Institute for Latin American Integration in Buenos Aires.

TRAINING—The following authorizations were approved in 1968 from the Trust Fund for training activities conducted by the Bank's Training Division:

- *Development Financing:* The Bank approved \$48,250 from its own resources and a similar amount from the Trust Fund Feb. 13 to finance two courses

held at its headquarters on "The Bank and Other Sources of External Financing," held for personnel of Latin American development agencies. The Bank also approved \$41,000 April 8 for two courses on financing homes through the savings and loans and secondary mortgage systems. One was held in Colombia in cooperation with the nation's Planning Department and the Inter-American Housing Center, the other in Central America in cooperation with the Organization of American States, the Central American Bank for Economic Integration, and central banks and specialized agencies of El Salvador, Guatemala and Honduras. On July 22 the Bank authorized \$15,000 to purchase audiovisual materials for its training programs. It also allocated \$40,000 Nov. 25 for a seminar held at its headquarters on Latin America's capital markets, in which personnel from central banks, development agencies, universities and stock markets participated. On Dec. 17 the Bank committed \$17,000 for a course on home financing through savings and loans and secondary mortgage systems to be held in Argentina.

- *Planning:* The Bank allocated \$9,500 Feb. 27 to help finance a course on development planning conducted by the Paraguayan Center for Economic and Social Development Studies. It also provided technical advice on the development financing phase of the program. Similarly, it approved \$16,000 March 25 to help ECLA conduct a course in El Salvador for Central American officials on development programming and commercial policy. The Bank supported a series of activities connected with farm planning carried out by the Inter-American Institute of Agricultural Sciences for personnel of development agencies dealing with the agricultural sector. The Bank devoted \$45,000 to this program on March 25 and assigned \$4,500 July 1 to enable Latin American officials to take training courses in Europe under an OAS-sponsored program.

- *Project Administration:* On Jan. 8 the Bank assigned \$30,000 to fellowships for courses on development administration and project administration conducted by the Inter-American School of Public Administration in Rio de Janeiro. The Bank devoted \$17,500 April 15 to a seminar on administration of housing projects held at its headquarters.

It allocated \$28,600 June 3 to a seminar in Costa Rica held in cooperation with the universities concerned and the Inter-American Institute of Agricultural Sciences on the organization and operation of the American Universities and on the creation of schools of agronomy.

A sum of \$14,500 was allocated from the Trust Fund June 24 for a seminar on loan administration. The Bank approved \$3,000 June 3 to enable a Bolivian official to take a course on administration offered by Colombia's *Universidad del Valle*.

- *Project Preparation and Evaluation:* Within its efforts to foster agricultural development, the Bank allocated \$43,500 Dec. 23 to help sponsor three courses in association with the Inter-American Institute of Agricultural Sciences for Latin American personnel who deal with the preparation of agricultural projects.

In addition to these programs directed by its Training Division, the Bank approved the following sums for training activities: \$30,000 Jan. 8 to provide 10 fellowships to courses of the Latin American School of Political Sciences and Public Administration; \$15,000 March 4 for fellowships to a course at the post-graduate school of the *Instituto Centroamericano de Empresas* in Managua, Nicaragua, and \$18,000 May 13 to the Dominican Development Foundation, Inc., to cooperate in a training program for volunteers who provide agricultural extension, marketing and rural development services in the Dominican Republic.

STUDIES—During 1968, the Bank also approved the following sums to help carry out studies and planning and research activities:

- \$42,500 Sept. 5 to continue a program of agrarian reform studies begun in 1964 in Bolivia, Mexico and Venezuela in cooperation with the OAS, FAO and the Inter-American Committee on Agricultural Development. The allocation brought to \$293,500 the amount the Bank has committed to these studies.

- \$90,000 Feb. 1 representing the Bank's contribution to the "Ottawa Plan" being carried out under the direction of the International Labor Organization with the financial support of the Bank, the OAS, ECLA, FAO and UNESCO. The study seeks policies and programs to develop the human resources needed by Latin America to carry out its economic and social development plans.

- \$48,000 Sept. 10 to carry out agricultural studies in Honduras and Paraguay.

- \$40,000 Dec. 2 for a project of livestock development studies in Central America.

- \$46,600 Dec. 5 to help finance a study on development financing problems in Latin America, with a view to obtaining specific recommendations on courses of action.

The Bank allocated \$18,800 May 27 to help a Colombian non-profit agency *El Minuto de Dios*, to create an institute to train specialists in community development and social improvement.

It approved \$95,000 Sept. 20 to help the economic research center of the Torcuato Di Tella Institute in Argentina to study the process of scientific and technological research in that country.

The Bank authorized \$50,000 Oct. 3 to continue the Bank-FAO program under which advisory services are being provided to Brazil, the Dominican Republic, Honduras, Paraguay and Uruguay.

in identifying and preparing agricultural development projects.

The Bank assigned \$15,000 from the Trust Fund Jan. 29 to help carry out the Sixth Inter-American Savings and Loan Meeting in Rio de Janeiro; \$6,500 Dec. 17 for the English version of a study on Regional Aspects of the Latin American Capital Markets, and \$15,000 Nov. 25 to help finance a library on development for distribution to Latin American Schools of Social Sciences.

It authorized \$22,000 June 17 to continue the Bank's support for the CIAP-Inter-American Committee on Agricultural Development activities in the field of agricultural development.

INSTRUCTION IN BASIC SCIENCES is fostered in El Salvador with loan extended to Universidad de El Salvador.

Financial Highlights

The *income* of the Social Progress Trust Fund in 1968 amounted to \$6,622,266 in excess of administrative expenses, before deducting charges for technical assistance costs which amounted to \$2,466,690, and for currency adjustments which amounted to \$41,467. These figures compared with \$5,317,475 in income for 1967, \$2,295,042, in technical assistance expenditures and \$529,115 in currency adjustments.

Gross income for the year amounted to \$9,132,034, of which \$6,116,486 was derived from interest on loans, \$2,613,371 from service charges on loans and \$402,177 from income received from participations taken in loans of the Fund for Special Operations.

Administrative expenses chargeable to the Trust Fund during 1968 amounted to \$2,509,768, compared with \$2,471,361 in 1967.

Disbursements on loans from the Trust Fund in 1968 amounted to \$55,056,743, compared with \$59,878,920 in 1967. These brought cumulative disbursements on such loans as of Dec. 31, 1968, to \$411,008,869.

Repayments by borrowers on loans during 1968 amounted to \$13,839,627, compared with \$10,291,209 in 1967. These brought total repayments as of Dec. 31, 1968, to \$39,257,363.

The audited financial statements of the Social Progress Trust Fund as well as the statement of loans as of Dec. 31, 1968, are contained in the following pages.



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FINANCIAL STATEMENTS

OPINION OF INDEPENDENT ACCOUNTANTS
SOCIAL PROGRESS TRUST FUND

Inter-American Development Bank
Administrator of the Social Progress Trust Fund

In our opinion, the accompanying financial statements (Appendices III-1 to III-6) present fairly, in terms of United States currency, the financial position at December 31, 1968, of the Social Progress Trust Fund which is administered by the Inter-American Development Bank, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Washington, D.C.
February 10, 1969



APPENDIX

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Statement of Income and Expenses	III-2
Statement of Technical Assistance Expense	III-3
Summary Statement of Loans	III-4
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SOCIAL PROGRESS TRUST FUND
FINANCIAL STATEMENTS

APPENDIX III-1

SOCIAL PROGRESS TRUST FUND
ADMINISTERED BY INTER-AMERICAN DEVELOPMENT BANK

BALANCE SHEET

DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix III-6

ASSETS

Due from banks (Appendix III-5) (Note A)

United States dollars
Currencies other than United States dollars

1968
\$ 54,525
6,191,746 \$ 6,246,271

1967
\$ 18,482
3,881,491 \$ 3,899,973

Loans outstanding (Appendix III-4)

Total loans approved since inception, less cancellations
Less principal repayments
Approved loans held by Trust Fund
Less undisbursed balance

498,719,032
39,257,363
459,461,669
87,710,163 371,751,506

500,997,437
25,417,736
475,579,701
145,045,311 330,534,390

Participations in loans made from Fund for Special Operations (Note F)

25,463,979 7,927,000

Accrued charges on loans and participations

2,195,477 1,897,271

Available from United States Government (Note B)

121,800,000 179,214,000

Other assets

60,244 108,109

Total assets

\$527,517,477 \$523,580,743

LIABILITIES AND FUND BALANCES

Liabilities

Accrued expenses and accounts payable
Special letters of credit

\$ 519,182 \$ 681,301
174,020

Fund for Special Supervision and Inspection of loans (Note E)

228,549 417,825

Fund balance

Fund established by United States Government (Note B)
Accumulated excess of expenses over income at beginning of year
Less excess of income over expenses during the year (Appendix III-2)

\$525,000,000
2,518,383
4,114,109 526,595,726

\$525,000,000
5,011,701
2,493,318 522,481,617

Total liabilities and Fund balances

\$527,517,477 \$523,580,743

SOCIAL PROGRESS TRUST FUND
ADMINISTERED BY INTER-AMERICAN DEVELOPMENT BANK

STATEMENT OF INCOME AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 1968 AND DECEMBER 31, 1967

Expressed in United States Dollars—See Notes to Financial Statements—Appendix III-6

	1968	1967
Income		
From loans		
Interest	\$6,116,486	\$5,418,477
Service charges	2,613,371	2,300,948
From participations (Note F)	402,177	69,411
Gross income	9,132,034	7,788,836
Administrative expenses		
Salaries (Note B)	\$ 506,024	\$ 502,215
Professional services	29,269	25,663
Travel	67,054	65,782
Printing	88,659	73,834
Field offices (includes salaries 1968 \$206,559—1967 \$203,108)	215,148	216,774
Miscellaneous	302	117
Indirect and overhead expenses (Note B)		
Paid or payable to Bank—Ordinary Capital (Appendix I-2)	737,524	1,057,984
Paid or payable to Bank—Fund for Special Operations (Appendix II-2)	865,788	528,992
Total administrative expenses	2,509,768	2,471,361
Excess of income over administrative expenses	6,622,266	5,317,475
Technical assistance and special charge		
Technical assistance (Appendix III-3) (Note C)	2,466,690	2,295,042
Decrease in United States dollar equivalents of Latin American currencies held by the Trust Fund net of gains (Note A)	41,467	529,115
Excess of income over expenses	\$4,114,109	\$2,493,318

SOCIAL PROGRESS TRUST FUND

APPENDIX III-3

FINANCIAL STATEMENTS

SOCIAL PROGRESS TRUST FUND

ADMINISTERED BY INTER-AMERICAN DEVELOPMENT BANK

STATEMENT OF TECHNICAL ASSISTANCE EXPENSE (NOTE C)

YEAR ENDED DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix III-6

Brazil	\$ 252
Chile	7,077
Costa Rica	14,945
Dominican Republic	70,508
Ecuador	4,862
El Salvador	3,747
Guatemala	34,278
Haiti	24,801
Honduras	21,040
Mexico	25,000
Paraguay	50,265
Central American Bank for Economic Integration	1,272
Central America—Planning Program	26,933
Integration—Studies	271,834
Integration—Training	23,439
Intern training in the Bank	42,555
Fellowships	130,258
Substantive studies	206,123
Institute for Latin American Integration	119,000
Preinvestment studies	579,770
Courses and seminars	628,935
Miscellaneous	220,219
	<u>2,507,113</u>
Less refunds and adjustments for prior years	40,423
	<u>\$ 2,466,690</u>

SOCIAL PROGRESS TRUST FUND
ADMINISTERED BY INTER-AMERICAN DEVELOPMENT BANK

SUMMARY STATEMENT OF LOANS

DECEMBER 31, 1968

Expressed in United States Dollars—See Notes to Financial Statements—Appendix III-6

Countries in which loans have been made (1)	Total loans approved since inception, less cancellations	Principal repayments (Note D)	Approved loans held by Trust Fund		
			Total	Undisbursed	Outstanding (Note D)
Argentina	\$ 43,500,000	\$ 2,249,878	\$ 41,250,122	\$ 23,124,217	\$ 18,125,905
Bolivia	14,600,000	804,539	13,795,461	2,585,040	11,210,421
Brazil	62,060,000	3,102,369	58,957,631	7,088,148	51,869,483
Chile	35,438,000	2,310,228	33,127,772	4,766,804	28,360,968
Colombia	49,532,379	3,461,818	46,070,561	3,319,608	42,750,953
Costa Rica	12,639,652	635,393	12,004,259	3,362,033	8,642,226
Dominican Republic	8,550,000	700,000	7,850,000	2,048,536	5,801,464
Ecuador	27,780,577	1,459,342	26,321,235	3,065,732	23,255,503
El Salvador	21,952,427	1,012,839	20,939,588	2,467,314	18,472,274
Guatemala	14,319,659	751,847	13,567,812	3,073,721	10,494,091
Honduras	7,607,469	535,000	7,072,469	1,005,541	6,066,928
Mexico	35,506,146	2,884,737	32,621,409	8,271,099	24,350,310
Nicaragua	13,035,000	951,127	12,083,873	2,930,090	9,153,783
Panama	12,862,000	1,012,830	11,849,170	28,674	11,820,496
Paraguay	7,800,000	160,000	7,640,000	3,405,779	4,234,221
Peru	45,250,000	3,016,879	42,233,121	7,608,354	34,624,767
Uruguay	10,500,000	199,500	10,300,500	4,237,461	6,063,039
Venezuela	72,860,723	13,526,786	59,333,937	4,471,433	54,862,504
Central American Countries— Five universities	2,925,000	482,251	2,442,749	850,579	1,592,170
Total	\$498,719,032	\$39,257,363	\$459,461,669	\$ 87,710,163(2)	\$371,751,506

(1) Loans from the resources of the Trust Fund are made to member countries of the Inter-American Development Bank or to political subdivisions of such members or to private enterprises located in the territories of such members. For loans to borrowers other than members and central banks, the Bank as Administrator has received in most instances the member's guarantee.

(2) The Bank as Administrator has entered into irrevocable commitments to disburse approximately \$2,400,000.

SOCIAL PROGRESS TRUST FUND

APPENDIX III-5

FINANCIAL STATEMENTS

SOCIAL PROGRESS TRUST FUND

ADMINISTERED BY INTER-AMERICAN DEVELOPMENT BANK

STATEMENT OF CURRENCIES HELD BY THE BANK

DECEMBER 31, 1968

See Notes to Financial Statements—Appendix III-6

Country	Unit of currency	Due from banks	
		Amount in local currency	Expressed in United States dollars
Argentina	Peso	302,278	\$ 863
Bolivia	Peso Boliviano	1,209,175	101,825
Brazil	Cruzeiro	182,705	47,704
Chile	Escudo	663,979	76,319
Colombia	Peso	476,026	28,149
Costa Rica	Colon	941,157	128,049
Dominican Republic	Peso	781,106	781,106
Ecuador	Sucre	40,103	1,800
El Salvador	Colon	2,823,541	1,129,416
Guatemala	Quetzal	39,696	39,696
Honduras	Lempira	49,209	24,605
Mexico	Peso	414,400	33,152
Nicaragua	Cordoba	276,231	39,462
Panama	Balboa	22,467	22,467
Paraguay	Guarani	4,257,501	33,792
Peru	Sol	9,002,373	201,621
United States	Dollar	54,525	54,525
Uruguay	Peso	42,694,493	170,778
Venezuela	Bolivar	14,989,240	3,330,942
Total expressed in United States dollars			<u>\$6,246,271</u>

SOCIAL PROGRESS TRUST FUND
ADMINISTERED BY INTER-AMERICAN DEVELOPMENT BANK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1968

Note A

Amounts in currencies other than United States dollars have been translated into United States dollars at the approximate market rates of exchange existing at December 31, 1968 except for loan disbursements made in the national currencies of the borrowers which have been translated into United States dollars at the rates at which the amounts were loaned. No representation is made that any of such currencies is convertible into any other of such currencies at any rate or rates.

Note B

The Government of the United States of America and the Inter-American Development Bank entered into an Agreement in 1961 and a supplemental Agreement in 1964 which provide that the Bank as Administrator of the Social Progress Trust Fund may make commitments on behalf of the Trust Fund in an amount of \$525,000,000. The resources of the Trust Fund are to be used to provide capital and technical assistance to Latin American countries on flexible terms and conditions with a view to achieving improved conditions in the fields specified in the Agreement. As of December 31, 1968 \$403,200,000 had been received by the Bank from the United States. The remainder of \$121,800,000 is to be made available to the Bank by the United States as needed to meet commitments of the Trust Fund.

In accordance with the Social Progress Trust Fund Agreement, the Bank shall charge the Trust Fund for the following expenses:

- (a) Salary costs of time which is spent on work for the Trust Fund by the professional staff, exclusive of department and division heads and assistant heads, of the Operations, Technical and Legal Departments of the Bank, including the divisions within those departments.
- (b) all other expenses clearly identifiable as having been incurred on behalf of the Trust Fund, and
- (c) indirect and overhead expenses of the Bank at the rate of \$1.80 per \$1.00 of salary costs charged to the Trust Fund per (a) above, subject to adjustment at the end of each accounting period.

At the request of the Bank, the Government of the United States agreed to adjustments in the rate used in charging indirect and overhead expenses. The most recent adjustment was granted in 1966 whereby the rate was increased to \$2.25 per \$1.00 of salary costs charged to the Trust Fund. The increased rate was applicable to the year 1964 and the Bank has continued to use the adjusted rate (\$2.25) in charging indirect and overhead expenses for the years 1965 through 1968.

Pursuant to the terms of the Agreement, the Bank requested in 1967 that the rate (\$2.25) be increased retroactively to January 1, 1965. Negotiations are currently in process with the Government of the United States and the amount of such increase and the period to which it may apply cannot be determined at this time.

Note C

Under the provisions of the Agreement the Bank as Administrator may provide technical advice and assistance to Latin American member countries and their nationals. At December 31, 1968 the amount approved by the Bank as Administrator for technical assistance projects but not yet disbursed was \$3,440,934. The accumulated technical assistance expenditures made by the Bank as Administrator as of December 31, 1968 include \$466,535 which may be reimbursed to the Bank as Administrator if loans are granted as a result of the technical assistance projects.

Note D

Loan disbursements have been made in United States dollars except for certain loans for which disbursements have been made in the national currencies of the borrowers. In accordance with the provisions of all loan agreements, repayments may be made in the national currency of the borrower at the approximate market rate of exchange existing at the date of repayment, and in accordance with the provisions of certain loan agreements, repayments may be made either in national currency or in United States dollars at the election of the borrower.

Note E

In accordance with the loan contracts borrowers have agreed to special charges to cover costs of extraordinary supervision and inspection services performed in connection with projects financed under the loans. Beginning in 1966 the Bank established a special fund in each of the separate windows of the Bank (Ordinary Capital, Fund for Special Operations and Social Progress Trust Fund) to accumulate the amounts charged under the special provisions of the loans. Each loan is charged pursuant to the contract and the offsetting credit is accumulated in an account called "Fund

SOCIAL PROGRESS TRUST FUND

FINANCIAL STATEMENTS

for Special Supervision and Inspection of loans". Expenses associated with supervision and inspection of these loans which are over and above those normally and routinely performed by the Bank are charged to the respective accounts. There follows a summary of the transactions in the Social Progress Trust Fund account for 1968 and 1967:

	<u>1968</u>	<u>1967</u>
Balance beginning of period	\$ 417,825	\$ 184,613
Charges against loans	274,582	441,682
Less expenses incurred in special supervision and inspection of loan projects, principally salaries of specialists	463,858	208,470
Balance end of period	<u>\$ 228,549</u>	<u>\$ 417,825</u>

Note F

By resolution approved in April 1967 and amended in October 1968 the Board of Executive Directors authorized the use of the resources of the Social Progress Trust Fund to participate in the dollar and/or local currency portions of loans made from the Fund for Special Operations provided that, with respect to such loans, the provisions of the Social Progress Trust Fund Agreement have in substance been complied with as fully as though the loans had been made initially from the Trust Fund. At December 31, 1968 such participations totaled the equivalent of \$25,463,979.

SOCIAL PROGRESS TRUST FUND

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
ARGENTINA									
Republic of Argentina Public entity	Equipment for Universities of Buenos Aires, Tucumán, Córdoba, La Plata, Cuyo, del Litoral, del Noreste and del Sur (\$10,000,000)	67% of the equipment purchased	U.S. dollars	5,000,000	4,602,642	1,088,834	3,513,808	3/22/62 (5/4/62)	1¼% (1963-77)
Banco Hipotecario Nacional Public entity	Construction of 15,200 housing units throughout Argentina (\$60,000,000)	6,582 houses built; 2,149 in construction	U.S. dollars	30,000,000	14,835,803	1,101,044	13,734,759	11/29/62 (1/24/63)	1¼% (1964-88)
Administración General de Obras Sanitarias de la Nación (Republic of Argentina) Public entity	Expansion of water systems for Buenos Aires suburbs of Avellaneda and Lanús (\$6,682,000)	Project 34% complete; being carried out jointly with loan of \$2,000,000 from Fund for Special Operations	U.S. dollars	3,500,000	691,799	40,000	651,799	7/30/64 (10/7/64)	2¾% (1967-85)
Republic of Argentina Public entity	Construction or expansion of water systems in rural communities (\$10,000,000)	29 systems completed; 44 in construction	U.S. dollars	5,000,000	245,539	20,000	225,539	8/12/65 (8/26/65)	2¾% (1968-93)
TOTAL LOANS TO ARGENTINA EXPRESSED IN U.S. DOLLARS				43,500,000	20,375,783	2,249,878	18,125,905		
BOLIVIA									
Corporación Boliviana de Fomento (Banco Central de Bolivia) Public entity	Settlement of 8,000 farm families on public lands in East Central Bolivia (\$15,321,000)	Project 90% complete; 4,452 farm families settled; 306 miles of access roads built; other settlement activities underway	U.S. dollars	6,500,000	4,628,793	500,539	4,128,254	12/28/62 (1/24/63)	1¼% (1964-88)
Consejo Nacional de Vivienda (Banco Central de Bolivia) Public entity	Construction of 3,870 housing units in La Paz, Cochabamba, Potosí, Oruro and Santa Cruz (\$5,429,000)	3,440 houses built	U.S. dollars	4,000,000	4,000,000	200,000	3,800,000	3/21/63 (6/14/63)	1¼% (1964-93)
Republic of Bolivia Public entity	Establishment of 5 rural development bases (\$620,000)	Project completed	U.S. dollars	435,000	435,000	40,000	395,000	10/31/63 (1/16/64)	1¼% (1965-89)
Republic of Bolivia Public entity	Equipment and library material to improve the Instituto Tecnológico Boliviano in La Paz (\$510,000)	80% of equipment and library material purchased	U.S. dollars	325,000	222,643	16,000	206,643	5/7/64 (5/7/64)	1¼% (1965-84)
Republic of Bolivia Public entity	Expansion of water system in Oruro (\$3,082,000)	Construction 90% complete	U.S. dollars	2,600,000	2,150,171	36,000	2,114,171	3/4/65 (6/4/65)	2¾% (1966-90)
Universidad Mayor de San Andrés (Republic of Bolivia) Public entity	Establishment of an Institute of Basic Sciences (\$1,000,000)	Construction 83% complete; 96% of equipment purchased; 56% of technical assistance provided	U.S. dollars	740,000	578,353	12,000	566,353	5/20/65 (1/21/66)	1¼% (1967-86)
TOTAL LOANS TO BOLIVIA EXPRESSED IN U.S. DOLLARS				14,600,000	12,014,960	804,539	11,210,421		
BRAZIL									
Superintendência de Aguas e Esgotos do Reconcavo (State of Bahia) Public entity	Expansion of water system of Salvador in State of Bahia (\$8,127,000)	Project completed	U.S. dollars	4,120,000	4,120,000	385,000	3,735,000	11/30/61 (3/1/62)	2¾% (1963-85)
Banco do Estado da Guanabara S.A. (State of Guanabara) Public entity	Expansion of water system of Rio de Janeiro (\$27,884,000)	Project completed	U.S. dollars	12,500,000	12,500,000	690,319	11,809,681	3/13/62 (5/5/62)	2¾% (1963-92)
Banco do Estado da Guanabara S.A. (State of Guanabara) Public entity	Expansion of sewage system of Rio de Janeiro (\$22,437,000)	Project 78% complete	U.S. dollars	11,000,000	9,451,807	744,469	8,707,338	3/13/62 (5/5/62)	2¾% (1963-92)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
BRAZIL (Cont'd.)									
Banco do Nordeste do Brasil S.A. (Federal Republic of Brazil) Public entity	Expansion of water and sewage systems in Recife, Maceió and Natal and water systems in Teresina, São Luís and Campina Grande, all in Brazil's Northeast (\$18,535,000)	All water systems completed; all sewage systems except Recife's in final stage	U.S. dollars	12,990,000	12,338,235	240,000	12,098,235	4/5/62 (5/2/63)	2¾% (1964-93)
Caixa Econômica do Estado de Minas Gerais (State of Minas Gerais) Public entity	Supervised farm credit and construction of 1,350 rural houses in the State of Minas Gerais (\$13,000,000)	19,593 farm credits approved; 500 houses built	U.S. dollars	6,400,000	6,400,000	512,000	5,888,000	4/12/62 (10/31/62)	1¼% (1963-82)
Banco do Nordeste do Brasil S.A. Public entity	Construction of 7,000 housing units in Recife and other cities in State of Pernambuco (\$7,059,000)	2,300 houses built; 1,405 under construction	U.S. dollars	3,850,000	2,058,000	77,000	1,981,000	8/16/62 (12/13/63)	1¼% (1966-91)
Banco de Crédito Agrícola do Espírito Santo S.A. (State of Espírito Santo) Public entity	Farm credit to help diversify agriculture in the State of Espírito Santo (\$3,421,000)	Project completed; 5,158 credits extended to farmers and 104 to cooperatives	U.S. dollars	2,000,000	2,000,000	75,000	1,925,000	1/24/63 (6/10/63)	1¼% (1964-83)
Departamento de Aguas e Esgotos (State of Pará) Public entity	Expansion of water and sewage system of Belém in the State of Pará (\$4,829,000)	Water system 83% and sewage system 86% complete	U.S. dollars	2,500,000	2,301,229	78,581	2,222,648	11/21/63 (2/20/64)	2¾% (1965-94)
Banco Nacional do Desenvolvimento Econômico Public entity	Equipment for Brazilian research and teaching centers in the basic and applied sciences (\$7,630,000)	All equipment and bibliographic material purchased	U.S. dollars	4,000,000	3,802,581	300,000	3,502,581	7/30/64 (12/22/64)	1¼% (1966-85)
Superintendência do Desenvolvimento do Nordeste (Federal Republic of Brazil) Public entity	Farm credit for agricultural cooperatives in Brazil's Northeast (\$19,067,000)		U.S. dollars	2,700,000				7/30/64 (5/3/65)	1¼% (1966-85)

TOTAL LOANS TO BRAZIL EXPRESSED IN U.S. DOLLARS

62,060,000 54,971,852 3,102,369 51,869,483

CHILE

Republic of Chile Public entity	Expansion of water system of Concepción and Talcahuano (\$4,248,000)	Project 92% complete	U.S. dollars	2,470,000	2,470,000	370,000	2,100,000	11/22/61 (5/16/62)	2¾% (1963-82)
Corporación de Fomento de la Producción Corporación de la Reforma Agraria Public entities	Construction of 1,800 houses on 8 government farm properties being settled (\$2,490,000)	1,084 housing units completed	U.S. dollars	1,268,000	1,268,000	59,039	1,208,961	12/21/61 (5/2/62)	1¼% (1963-92)
Corporación de Fomento de la Producción Public entity	Farm credit (\$21,770,000)	Project completed; 270,484 small credits extended	U.S. dollars	6,500,000	6,500,000	536,250	5,963,750	12/21/61 (5/16/62)	1¼% (1963-82)
Caja Central de Ahorros y Préstamos (Republic of Chile) Public entity	Construction of 2,300 houses for members of cooperatives (\$7,697,000)	Project completed; 3,087 housing units built	U.S. dollars	5,000,000	5,000,000	250,000	4,750,000	5/17/62 (6/13/62)	1¼% (1963-89)
Promotora de Viviendas Económicas Limitada y Compañía, C.P.A. (Corporación de la Vivienda) Private entity	Construction of 1,885 housing units in Viña del Mar (\$7,643,000)	1,349 housing units built	U.S. dollars	2,000,000	1,724,498	70,000	1,654,498	7/26/62 (1/22/63)	1¼% (1964-84)
Universidad de Chile (Corporación de Fomento de la Producción) Public entity	Facilities for five regional colleges at Temuco, La Serena, Antofagasta, Talca and Osorno (\$6,847,000)	Project completed	U.S. dollars	2,300,000	2,300,000	161,000	2,139,000	11/15/62 (12/19/62)	1¼% (1963-77)

SOCIAL PROGRESS TRUST FUND

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
CHILE (Cont'd.)									
Cooperativa de Consumidores Unidos "UNICOOP" Santiago Ltda. (Corporación de Fomento de la Producción) Public entity	Construction of 8 markets and a food warehouse for low-income districts in Santiago (\$1,175,000)	Project completed	U.S. dollars	600,000	600,000	105,000	495,000	1/31/63 (4/26/63)	1¼% (1964-76)
Corporación de la Vivienda Public entity	Construction of 2,400 homes at Viña del Mar (\$5,600,000)	Project completed; 2,416 housing units built	U.S. dollars	2,000,000	2,000,000	109,870	1,890,130	10/24/63 (11/5/63)	1¼% (1964-93)
Republic of Chile Public entity	Construction of water systems in 300 rural communities (\$5,000,000)	96 systems completed; 50 under construction	U.S. dollars	2,500,000	1,757,087	80,000	1,677,087	3/12/64 (3/17/64)	2¾% (1965-94)
Caja Central de Ahorros y Préstamos (Republic of Chile) Public entity	Construction of 2,500 additional homes for members of cooperatives (\$7,700,000)	Project completed; 2,504 housing units built	U.S. dollars	5,000,000	5,000,000	405,947	4,594,053	7/30/64 (8/12/64)	1¼% (1965-91)
Universidad de Chile (Corporación de Fomento de la Producción) Public entity	Expansion of facilities of School of Public Health (\$2,300,000)	Construction 32% complete	U.S. dollars	1,250,000	243,000	50,000	193,000	10/1/64 (10/31/64)	1¼% (1966-85)
Universidad Católica de Chile (Corporación de Fomento de la Producción) Private entity	Expansion of facilities for School of Basic Sciences and Mathematics (\$3,800,000)	Construction 80% complete; 65% of project equipment purchased	U.S. dollars	1,050,000	809,038	90,622	718,416	10/22/64 (11/2/64)	1¼% (1965-84)
Instituto de Viviendas Populares Caritas (Corporación de la Vivienda) Private entity	Construction of 600 housing units for members of cooperatives (\$2,500,000)	600 housing units in construction	U.S. dollars	2,000,000	828,442	20,000	808,442	3/11/65 (4/5/67)	1¼% (1968-87)
Instituto de Promoción Agraria (Republic of Chile) Private entity	Subdivision of estates in Central Chile for 600 farm families (\$3,700,000)	60 housing units in construction; subdivision work initiated	U.S. dollars	1,500,000	171,131	2,500	168,631	11/4/65 (3/7/66)	1¼% (1968-87)
TOTAL LOANS TO CHILE EXPRESSED IN U.S. DOLLARS				35,438,000	30,671,196	2,310,228	28,360,968		
COLOMBIA									
Establecimiento Público Empresas Municipales de Cali (Republic of Colombia) Public entity	Expansion of water system of Cali (\$4,780,000)	Project completed	U.S. dollars	2,454,000	2,454,000	636,000	1,818,000	10/26/61 (4/16/62)	2¾% (1963-82)
Instituto de Crédito Territorial (Republic of Colombia) Public entity	Construction of 12,950 housing units in various cities (\$29,340,000)	Project completed; 13,993 housing units built	U.S. dollars	15,200,000	15,200,000	760,000	14,440,000	11/16/61 (2/2/62)	1¼% (1963-82)
Empresas Municipales de Cúcuta (Republic of Colombia) Public entity	Expansion of water and sewage system of Cúcuta (\$9,161,000)	Water project 75% complete; sewage system 85% complete	U.S. dollars	5,183,000	4,995,408	498,770	4,496,638	11/22/61 (2/3/62)	2¾% (1963-92)
Instituto Nacional de Fomento Municipal (Republic of Colombia) Public entity	Expansion of water and sewage systems in 367 communities (\$19,312,000)	Project carried out jointly with \$2,500,000 loan from Fund for Special Operations; 180 water systems and 80 sewage systems completed	U.S. dollars	8,095,379	7,553,344	673,430	6,879,914	7/12/62 (8/21/62)	2¾% (1963-92)
Universidad Nacional de Colombia (Republic of Colombia) Public entity	Equipment and bibliographic material for Institute of Basic Sciences and School of Agriculture (\$2,446,000)	Project completed	U.S. dollars	1,100,000	1,100,000	63,404	1,036,596	4/30/64 (6/12/64)	1¼% (1965-84)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
COLOMBIA (Cont'd.)									
Fondo de Desarrollo y Diversificación de Zonas Cafeteras Federación Nacional de Cafeteros Private entities	Farm credit for agricultural diversification program in Department of Caldas (\$16,839,000)	3,983 credits for \$11,227,202 author- ized	U.S. dollars	7,000,000	6,085,638	510,000	5,575,638	5/21/64 (6/10/64)	1¼% (1965-84)
Instituto de Crédito Territorial (Republic of Colombia) Public entity	Construction of 7,995 homes in 28 Colombian cities (\$17,700,000)	6,935 houses built; 984 in construction	U.S. dollars	7,500,000	6,485,477	216,668	6,268,809	10/8/64 (9/30/65)	1¼% (1966-85)
Instituto de Crédito Territorial (Republic of Colombia) Public entity	Construction of 1,400 homes for members of labor unions (\$4,250,000)	1,100 houses built; 300 in construction	U.S. dollars	2,500,000	1,838,904	50,000	1,788,904	12/24/64 (9/30/65)	1¼% (1966-85)
Universidad del Valle (Republic of Colombia) Public entity	Preinvestment designs and plans for new university campus in Cali (\$660,000)	Project completed	U.S. dollars	500,000	500,000	53,546	446,454	6/10/65 (12/13/65)	1¼% (1967-73)
TOTAL LOANS TO COLOMBIA EXPRESSED IN U.S. DOLLARS				49,532,379	46,212,771	3,461,818	42,750,953		
COSTA RICA									
Instituto Nacional de Vivienda y Urbanismo Public entity	Construction of 3,062 housing units in San José, Heredia, Limón and Alajuela (\$16,000,000)	3,062 houses built	U.S. dollars	3,499,652	3,499,652	262,152	3,237,500	8/10/61 (10/31/61)	1¼% (1962-86)
Servicio Nacional de Acueductos y Alcantarillado Public entity	Preinvestment studies for water and sewage projects in 12 communities (\$150,000)	Studies carried out	U.S. dollars	100,000	100,000	47,241	52,759	12/12/63 (12/13/63)	2¾% (1965-71)
Republic of Costa Rica Public entity	Construction or improve- ment of 50 feeder roads 392 miles long (\$7,297,000)	37 roads 161 miles long built; 9 roads 73 miles long in construction	U.S. dollars	4,000,000	3,249,513	240,000	3,009,513	5/21/64 (6/2/64)	1¼% (1965-84)
Servicio Nacional de Acueductos y Alcantarillado Public entity	Preinvestment study to expand sewage system of San José (\$215,000)	Study completed	U.S. dollars	140,000	140,000	25,000	115,000	6/30/64 (7/2/64)	2¾% (1966-72)
Instituto de Tierras y Colonización (Republic of Costa Rica) Public entity	Settlement of 600 farm families in the Province of Limón (\$2,587,000)	260 families settled	U.S. dollars	1,300,000	358,024	25,000	333,024	10/1/64 (2/26/65)	1¼% (1966-85)
Instituto Nacional de Vivienda y Urbanismo (Republic of Costa Rica) Public entity	Construction of 3,949 homes in rural and urban areas (\$6,463,000)	1,586 houses built; 129 in construction	U.S. dollars	3,600,000	1,930,430	36,000	1,894,430	12/24/64 (2/25/65)	1¼% (1967-91)
TOTAL LOANS TO COSTA RICA EXPRESSED IN U.S. DOLLARS				12,639,652	9,277,619	635,393	8,642,226		
DOMINICAN REPUBLIC									
Banco Agrícola (Dominican Republic) Public entity	Farm credit (\$5,790,000)	11,446 credits for \$8,608,040 authorized	U.S. dollars	3,000,000	3,000,000	400,000	2,600,000	8/23/62 (10/12/62)	1¼% (1963-82)
Dominican Republic Public entity	Construction of 3,000 houses in 6 cities and 26 rural communities (\$6,375,000)	2,137 houses built; 363 in construction	U.S. dollars	3,500,000	2,605,283	175,000	2,430,283	12/28/62 (2/28/63)	1¼% (1964-90)
Dominican Republic Public entity	Expansion of water systems in La Romana and San Pedro de Macorís and in- stallation of new ones at Pimentel, Castillo and Hostos (\$2,200,000)	Project 80% complete; Pimentel, Castillo and Hostos systems in operation	U.S. dollars	1,150,000	669,776	95,000	574,776	7/30/64 (8/7/64)	2¾% (1966-91)

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Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
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DOMINICAN REPUBLIC (Cont'd.)									
Universidad Autónoma de Santo Domingo (Dominican Republic) Public entity	Establishment of a General Studies Center and improvement in Schools of Engineering and Architecture, Agriculture and Veterinary Medicine, and Economics (\$2,900,000)	Construction 42% complete; 38% of equipment purchased; 38% of technical assistance provided	U.S. dollars	900,000	226,405	30,000	196,405	12/24/64 (4/8/65)	1¼% (1967-86)
TOTAL LOANS TO DOMINICAN REPUBLIC EXPRESSED IN U.S. DOLLARS				8,550,000	6,501,464	700,000	5,801,464		
ECUADOR									
Banco Ecuatoriano de la Vivienda (Republic of Ecuador) Public entity	Construction of 6,500 housing units throughout the country (\$16,415,000)	Project nearly complete; 5,903 houses built; 597 in construction	U.S. dollars	10,600,000	10,600,000	350,000	10,250,000	2/28/62 (7/23/62)	1¼% (1963-92)
Municipalidad de Quito (Republic of Ecuador) Public entity	Expansion of sewage system of Quito (\$3,925,000)	Project completed	U.S. dollars	3,000,000	3,000,000	379,553	2,620,447	2/28/62 (7/10/62)	2¾% (1963-82)
Republic of Ecuador Public entity	Farm credit, home construction, access roads and other facilities for 220 rural communities in the Sierra Andina (\$5,451,000)	1,759 credits for \$660,350 authorized; agricultural extension services provided; 100 miles of irrigation canals built; 364 miles of farm access roads constructed; 1,261 housing credits extended; project 75% complete	U.S. dollars	1,815,000	1,452,125	149,232	1,302,893	1/31/63 (10/24/63)	1¼% (1964-93)
Instituto Ecuatoriano de la Reforma Agraria y Colonización (Republic of Ecuador) Public entity	Settlement of 1,600 farm families in Santo Domingo de los Colorados (\$4,000,000)	More than 5,000 families settled; 1,583 farm credits authorized; 67 housing credits extended; 97 miles of access roads built	U.S. dollars	2,600,000	2,290,546	196,259	2,094,287	1/31/63 (10/1/63)	1¼% (1964-83)
Republic of Ecuador Public entity	Construction of water and sewage systems in 18 communities (\$6,224,000)	11 water systems and 3 sewage systems completed; 4 water systems in construction	U.S. dollars	5,500,000	4,967,100	233,750	4,733,350	2/19/63 (10/1/63)	2¾% (1964-93)
Universidad de Guayaquil (Republic of Ecuador) Public entity	Establishment of Institute of Basic Sciences (\$800,000)	Construction work completed; technical assistance plan initiated; 59% of equipment purchased	U.S. dollars	600,000	321,659	40,725	280,934	12/31/63 (2/6/64)	1¼% (1965-84)
Universidad Central de Quito (Republic of Ecuador) Public entity	Establishment of Institute of Basic Sciences (\$840,000)	95% of construction completed; 94% of equipment purchased	U.S. dollars	400,000	361,220	30,000	331,220	12/31/63 (6/1/64)	1¼% (1966-85)
Municipalidad de Guayaquil (Republic of Ecuador) Public entity	Feasibility study to expand sewage system of Guayaquil (\$452,000)	Study completed	U.S. dollars	265,577	265,577	59,823	205,754	7/30/64 (8/7/64)	2¾% (1966-73)
Centro de Reconversión Económica del Azuay, Cañar y Morona-Santiago (Republic of Ecuador) Public entity	Facilities for colonization project in the Province of Morona-Santiago (\$5,300,000)	Project 50% complete; 64 miles of access roads built	U.S. dollars	3,000,000	1,456,618	20,000	1,436,618	8/19/65 (2/2/66)	1¼% (1967-86)
TOTAL LOANS TO ECUADOR EXPRESSED IN U.S. DOLLARS				27,780,577	24,714,845	1,459,342	23,255,503		
EL SALVADOR									
Banco Central de Reserva de El Salvador (Republic of El Salvador) Public entity	Farm credit through rural cooperatives (\$2,800,000)	Project completed; 24,061 credits for \$6,711,163 authorized	U.S. dollars	2,000,000	2,000,000	160,000	1,840,000	8/3/61 (11/24/61)	1¼% (1962-81)

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EL SALVADOR (Cont'd.)									
Banco Central de Reserva de El Salvador (Republic of El Salvador) Public entity	Expansion and improvement of sewage systems for San Salvador, Santa Tecla, Santa Ana, San Miguel and Sonsonate (\$1,400,000)	Project completed	U.S. dollars	840,000	840,000	92,400	747,600	8/10/61 (11/17/61)	2¾% (1962-92)
Banco Central de Reserva de El Salvador (Republic of El Salvador) Public entity	Water supply and sewage systems for 34 communities (\$3,830,000)	Project completed	U.S. dollars	2,700,000	2,700,000	297,000	2,403,000	10/12/61 (11/17/61)	2¾% (1962-92)
Instituto de Vivienda Urbana (Republic of El Salvador) Public entity	Construction of 5,000 housing units throughout the country (\$11,300,000)	Project completed; 5,060 houses built	U.S. dollars	6,012,427	6,012,427	213,500	5,798,927	3/29/62 (6/7/62)	1¼% (1963-92)
Administración Nacional de Acueductos y Alcantarillados (Republic of El Salvador) Public entity	Expansion of water systems in 99 towns; of sewage systems in another 8, and of water systems in 68 rural communities (\$6,410,000)	Project completed; 140 water and 9 sewage systems built	U.S. dollars	4,400,000	4,287,769	150,000	4,137,769	10/1/64 (4/28/65)	2¾% (1966-91)
Instituto de Vivienda Urbana (Republic of El Salvador) Public entity	Construction of 4,415 housing units in San Salvador and other cities (\$11,100,000)	2,738 houses built; 929 in construction	U.S. dollars	6,000,000	3,644,917	99,939	3,544,978	4/22/65 (10/7/65)	1¼% (1967-96)
TOTAL LOANS TO EL SALVADOR EXPRESSED IN U.S. DOLLARS				21,952,427	19,485,113	1,012,839	18,472,274		
GUATEMALA									
Banco de Guatemala Public entity	Construction of water and sewage systems in various cities (\$5,150,000)	Project completed; 35 water and 18 sewage systems completed	U.S. dollars	3,499,659	3,499,659	326,659	3,173,000	3/8/62 (8/3/62)	2¾% (1963-84)
Republic of Guatemala Public entity	Construction of 5,795 housing units (\$10,740,000)	5,039 houses built; 752 in construction	U.S. dollars	5,300,000	4,581,178	151,438	4,429,740	8/2/62 (10/1/62)	1¼% (1966-92)
Republic of Guatemala Public entity	Farm credit (\$3,500,000)	6,440 credits for \$4,456,941 authorized; 200 rural houses built; 60 under construction	U.S. dollars	2,500,000	2,500,000	262,500	2,237,500	2/14/63 (10/4/63)	1¼% (1964-88)
Republic of Guatemala Public entity	Construction of 23 water and 7 sewage systems in various cities (\$4,530,000)	Construction underway on 4 water systems	U.S. dollars	3,020,000	665,101	11,250	653,851	12/24/64 (8/11/66)	2¾% (1967-91)
TOTAL LOANS TO GUATEMALA EXPRESSED IN U.S. DOLLARS				14,319,659	11,245,938	751,847	10,494,091		
HONDURAS									
Banco Nacional de Fomento (Banco Central de Honduras) Public entity	Farm credit (\$3,575,000)	Project completed; 7,967 credits for \$3,705,332 authorized; 115 houses built	U.S. dollars	2,500,000	2,500,000	225,000	2,275,000	8/30/62 (12/1/62)	1¼% (1963-83)
Instituto de la Vivienda (Republic of Honduras) Public entity	Construction of 736 housing units in Tegucigalpa (\$1,469,000)	Project completed; 752 housing units built	U.S. dollars	1,000,000	1,000,000	50,000	950,000	12/6/62 (5/7/63)	1¼% (1964-90)
Servicio Autónomo Nacional de Acueductos y Alcantarillados (Republic of Honduras) Public entity	Expansion of water system of Tegucigalpa (\$2,700,000)	Construction 50% complete	U.S. dollars	2,150,000	1,339,204	110,000	1,229,204	3/7/63 (4/8/63)	2¾% (1964-88)
Republic of Honduras Public entity	13 farm access roads with a length of 70 miles in the Sula Valley (\$2,087,000)	Project completed	U.S. dollars	1,585,000	1,390,255	110,000	1,280,255	12/31/63 (6/30/64)	1¼% (1965-84)

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					Disbursed	Repaid	Outstanding		
HONDURAS (Cont'd.)									
Servicio Autónomo Nacional de Acueductos y Alcantarillados (Republic of Honduras) Public entity	Improvement of water supply systems for 6 communities (\$500,000)	Project completed	U.S. dollars	372,469	372,469	40,000	332,469	10/8/64 (10/23/64)	2¾% (1966-89)
TOTAL LOANS TO HONDURAS EXPRESSED IN U.S. DOLLARS				7,607,469	6,601,928	535,000	6,066,928		
MEXICO									
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of water supply projects for Mérida and 11 other towns in Yucatán and a sewage system in Chetumal in Territory of Quintana Roo (\$15,280,000)	Project completed	U.S. dollars	9,189,236	9,189,236	1,562,380	7,626,856	3/15/62 (6/15/62)	2¾% (1964-82)
Nacional Financiera, S.A. (United Mexican States) Public entity	Irrigation of 12,500 acres of new lands in Southern Yucatán (\$2,448,000)	Project 88% complete	U.S. dollars	992,910	992,910	186,783	806,127	4/19/62 (6/15/62)	1¼% (1964-82)
Instituto Mexicano de Investigaciones Tecnológicas, A.C. (Nacional Financiera, S.A.) Public entity	Purchase of laboratory and other equipment for applied research center in Mexico City (\$400,000)	Project completed	U.S. dollars	400,000	400,000	152,500	247,500	4/19/62 (8/30/62)	1¼% (1963-77)
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of irrigation and drainage works in the Lerma-Chapala-Santiago Basin in West Central Mexico (\$6,000,000)	Project 98% complete; 96 small irrigation systems built	U.S. dollars	3,000,000	2,720,675	359,669	2,361,006	12/28/62 (6/6/63)	1¼% - (1964-83)
Nacional Financiera, S.A. (United Mexican States) Public entity	Housing, water and sewage facilities for a land settlement program known as El Limón in State of Tabasco (\$10,230,000)	Project 44% complete	U.S. dollars	5,000,000	1,476,375	100,000	1,376,375	6/20/63 (9/19/63)	1¼% (1968-92)
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of 23,000 housing units throughout Mexico (\$81,000,000)	19,854 houses built; 687 in construction	U.S. dollars	10,000,000	6,828,572	120,000	6,708,572	8/27/63 (2/28/64)	1¼% (1965-94)
Nacional Financiera, S.A. (United Mexican States) Public entity	Construction of buildings and acquisition of equipment for national agricultural center at Chapingo near Mexico City (\$9,426,000)	Library building completed; 96% of equipment purchased	U.S. dollars	2,100,000	1,809,079	193,469	1,615,610	12/31/63 (4/15/64)	1¼% (1966-85)
Nacional Financiera, S.A. (United Mexican States) Public entity	Expansion of water supply and sewage systems of Querétaro and Durango (\$8,040,000)	Querétaro system completed; Durango system 98% complete	U.S. dollars	4,824,000	3,818,200	209,936	3,608,264	2/18/65 (3/23/65)	2¾% (1966-85)
TOTAL LOANS TO MEXICO EXPRESSED IN U.S. DOLLARS				35,506,146	27,235,047	2,884,737	24,350,310		
NICARAGUA									
Banco de la Vivienda de Nicaragua (Republic of Nicaragua) Public entity	Construction of 2,850 housing units throughout Nicaragua (\$7,789,000)	Project completed; 2,850 housing units built	U.S. dollars	5,100,000	5,100,000	208,000	4,892,000	3/29/62 (8/2/62)	1¼% (1963-87)
Banco Nacional de Nicaragua Public entity	Farm credit; construction of 410 houses (\$4,033,000)	Project completed; 18,388 credits for \$6,005,671 authorized; 767 houses built	U.S. dollars	2,500,000	2,500,000	454,800	2,045,200	6/14/62 (9/20/62)	1¼% (1963-82)
Republic of Nicaragua Public entity	Preinvestment study for construction of sewage system for Managua (\$235,000)	Study concluded	U.S. dollars	185,000	185,000	113,443	71,557	6/28/63 (9/27/63)	2¾% (1964-70)

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NICARAGUA (Cont'd.)									
Banco de la Vivienda de Nicaragua (Republic of Nicaragua) Public entity	Construction of 3,774 housing units throughout Nicaragua (\$10,162,000)	1,854 housing units built; 60 in construction	U.S. dollars	5,250,000	2,319,910	174,884	2,145,026	12/31/64 (5/27/65)	1¼% (1966-90)
TOTAL LOANS TO NICARAGUA EXPRESSED IN U.S. DOLLARS				13,035,000	10,109,910	951,127	9,153,783		
PANAMA									
Instituto de Vivienda y Urbanismo (Republic of Panama) Public entity	Construction of 3,000 housing units in Panama City (\$10,445,000)	Project completed; 3,000 housing units built	U.S. dollars	7,600,000	7,600,000	760,000	6,840,000	8/3/61 (8/22/61)	1¼% (1962-88)
Instituto de Acueductos y Alcantarillados Nacionales (Republic of Panama) Public entity	Expansion of water supply systems for 8 towns (\$3,835,000)	Project completed	U.S. dollars	2,762,000	2,762,000	151,910	2,610,090	5/31/62 (6/14/62)	2¾% (1963-89)
Instituto de Fomento Económico (Republic of Panama) Public entity	Farm credit (\$4,000,000)	7,547 credits for \$5,732,665 authorized	U.S. dollars	2,500,000	2,471,326	100,920	2,370,406	4/22/65 (8/12/65)	1¼% (1966-85)
TOTAL LOANS TO PANAMA EXPRESSED IN U.S. DOLLARS				12,862,000	12,833,326	1,012,830	11,820,496		
PARAGUAY									
Banco Nacional de Fomento (Republic of Paraguay) Public entity	Farm credit (\$4,338,000)	Project completed; 15,765 credits for \$8,107,151 authorized	U.S. dollars	2,900,000	2,900,000	100,000	2,800,000	12/20/62 (2/1/63)	1¼% (1964-83)
Republic of Paraguay Public entity	Construction of 2,600 housing units throughout Paraguay (\$6,022,000)	143 housing units built; 1,240 under construction	U.S. dollars	3,400,000	1,352,257	40,000	1,312,257	9/10/64 (12/1/64)	1¼% (1966-95)
Universidad Nacional de Asunción (Republic of Paraguay) Public entity	Construction and equipment for national university (\$2,150,000)	Construction 15% complete; 5% of equipment purchased; 52% of technical assistance provided	U.S. dollars	1,500,000	141,964	20,000	121,964	4/8/65 (4/29/65)	1¼% (1967-86)
TOTAL LOANS TO PARAGUAY EXPRESSED IN U.S. DOLLARS				7,800,000	4,394,221	160,000	4,234,221		
PERU									
Republic of Peru Public entity	Construction of 22,800 houses and installation of water and sewage services in existing homes throughout Peru (\$48,700,000)	Project nearly complete; 22,750 houses built; 50 in construction; 24,318 houses provided with water and sewage services	U.S. dollars	22,800,000	22,800,000	1,710,000	21,090,000	10/19/61 (11/24/61)	1¼% (1962-81)
Cooperativa de Crédito Central del Perú (Republic of Peru) Private entity	Farm, housing and water supply credits (\$2,000,000)	Project completed; 886 housing, 52 sanitation and 185 farm credits approved	U.S. dollars	1,000,000	1,000,000	300,000	700,000	10/19/61 (10/27/61)	1¼% (1962-82)
Asociación Mutual de Crédito para la Vivienda "El Pueblo" (Republic of Peru) Private entity	Construction of 362 houses in Lima (\$2,069,000)	Project completed; 362 housing units built	U.S. dollars	1,000,000	1,000,000	225,000	775,000	3/15/62 (5/1/62)	1¼% (1963-83)
Universidad Nacional Mayor de San Marcos (Republic of Peru) Public entity	Establishment of a post-graduate Department of Basic Sciences (\$3,002,000)	Construction work completed; 78% of equipment purchased; most technical assistance provided	U.S. dollars	1,500,000	1,005,504	381,398	624,106	11/15/62 (12/17/62)	1¼% (1963-77)
Republic of Peru Public entity	Installation of water supply systems for 153 rural communities throughout Peru (\$3,100,000)	Project completed; 153 systems in operation	U.S. dollars	1,650,000	1,650,000	80,000	1,570,000	3/19/64 (3/24/64)	2¾% (1965-94)
Universidad Agraria (Republic of Peru) Public entity	Construction and equipment for expansion of agricultural university (\$8,700,000)	Construction 99% complete; 95% of equipment purchased	U.S. dollars	2,000,000	1,969,629	93,025	1,876,604	4/30/64 (5/1/64)	1¼% (1965-84)

SOCIAL PROGRESS TRUST FUND

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
PERU (Cont'd.)									
Republic of Peru Public entity	Construction of 10 irrigation projects in Peruvian Sierra with an area of 42,500 acres (\$5,500,000)	Project 84% complete	U.S. dollars	3,500,000	3,106,685	97,456	3,009,229	10/8/64 (11/6/64)	1¼% (1965-89)
Universidad Nacional de Ingeniería (Republic of Peru) Public entity	Construction and other facilities to expand and improve national engineering university (\$9,158,000)	Construction 40% complete; 50% of equipment purchased; 70% of technical assistance provided	U.S. dollars	2,500,000	1,078,259	50,000	1,028,259	10/8/64 (11/5/64)	1¼% (1966-85)
Asociación Mutual de Crédito para la Vivienda "El Pueblo" (Republic of Peru) Private entity	Construction of 400 housing units in Lima-Callao area (\$1,680,000)	200 houses built; 83 in construction	U.S. dollars	1,200,000	594,723	40,000	554,723	7/8/65 (8/19/65)	1¼% (1967-86)
Republic of Peru Public entity	Construction of water and sewage systems in 100 communities of from 2,000 to 30,000 inhabitants (\$13,667,000)	18 water systems completed and 8 in construction; 27 sewage systems completed and 25 in construction	U.S. dollars	8,100,000	3,436,846	40,000	3,396,846	9/9/65 (2/21/66)	2¾% (1967-91)
TOTAL LOANS TO PERU EXPRESSED IN U.S. DOLLARS				45,250,000	37,641,646	3,016,879	34,624,767		
URUGUAY									
Gobierno del Departamento de Montevideo Public entity	Expansion of sewage system of Montevideo (\$12,000,000)	Project 94% complete	U.S. dollars	2,500,000	2,252,809	37,500	2,215,309	12/7/61 (5/21/63)	2¾% (1966-86)
Republic of Uruguay Public entity	Construction of 4,100 housing units in Departments of Montevideo and Soriano (\$15,301,000)	1,418 houses built; 2,389 under construction	U.S. dollars	8,000,000	4,009,730	162,000	3,847,730	9/20/62 (5/21/63)	1¼% (1966-91)
TOTAL LOANS TO URUGUAY EXPRESSED IN U.S. DOLLARS				10,500,000	6,262,539	199,500	6,063,039		
VENEZUELA									
Banco Obrero de Venezuela (Republic of Venezuela) Public entity	Construction of 21,000 rural houses throughout Venezuela (\$45,950,000)	Project completed; 21,000 houses built	U.S. dollars	12,000,000	12,000,000	3,620,000	8,380,000	8/3/61 (11/15/61)	1¼% (1962-81)
Republic of Venezuela Public entity	Construction of water systems for 330 rural communities of under 5,000 inhabitants (\$20,000,000)	Project completed	U.S. dollars	9,999,883	9,999,883	2,585,883	7,414,000	12/7/61 (5/3/62)	2¾% (1963-82)
Instituto Nacional de Obras Sanitarias (Republic of Venezuela) Public entity	Construction of water systems for 59 cities of from 5,000 to 10,000 inhabitants (\$21,000,000)	59 original systems completed; 4 additional under construction	U.S. dollars	9,989,505	9,989,505	2,346,667	7,642,838	12/14/61 (5/3/62)	2¾% (1963-82)
Banco Obrero de Venezuela (Republic of Venezuela) Public entity	Construction of 5,710 housing units in Caracas and other main cities (\$14,925,000)	Project completed; 5,732 housing units built	U.S. dollars	9,871,335	9,871,335	2,054,267	7,817,068	3/29/62 (6/8/62)	1¼% (1963-84)
Instituto Agrario Nacional (Republic of Venezuela) Public entity	Construction of facilities for 124 land settlement projects in 18 states (\$41,740,000)	Project 76% complete, including construction of 502 houses	U.S. dollars	10,000,000	6,272,428	1,331,693	4,940,735	11/8/62 (12/19/62)	1¼% (1963-82)
Universidad de Oriente (Corporación Venezolana de Fomento) Public entity	Improvement of instruction in basic sciences at Cumaná, Josepín and Barcelona centers of Universidad de Oriente (\$2,400,000)	Project completed	U.S. dollars	1,000,000	1,000,000	164,081	835,919	4/18/63 (10/17/63)	1¼% (1964-78)
Republic of Venezuela Public entity	Construction of water systems for 300 rural communities (\$20,000,000)	607 systems built; 95 in construction	Bolivares ¹	2,000,000	1,345,243	40,000	1,305,243	12/24/64	2¾%
			U.S. dollars	8,000,000	7,910,896	802,977	7,107,919	(4/29/65)	(1966-85)
			Total in U.S. dollars	10,000,000	9,256,139	842,977	8,413,162		

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Status of Loans			Approved (Signed)	Interest (Maturity)
					Disbursed	Repaid	Outstanding		
VENEZUELA (Cont'd.)									
Republic of Venezuela Public entity	Construction of 18,000 rural houses throughout Venezuela (\$31,356,000)	Project completed; 18,000 housing units built	U.S. dollars	10,000,000	10,000,000	581,218	9,418,782	4/22/65 (7/30/65)	1¼% (1966-85)
TOTAL LOANS TO VENEZUELA EXPRESSED IN U.S. DOLLARS				72,860,723	68,389,290	13,526,786	54,862,504		
REGIONAL									
Universities in Central America								12/20/62	1¼%
Universidad de Costa Rica (Republic of Costa Rica)	Expansion of facilities for teaching basic sciences (\$2,580,000)	Construction completed; 97% of equipment and all technical assistance provided	U.S. dollars	765,000	732,477	209,279	523,198	(6/17/63)	(1964-81)
Universidad Nacional de El Salvador (Republic of El Salvador)	Expansion of facilities for teaching basic sciences (\$2,460,000)	Construction 81% com- pleted; 54% of equip- ment purchased	U.S. dollars	675,000	333,097	46,806	286,290	(12/16/64)	(1966-83)
Universidad de San Carlos (Republic of Guatemala)	Expansion of facilities for teaching basic sciences (\$2,592,000)	Construction completed; 95% of equipment pur- chased; technical assis- tance initiated	U.S. dollars	785,000	399,162	74,783	324,379	(6/17/63)	(1965-82)
Universidad Autónoma Nacional de Honduras (Republic of Honduras)	Expansion of facilities for teaching basic sciences (\$1,708,000)	Construction completed; 53% of equipment pur- chased; all technical assistance provided	U.S. dollars	350,000	263,602	62,390	201,213	(6/17/63)	(1964-81)
Universidad Nacional Autónoma de Nicaragua (Republic of Nicaragua)	Expansion of facilities for teaching basic sciences (\$1,070,000)	Construction and technical assistance phase completed; 98% of equipment purchased	U.S. dollars	350,000	346,083	88,993	257,090	(6/17/63)	(1964-81)
TOTAL REGIONAL LOANS EXPRESSED IN U.S. DOLLARS				2,925,000	2,074,421	482,251	1,592,170		
NET TOTAL LOANS EXPRESSED IN U.S. DOLLARS				498,719,032	411,008,869	39,257,363	371,751,506		

Notes:

- A) In addition to the interest rate shown, all loans have a service charge of ¾ of 1% on principal amounts outstanding.
- B) All of the loans have been approved by the Bank, but certain loans have not become effective and disbursements thereunder will not begin until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank.
- C) Of the undisbursed balance of loans, the Bank has entered into irrevocable commitment to disburse \$2,402,196.
- ¹ Expressed in U.S. dollar equivalent.

Part IV
OTHER
RESOURCES
Operations/
Fiscal Year 1968

NEW PIER is being built in Port of Acajutla
in El Salvador under expansion program
financed partially from a loan provided with
the resources which the Bank administers
for the Government of Canada.



Resources

During 1968 the Inter-American Bank registered greater success in raising capital resources for Latin America's economic and social development from non-member countries than it had in any previous year of its history.

Through various arrangements the Bank obtained commitments from non-member countries totaling \$109,136,431. As a result of these commitments, as of Dec. 31, 1968, the Bank had entered into arrangements to channel some \$310,142,086 in non-member funds, including \$179,010,880 raised by the Bank through bond sales and direct loans; \$108,357,904 in resources the Bank either administers or helps to channel in parallel financing arrangements, and \$22,773,302 through various other arrangements.

These arrangements include:

- Bond sales totaling the equivalent of \$145,410,880 in Austria, Belgium, Germany, Israel, Italy, the Netherlands, Switzerland and the United Kingdom and direct loans equivalent to \$33.6 million in Finland, Japan and Spain. In addition, South Africa purchased directly from the Bank \$2.5 million in a bond issue sold in the United States in 1968. These funds have been incorporated into the Bank's ordinary capital resources for lending.

- The administration of funds totaling the equivalent of \$69,469,015 through agreements with Canada, Germany, Sweden and the United Kingdom. The Bank also administers a loan of \$1,250,000 made by the Inter-Governmental Committee for European Migration for an agricultural colonization project in Brazil.

- Parallel or independent financing arrangements with Canada and the Netherlands totaling the equivalent of \$38,888,889.

- Sales of participations in ordinary capital loans, totaling the equivalent of

\$5,273,302 to commercial institutions in Belgium, Canada, Germany, Italy, Japan, Switzerland and the United Kingdom. In addition, Spain has agreed to purchase \$7.5 million of such participations contingent on procurement generated by the Bank's loans in Spain. During 1968 the Government of Finland also agreed to lend the Bank up to an additional \$10 million in proportion to the purchases made in Finland under Bank loans.

All of these arrangements are summarized in the accompanying table.

The proceeds of the bond issues and the direct loans which the Bank obtains from non-member countries are incorporated into the Bank's ordinary capi-

tal resources. Such operations are described in detail in Part I of the Annual Report. However, in order to give an overall view of the Bank's efforts to mobilize capital resources in non-member countries, all are summarized below.

Bond Issues and Direct Loans

The \$179,010,880 which the Bank has raised through the sale of bonds and direct loans in non-member countries include:

AUSTRIA—A bond issue for 150 million Austrian schillings (\$5,769,231) sold in 1968.

BELGIUM—A bond issue of 300 million Belgian francs (\$6 million) sold in 1967.

FINANCIAL ARRANGEMENTS WITH NON-MEMBER COUNTRIES

Arrangement	Date	Amount and Currency	Dollar Equivalent
Bond Issues and Loans			
Austria	11/15/68	150,000,000 Austrian schillings	\$ 5,769,231
Belgium	11/17/67	300,000,000 Belgian francs	6,000,000
Finland	10/4/68	\$1,100,000	1,100,000
Germany	7/7/64	60,000,000 Deutsche marks	15,000,000
.....	6/26/68	100,000,000 Deutsche marks	25,000,000
Israel	4/15/68	\$5,000,000	5,000,000
Italy	4/5/62	15,000,000,000 Italian lire	24,000,000
.....	1/28/66	15,000,000,000 Italian lire	24,000,000
Japan	6/27/66	3,600,000,000 yen	10,000,000
.....	10/3/68	3,600,000,000 yen	10,000,000
Netherlands	6/20/68	30,000,000 Netherlands guilders	8,287,293
Spain	3/30/65	\$12,500,000	12,500,000
Switzerland	8/19/66	50,000,000 Swiss francs	11,433,798
.....	9/6/68	60,000,000 Swiss francs	13,720,558
United Kingdom	9/2/64	£3,000,000	7,200,000
Total			\$179,010,880
Funds in Administration			
Canada	12/4/64	C\$10,000,000	9,259,259
.....	9/30/65	C\$10,000,000	9,259,259
.....	7/22/66	C\$10,000,000	9,259,259
.....	4/23/67	C\$10,000,000	9,259,259
.....	13/30/68	C\$10,000,000	9,259,259
Germany	8/10/61	8,000,000 Deutsche marks	2,000,000
.....	10/30/62	7,000,000 Deutsche marks	1,750,000
.....	2/19/64	11,920,000 Deutsche marks	2,980,000
.....	6/21/66	6,000,000 Deutsche marks	1,500,000
Sweden	12/27/66	\$5,000,000	5,000,000
United Kingdom	4/18/66	£4,142,800	9,942,720
Total			\$ 69,469,015
Parallel Financing Agreements			
Canada	6/28/65	C\$15,000,000	13,888,889
Netherlands	9/30/65	36,000,000 Netherlands guilders	10,000,000
.....	12/16/68	54,000,000 Netherlands guilders	15,000,000
Total			\$ 38,888,889
Loan Participations and Other Arrangements			
Finland	10/4/68		10,000,000
Spain	3/30/65		7,500,000
Other countries			5,273,302
Total			\$ 22,773,302
GRAND TOTAL			\$310,142,086

OTHER RESOURCES

FINLAND—A direct loan of \$1.1 million obtained in 1968. (Finland also pledged to make an additional \$10 million available to the Bank to be drawn down over a two-year period in the proportion that Bank loans generate purchases in Finland.)

GERMANY—Two bond issues equivalent to \$40 million, including 60 million Deutsche marks (\$15 million) in 1965 and 100 million Deutsche marks (\$25 million) in 1968. (Subsequent to the close of the fiscal period covered in this report, on Jan. 31, 1969, the Bank made a private borrowing for 100 million Deutsche marks [\$25 million] in the German market).

ISRAEL—The purchase of \$5 million in a short-term bond issue placed in 1968 primarily in Latin America.

ITALY—Two bond issues equivalent to \$48 million, including 15 billion lire (\$24 million) in 1962 and 15 billion lire (\$24 million) in 1966. (Subsequent to the period covered by this report on Feb. 17, 1969, the Bank sold an additional issue in Italy for 15 billion lire [\$24 million]).

JAPAN—Two borrowings totaling \$20 million, including 3.6 billion yen (\$10 million) in 1966, and a similar amount in 1968. The latter sum is to be drawn down over a 27-month period ending Dec. 31, 1970.

THE NETHERLANDS—A bond issue for 30 million Netherlands guilders (\$8,287,293) in 1968.

SPAIN—\$12.5 million in a direct loan obtained in 1965 from the *Instituto Español de Moneda Extranjera*.

SWITZERLAND—Two bond issues for the equivalent of \$25,154,356, including 50 million Swiss francs (\$11,433,798) in 1966 and 60 million Swiss francs (\$13,720,558) in 1968.

UNITED KINGDOM—A bond issue of 3 million pounds sterling (\$7.2 million) sold in 1964.

Parallel and Independent Financing

The Bank's parallel and independent financing arrangements have been entered into with Canada and the Netherlands for a total of \$38,888,889, as follows:

CANADA—Under an agreement entered into June 28, 1965, Canada's Export Credits Insurance Corporation (ECIC) pledged to make available 15 million Canadian dollars (\$13,888,889) for long-term financing of exports of Canadian capital goods and related services for economic development projects in Latin America in cooperation with the Bank. ECIC makes the funds available through credits on a parallel or on an independent financing basis for terms ranging up to 20 years at commercial

rates of interest.

Under this arrangement ECIC authorized one loan in 1968 for the equivalent of \$2.3 million to the *Companhia Vale do Rio Doce* of Brazil, to help finance the second phase of an iron ore expansion program (page 23). The loan was for 15 years at 6 per cent.

THE NETHERLANDS—Through an agreement initiated Sept. 30, 1965, the Bank and the Netherlands are also cooperating on a parallel or independent basis in financing economic development projects in Latin America. The original 36 million guilders committed to the pro-

WATER SYSTEM for low-income sections of metropolitan São Paulo is being expanded with help of ordinary capital and Swedish Fund loans.



gram was increased to 90 million guilders (\$25 million) in 1968. The Netherlands funds are lent for terms of up to 25 years, normally at a 6½ per cent interest rate. The loans are extended by the Netherlands Investment Bank for Developing Countries (*De Nederlandse Investeringsbank voor Ontwikkelingslanden N.V.*), and are intended to finance the purchase of goods and services from the Netherlands. Nonetheless, 20 per cent of such loans, or in special cases up to 40 per cent, may be used to cover the local costs of projects. During the year the Netherlands authorized four loans:

- \$2 million extended on an independent basis to the *Cooperativa Central dos Produtores Rurais* for a dairy development program in the State of Minas Gerais in Brazil.

- \$277,778 to the *Empresa Nacional de Telecomunicaciones* in Chile on a parallel basis with previous Bank financing to help finance a program to provide Chile with a modern telecommunications system. This loan supplements one for \$700,000 authorized by the Netherlands for the same purpose in 1967.

- \$3,250,000 to the *Administración Nacional de Puertos* of Uruguay on a parallel basis with the Bank for a project to improve and modernize the Port of Montevideo (page 27).

- \$666,667 to *Empresa Nacional de Desarrollo Eléctrico, S.A., (ENDESA)* in Chile for field studies of a hydroelectric and irrigation project in Colbún in the Maule River Valley.

Three of the above loans were extended at rates of interest of 6½ per cent annually for 15 years, including grace periods. The fourth, the one to *ENDESA*, was made for a term of 20 years at the same interest rate.

Funds Under Administration

The Bank has entered into agreements with Canada, Germany, Sweden and the United Kingdom to administer funds

provided by those countries for development projects in Latin America. As of Dec. 31, 1968, such funds totaled \$69,469,015.

A general description of the funds administered for each of those countries and a summary of the loans and technical assistance approved from these funds during 1968 follows:

CANADA—Under an agreement signed between the Canadian International Development Agency (formerly the External Aid Office) and the Bank Dec. 4, 1964, the Bank began administering Canadian aid resources amounting to 10 million Canadian dollars to finance economic, technical and educational assistance projects in Latin America. Through subsequent increases of 10 million Canadian dollars each, the latest of which was made in 1968, these resources have risen to 50 million Canadian dollars as of Dec. 31, 1968. The resources are used in making loans for periods ranging up to 50 years at little or no interest rates. The Bank charges a commission of ½ of 1 per cent annually, payable in Canadian currency, on amounts committed or outstanding, to compensate it for services rendered. The resources of the loans are used to purchase goods and services in Canada. During 1968 the Bank approved three loans from these resources totaling \$17,284,300. These brought the total loans extended from the Canadian resources to 13 amounting to \$36,891,667. The loans extended in 1968 are described beginning on page 136.

GERMANY—Under an agreement signed in 1961, and supplemented by subsequent protocols, the Federal Republic of Germany has participated with the United States and the Bank in financing a program to rehabilitate Bolivia's national tin mines. The German funds are provided through the *Kreditanstalt für Wiederaufbau*, the agency in charge of the nation's foreign aid program. As of Dec. 31, 1968, these totaled \$8,230,000. They have been loaned by the Bank for

terms of up to 10 years at interest rates of 4 per cent per annum.

SWEDEN—On Dec. 27, 1966, the Bank entered into an agreement with the Government of Sweden to administer a \$5 million Swedish Development Fund for Latin America. Loans from the fund are extended in dollars at terms applied by the Government of Sweden to its development aid credits, currently 2 per cent annually, and for periods of up to 25 years, including grace periods. The Bank also charges a commission of up to ½ of 1 per cent per annum on amounts committed or outstanding. The loans, which are made in conjunction with ordinary capital resource loans, are untied. However, Swedish suppliers are given adequate opportunity to bid on goods and services supplied with the loan proceeds. The entire \$5 million was lent during 1968 to help finance the São Paulo water project described on page 136.

UNITED KINGDOM—On April 18, 1966, the Government of the United Kingdom signed an agreement with the Bank to place 4,142,800 pounds sterling (equivalent to \$9,942,720) under the Bank's administration to finance economic assistance projects in Latin America. The Bank uses these resources in making loans for terms ranging from 15 to 25 years at interest rates determined in each case. The Bank charges a commission of up to ½ of 1 per cent annually on principal amounts committed or outstanding. The proceeds are used to purchase goods and services in the United Kingdom. During 1968 the Bank authorized two loans from these resources (pages 137 and 138).

Loans

During 1968 the Inter-American Bank authorized six loans totaling the equivalent of \$27,223,460 from the resources which it administers for non-member countries. This was a higher figure than the Bank had previously approved in all of its years of lending op-

OTHER RESOURCES

erations with these funds. The loans extended from these resources included:

- Three for 18,667,000 Canadian dollars (\$17,284,300) from the resources which the Bank administers for the Government of Canada.
- One for \$5 million from the resources which the Bank administers for the Government of Sweden.
- Two for 2,058,000 pounds sterling (\$4,939,200) from the resources which the Bank administers for the Government of the United Kingdom.

The 1968 authorizations brought the net total of such loans authorized by the Bank to 17 for \$47,690,067. The total cost of the project which these loans are helping to finance is estimated at \$100 million, of which sum the loan resources have provided 47 per cent; the remaining 53 per cent being provided by the borrowers themselves.

The three Canadian loans included \$15.5 million (along with \$43.3 million from the ordinary capital resources) to the *Corporación Autónoma Regional del Cauca* and the *Central Hidroeléctrica del Río Anchicayá, Ltda.*, to help build a 340,000-kilowatt hydroelectric power plant near Cali, Colombia; \$1 million (along with \$3.1 million from the Fund for Special Operations) to help Colombia establish a Preinvestment Fund, and \$784,300 to help Brazil finance a study of a new jet airport capable of handling the jumbo planes which will fly the world's airways in the 1970's.

The loan extended from the resources which the Bank administers for the Government of Sweden was for \$5 million (along with \$11.5 million from the ordinary capital resources) to help the *State of São Paulo* carry out a program to expand its water supply system.

The United Kingdom loans included \$4,080,000 (along with \$5,420,000 from the Fund for Special Operations) to help modernize Bolivia's telecommunications system, and \$859,200 (along with \$6.5 million from the ordinary capital re-

sources and \$2.5 million from the Fund for Special Operations) to the *Banco Industrial del Perú* for an industrial credit program.

Each of the loans extended from the resources which the Bank administers for non-member countries are described in detail below.

ELECTRIC POWER

COLOMBIA

CAUCA VALLEY HYDROELECTRIC PROJECT

\$15.5 million 50-year interest free loan of Dec. 30, 1968
(\$16,740,000 Canadian dollars)

Borrowers: **CORPORACION AUTONOMA REGIONAL DEL CAUCA AND CENTRAL HIDROELECTRICA DEL RIO ANCHICAYA, LTDA.**

This loan, along with \$43.3 million from the ordinary capital resources (page 20), is providing financing totaling \$58.8 million to help build Colombia's largest hydroelectric power project.

The project, a 340,000-kilowatt plant, is being built 31 miles west of Cali by the *Corporación Autónoma Regional del Cauca (CVC)* and will be operated by the *Central Hidroeléctrica del Río Anchicayá, Ltda. (CHIDRAL)*.

Electric power consumption in the CVC area grew in the 1960-67 period at an annual rate of 16 per cent. Growth was particularly heavy in the areas outside of Cali, the principal city in the area. Consumption is expected to rise at least 10 per cent yearly in the 1968-80 period. For this reason, CVC and CHIDRAL have embarked on a vast expansion program.

This interest-free Canadian loan will be used exclusively to purchase goods and services in Canada, including electrical and mechanical equipment, material for the transmission system and engineering costs.

The loan is guaranteed by the Republic of Colombia.

WATER SUPPLY

BRAZIL

SÃO PAULO WATER SYSTEM

\$5 million 25-year 2% loan of April 25, 1968

Borrower: **STATE OF SÃO PAULO**

This loan, along with \$11.5 million from the ordinary capital resources (page 27), is financing 20.1 per cent of the cost of a broad project to improve and expand the potable water system of São Paulo, Latin America's fastest growing metropolitan area.

The loan represents the entire \$5 million which the Government of Sweden placed under the Bank's administration in late 1966 under its foreign aid program for Latin America.

The project will provide city water for the first time to 2 million household users, most of them low-income families, who reside in the north and east sections of the metropolitan area. In addition, about 23 per cent of the expanded supply will be devoted to industry.

The project provides for the execution of the civil works needed to tap the waters of the Juquerí and Atibainha Rivers. It also includes construction of the pumping stations and treatment plants to handle the additional water, the installation of control equipment, and the expansion of the transmission and distribution systems. Up to \$230,000 of this loan will be used to provide technical assistance services to the agency carrying out the project, the *Companhia Metropolitana de Aguas do Estado de São Paulo*.

The loan is guaranteed by the Federal Republic of Brazil.

COMMUNICATIONS

BOLIVIA

TELECOMMUNICATIONS

\$4,080,000 18-year interest free loan of July 17, 1968
(\$1.7 million pounds sterling)

Borrower: **REPUBLIC OF BOLIVIA**

This loan, along with \$5,420,000 from the Fund for Special Operations

(page 59), will finance the first of a projected three-phase program designed to modernize and expand Bolivia's telecommunications system over a 20-year period.

This phase calls for the execution of four subprojects which include:

- The establishment of a wide-band microwave backbone system with a capacity of 960 voice channels interconnecting the cities of La Paz, Oruro, Cochabamba and Santa Cruz and linking La Paz internationally through Puno, Peru.
- The installation of a limited capacity telephone network connecting six towns around Lake Titicaca with the backbone system.
- The construction of an eight-channel telephone line with carrier wave from Santa Cruz to Puerto Suárez on the Brazilian border and across the border to Corumbá.
- The installation of a modern high frequency, single sideband radio network to provide service between La Paz and the distant cities of Tarija, Camiri, Trinidad and Riberalta.

This interest free loan, which will be used for the purchase of goods and services originating in the United Kingdom, will be devoted to the first subproject.

PREINVESTMENT

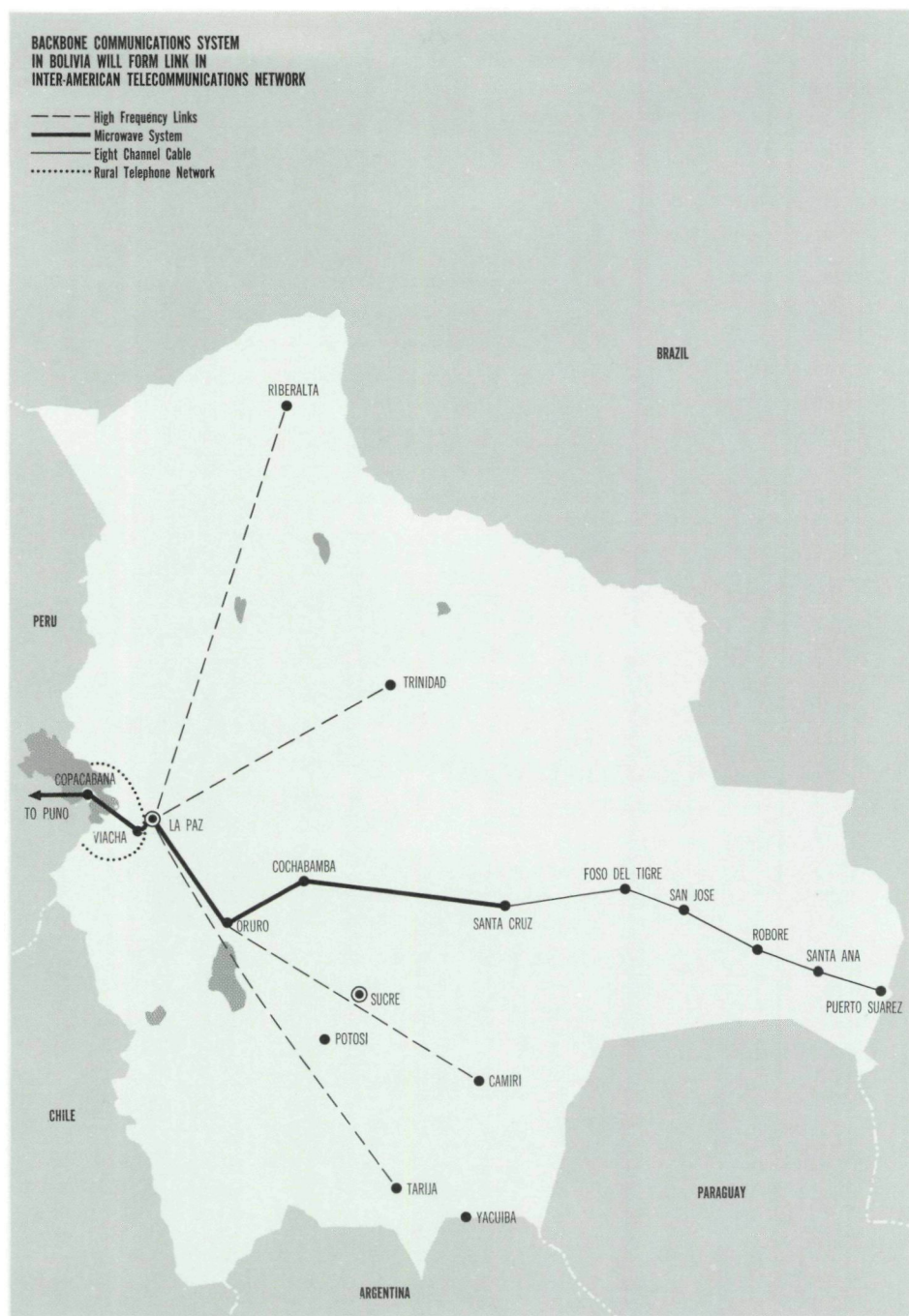
COLOMBIA

PREINVESTMENT FUND

\$1 million 50-year interest free loan of April 4, 1968
(1,080,000 Canadian dollars)

Borrower: **REPUBLIC OF COLOMBIA**

This loan, along with \$3.1 million from the Fund for Special Operations (page 71), will enable Colombia's Planning Department, the *Departamento Administrativo de Planeación*, to establish a \$6 million preinvestment fund devoted to the preparation of specific development projects and general studies designed to help Colombia carry out its



10-year national economic and social development plan.

Some 90 per cent will be devoted to specific projects and 10 per cent to general studies. Approximately 48 per cent of the resources devoted to the specific studies will be used for in-

frastructure projects, 24 per cent for agriculture, 20 per cent for industry and 8 per cent for economic integration projects.

In selecting projects, priority will be given to those broadening employment, modernizing enterprises, expanding exports, replacing imports or fostering na-

OTHER RESOURCES

tional or regional integration.

This interest free Canadian dollar loan will be used to engage the services of Canadian companies to prepare studies of specific projects.

BRAZIL

AIRPORT FEASIBILITY STUDY

\$784,300 50-year interest free loan of Dec. 13, 1968
(847,000 Canadian dollars)

Borrower: **FEDERAL REPUBLIC OF BRAZIL**

According to statistics of the International Civil Aviation Organization, international passenger air traffic in Latin America increased between 1956 and 1966 at an annual rate of 12.9 per cent, while domestic traffic grew by only 4.1 per cent during the same time.

Growth in international traffic in Brazil was particularly high, increasing at an average annual rate of 16.8 per cent in the 1960-66 period. In view of this dynamic growth, Brazil is currently giving serious consideration to its future airport requirements.

This loan will enable the Government of Brazil to carry out a feasibility study for the construction of a new jet airport capable of handling the jumbo planes which will be flying the world's airlines in the 1970's.

The study will evaluate the most suitable airport location site from the technical, economic and tourist viewpoints.

The total cost of the feasibility study is estimated at \$1,138,300, of which \$784,300 is being provided by this loan and the remainder by a \$354,000 loan from the Bank of Nova Scotia.

INDUSTRY

PERU

INDUSTRIAL CREDIT

\$859,200 18-year 7½% loan of Feb. 16, 1968
(358,000 pounds sterling)

Borrower: **BANCO INDUSTRIAL DEL PERU**

Industry, which accounts for about 19 per cent of Peru's gross domestic

product, has developed primarily through the private initiative of a small, vigorous entrepreneurial class. In 1963 some 4,360 establishments employed more than 150,000 persons. Despite advances in recent years, however, many of those enterprises are in an initial stage of development, characterized by a heavy concentration of industrial activities in specific areas employing comparatively simple manufacturing processes.

In addition, a preponderance of such industry is located in the Lima-Callao area. Since 1962, the Inter-American Bank has cooperated with the *Banco Industrial del Perú* in providing credit designed to improve the technology of such industries and to spread their benefits far outside the metropolitan area to some of Peru's interior underdeveloped areas.

This loan from the resources which the Bank administers for the United Kingdom, along with loans of \$6.5 million from the ordinary capital resources (page 24) and \$2.5 million from the Fund for Special Operations (page 68), will contribute to the execution of a further stage in these efforts. The proceeds will be relented to industries in Peru for the purchase of goods and services in the United Kingdom.

The loan is guaranteed by the Republic of Peru.

TECHNICAL ASSISTANCE

In 1968 the Bank authorized a total of \$2,014,300 in reimbursable technical assistance from the resources it administers for the Government of Canada and Sweden. This brought the cumulative total of such assistance to \$5,983,703, including \$5,753,703 from the Canadian funds and \$230,000 from the Swedish funds.

On a country basis the individual authorizations in 1968 included:

BRAZIL—Up to \$230,000 of a \$5 million loan extended April 25 from the resources which the Bank administers for

Sweden to help finance a water supply project in São Paulo (page 136) will be used to finance advisory services connected with the organization of the *Companhia Metropolitana de Aguas e Esgotos*, which is carrying out the project.

The Bank on Dec. 13 approved a loan of 847,000 Canadian dollars (\$784,300) to the Federal Republic of Brazil from the resources it administers for the Government of Canada (page 138) to carry out a feasibility study for the construction of a new international airport.

COLOMBIA—On April 4 the Bank extended a loan for 1,080,000 Canadian dollars (\$1 million) from the resources it administers for the Government of Canada to help the Republic of Colombia create a preinvestment fund for financing the preparation of studies of projects (page 137).

SMALL AND MEDIUM INDUSTRY in Peru has benefited from a variety of loans channeled through Banco Industrial del Peru.



OTHER RESOURCES

CANADIAN RESOURCES

Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid Outstanding	Approved (Signed)	Interest (Maturity)
ARGENTINA								
Republic of Argentina Public entity	Establishment of a pre-investment fund for the preparation of specific projects and general studies (\$1,100,000)		Canadian dollars Stated in U.S. dollars	756,000 700,000			9/15/66 (2/21/67)	Interest free (1977-2017)
BOLIVIA								
Corporación Boliviana de Fomento (Republic of Bolivia) Public entity	Industrial and mining credits (\$2,594,000)		Canadian dollars Stated in U.S. dollars	1,620,000 1,500,000			11/10/66 (2/28/67)	Interest free (1974-98)
BRAZIL								
Federal Republic of Brazil Public entity	Airport facility study (\$1,138,000)		Canadian dollars Stated in U.S. dollars	847,000 784,260			12/13/68	Interest free (1969-2019)
CHILE								
Universidad Técnica del Estado (Corporación de Fomento de la Producción) Public entity	Improvements in training and research in technological sciences (\$12,874,000)	7% of equipment acquired	Canadian dollars Stated in U.S. dollars	4,320,000 4,000,000	59,757		4/13/67 (6/26/67)	Interest free (1977-2018)
Empresa Nacional de Telecomunicaciones (Corporación de Fomento de la Producción) Public entity	Modernization of Chile's telecommunications network (\$8,936,000)		Canadian dollars Stated in U.S. dollars	4,320,000 4,000,000			9/28/67 (5/23/67)	3% (1975-98)
TOTAL LOANS TO CHILE EXPRESSED IN CANADIAN DOLLARS				8,640,000	59,757		59,757	
TOTAL LOANS TO CHILE EXPRESSED IN U.S. DOLLARS				8,000,000				
COLOMBIA								
Republic of Colombia Public entity	Establishment of a pre-investment fund for the preparation of specific projects and general studies (\$1,580,000)		Canadian dollars Stated in U.S. dollars	1,080,000 1,000,000			4/4/68 (4/21/68)	Interest free (1978-2019)
Corporación Autónoma Regional del Cauca Central Hidroeléctrica del Río Anchicaya Ltda. Public entities	Construction of 340,000-kilowatt hydroelectric power project in Cauca Valley (\$23,329,000)		Canadian dollars Stated in U.S. dollars	16,740,000 15,500,000			12/30/68	Interest free (1974-89)
TOTAL LOANS TO COLOMBIA EXPRESSED IN CANADIAN DOLLARS				17,820,000				
TOTAL LOANS TO COLOMBIA EXPRESSED IN U.S. DOLLARS				16,500,000				
ECUADOR								
Republic of Ecuador Public entity	Preinvestment studies for development of Guayas River basin (\$1,870,000)	Project 46% complete	Canadian dollars Stated in U.S. dollars	1,260,000 1,166,667	579,114		579,114 11/24/65 (8/5/66)	Interest free (1976-2017)
EL SALVADOR								
Comisión Ejecutiva Portuaria Autónoma de El Salvador (Republic of El Salvador) Public entity	Expansion of port facilities at Acajutla (\$6,654,000)	Project 53% complete	Canadian dollars Stated in U.S. dollars	3,240,000 3,000,000	1,641,435		1,641,435 6/10/65 (5/5/66)	Interest free (1971-2001)

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid Outstanding	Approved (Signed)	Interest (Maturity)
MEXICO								
Nacional Financiera, S.A., (United Mexican States) Public entity	Establishment of a pre- investment fund for the preparation of specific projects and general studies (\$785,000)		Canadian dollars Stated in U.S. dollars	540,000 500,000			12/28/66 (3/31/67)	Interest free (1977- 2017)
PARAGUAY								
Republic of Paraguay Public entity	Highway feasibility studies (\$1,000,000)	Project 56% complete	Canadian dollars Stated in U.S. dollars	800,000 740,740	444,360		444,360 6/23/66 (11/9/66)	Interest free (1977- 2017)
PERU								
Republic of Peru Public entity	Establishment of a pre- investment fund for the preparation of specific projects and general studies (\$900,000)		Canadian dollars Stated in U.S. dollars	540,000 500,000			9/29/66 (2/8/68)	Interest free (1978- 2018)
REGIONAL								
Central American Bank for Economic Integration Public entity	Infrastructure credits (\$4,536,000)		Canadian dollars Stated in U.S. dollars	3,780,000 3,500,000			1/26/67 (4/26/67)	Interest free (1977- 2017)
TOTAL LOANS EXPRESSED IN CANADIAN DOLLARS				39,843,000	2,724,666		2,724,666	
TOTAL LOANS EXPRESSED IN U.S. DOLLARS				36,891,667				

SWEDISH RESOURCES
Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid Outstanding	Approved (Signed)	Interest (Maturity)
BRAZIL								
State of São Paulo (Federal Republic of Brazil) Public entity	Improvement and expansion of São Paulo water system (\$24,848,000)		U.S. dollars	5,000,000			4/25/68 (10/17/68)	2% (1979-94)
TOTAL LOANS EXPRESSED IN U.S. DOLLARS				5,000,000				

UNITED KINGDOM RESOURCES
Statement of Loans as of Dec. 31, 1968

Country and Borrower (Guarantor)	Purpose (Project Cost)	Progress Achieved	Currency	Amount	Disbursed	Status of Loans Repaid Outstanding	Approved (Signed)	Interest (Maturity)
BOLIVIA								
Republic of Bolivia Public entity	Construction of basic tele- communications network in Bolivia (\$5,411,000)		Pounds sterling Stated in U.S. dollars	1,700,000 4,080,000			7/17/68 (10/22/68)	Interest free (1973-87)
CHILE								
Corporación de Fomento de la Producción Public entity	Credits for development of private industries and crafts (\$2,691,000)		Pounds sterling Stated in U.S. dollars	358,000 859,200			9/7/67 (11/22/67)	6 7/8% (1972-83)
PERU								
Banco Industrial del Perú (Republic of Peru) Public entity	Industrial credits (\$3,477,000)		Pounds sterling Stated in U.S. dollars	358,000 859,200			2/16/68 (4/26/68)	7 3/8% (1972-87)
TOTAL LOANS EXPRESSED IN POUNDS STERLING				2,416,400				
TOTAL LOANS EXPRESSED IN U.S. DOLLARS				5,798,400				

Notes

- A) All loans have been approved by the Bank, but certain loans will not become effective and disbursements thereunder will not begin until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank.
- B) The Bank has entered into irrevocable commitments to disburse \$201,105.

During 1968, the Bank's Institute for Latin American Integration (INTAL), based in Buenos Aires, Argentina, completed its third full year of operations. The Institute, which was established in August 1965 to study and help accelerate the regional integration process, is financed with resources provided by the Bank and contributions of the Bank's member countries.

At its Ninth Annual Meeting in Bogota, Colombia in April 1968 the Bank's Board of Governors stated its satisfaction with the work carried forward by INTAL in its initial period of operations and expressed support for the expansion of its operations.

During 1968 the Institute provided advisory services to the Bank and to public and private institutions on integration, helped train the technical personnel required by the integration process, aided in the search for solutions to the general and specific problems that the process faces and fostered integration through its various publications.

The activities carried out during the year, under the guidance of its Advisory Board, included:

TRAINING

A total of 817 persons participated in 16 training programs in 10 Latin American member countries. The courses included general courses, country-level courses, special courses and seminars.

General Courses—Some 42 persons from 19 Latin American countries participated in the fourth regional course on Latin American integration held Oct. 7-

Nov. 24 at the Institute's headquarters in Buenos Aires and at the Latin American Free Trade Association (LAFTA) headquarters in Montevideo.

The private and public sector personnel who attended obtained training and up-to-date information on the problems that LAFTA, the Central American Common Market, the Caribbean Free Trade Zone and other regional organizations face in the integration process.

Country Courses—The Institute carried out two country-level courses in 1968: one in Bolivia July 8-26 for 42 participants and another in Colombia Oct. 4-22 for 65 participants. These courses analyzed specific problems and practical possibilities posed by the integration process in each of the countries in the short and medium term.

Special Courses—Special courses are designed to train personnel in careers which are in short supply in member countries. In general, these integration courses deal with matters which are not dealt with by universities or by institutions in the region. Among these were two courses on customs policy and administration and on tax policy and administration carried out in cooperation with the Inter-American School of Public Administration in Rio de Janeiro: one held July 1-Sept. 30 with the participation of 37 persons from 11 Latin American countries and the other held July 3-Sept. 30 for 36 participants also from 11 countries.

Seminars—Among the seminars carried out in 1968 were:

- A seminar on national development and regional integration in Latin America held Nov. 25-29 at the Institute

for 46 participants. The seminar sought to analyze the relationship between each country's development plans and the process of Latin American integration and to identify the principal factors that influence the industrialization process in each country, as well as the influence of integration on that process.

- A seminar for 103 businessmen from 10 Latin American countries held Nov. 5-8 in Montevideo in cooperation with LAFTA.

- Seminars for labor leaders organized in cooperation with various inter-American labor organizations, including the Inter-American Regional Labor Organization of Workers, the Latin American Confederation of Christian Workers and the General Confederation of Labor of Argentina. As part of a joint program with the first two organizations, the Institute took part in four labor seminars held in Mexico, Ecuador, and the Dominican Republic. A total of 254 labor leaders took part in these seminars.

- A seminar for newspapermen and students of schools of journalism, held Aug. 19-24 in Santiago, Chile, in cooperation with the University of Chile for 120 persons.

RESEARCH

Using its own staff and outside experts, the Institute carried out a variety of research activities in 1968, including:

Multinational enterprises and corporations in Latin America—In 1967 the Institute initiated research on the economic, legal and institutional aspects of multinational investments in infrastructure,

industry, and service activities in Latin America, and on the possibility of organizing multinational enterprises in those fields. The Institute continued this research in 1968, concentrating on the identification of enterprises in Latin America engaged in export activities within the region, the organization of corporations in the region, and the legal and administrative foundations required in carrying out multinational infrastructure projects.

Study of the strategy of integration—The Institute carried out research of an interdisciplinary nature on a theoretical framework which would take into account the Latin American reality and point out the most appropriate means of accelerating the region's integration from the political, sociological and economic viewpoints. As part of this general study, the Institute prepared two reports, one on "Political Strategies in Latin American Integration" and the other on "Elements for a Strategy of Geographical Integration and of the Economic Systems in Latin America."

Investigation of the attitudes and opinions of university groups toward the integration of Latin America—As a result of research carried out in 1966, the Institute, with the cooperation of the Latin American Social Sciences Faculty took an opinion poll regarding attitudes on integration held by university professors and students in various professions in Chile, Brazil and Peru. The inquiry, the first broad-scale evaluation of such attitudes among university groups, will provide guidance to the Institute in carrying out activities with universities.

Research on book distribution in Latin America—The Institute in 1968 initiated an investigation to pinpoint the main difficulties encountered in the distribution of Latin American books in the region's markets.

ADVISORY SERVICES

Integration of Argentine-Chile border zones—At the request of the governments of the two countries, the Bank asked the Institute to study programs which might lend themselves to joint development in Argentine and Chilean border areas. A preliminary report had been presented to the governments of the two countries. The report lists various initiatives lending themselves to such action in roads, telecommunications, electric power, tourism, fire prevention, national parks and animal health.

Advisory services to the labor sector—Under its agreement with the Inter-American Regional Organization of Workers and the Latin American Confederation of Christian Workers, the Institute expanded and brought up to date a report prepared in 1967 on labor conditions of automotive transport workers engaged in Argentine-Brazil-Uruguay commerce. The study seeks conclusions not only on purely labor aspects, but also on safety aspects of road transportation.

Studies—During 1968 the Institute prepared two studies on integration as an instrument of national development. These were: "Bolivia and the Latin American Integration Process" and "Colombia and the Latin American Integration Process." It also initiated a similar study on Brazil.

INFORMATION

Within its own publication series the Institute in 1968 published a work on "Economic Integration of Latin America, Achievement, Problems and Perspectives," describing different aspects of regional integration. It also published "The Dominican Republic and the Economic Integration of Latin America," by Ramon Tamanes. "LAFTA's Seven Years of Action," by Armando Prugue, was published as part of the ALALC-BID-INTAL series.

The Institute also published its two monthly publications *Boletín de la Integración* and *Revista de la Integración*, which contains articles on economic, political, sociological, scientific and technological subjects.

ADVISORY BOARD

On Nov. 12, 1968, the Board of Executive Directors of the Bank designated the new members of the Advisory Board of INTAL for the three-year period beginning Jan. 1, 1969. The Board also named the President of the Bank, Felipe Herrera, as Chairman of the Advisory Board and Diego Calle Restrepo as its representative on the Advisory Board.

The Advisory Board consists of these other members: Abelardo Brugada of Paraguay; Rubens Vaz da Costa of Brazil; Isaiah Frank of the United States; Rodrigo Gómez of Mexico; Luis Manuel Peñalver of Venezuela; Roberto Ramírez of Honduras, and Javier Silva of Peru.

The present Director of INTAL, Gustavo Lagos, resigned to take effect April 30, 1969, and Felipe Tami, was designated to replace him effective May 1, 1969.

GOVERNORS AND ALTERNATE GOVERNORS*

COUNTRY

ARGENTINA
 BARBADOS
 BOLIVIA
 BRAZIL
 CHILE
 COLOMBIA
 COSTA RICA
 DOMINICAN REPUBLIC

ECUADOR
 EL SALVADOR
 GUATEMALA
 HAITI
 HONDURAS
 MEXICO
 NICARAGUA

PANAMA
 PARAGUAY
 PERU
 TRINIDAD AND TOBAGO
 UNITED STATES
 URUGUAY
 VENEZUELA

GOVERNOR

Pedro Eduardo Real
 P. M. Greaves
 Alberto Larrea Humérez
 Antonio Delfim Netto
 Andrés Zaldivar
 Abdón Espinosa Valderrama
 Rodolfo Lara
 Diógenes H. Fernández

Benito Ottati
 Alfonso Rochac
 José Luis Bouscayrol
 Clovis M. Desinor
 Manuel Acosta Bonilla
 Antonio Ortíz Mena
 Juan José Martínez

José Guillermo Aizpú
 César Barrientos
 Francisco Morales Bermúdez
 Francis C. Prevatt
 David M. Kennedy
 Carlos Vegh Garzón
 Pedro Tinoco

ALTERNATE

Ernesto Malaccorto
 V. T. McComie
 Julio Sanjinés Goytia
 Ernane Galvêas
 Luis Velasco del Campo
 Eduardo Arias Robledo
 Omar Dengo O.
 Luis María Guerrero Gómez

Galo Martínez Merchan
 Guillermo Hidalgo Qüehl
 Mario Fuentes Pieruccini

Roberto Ramírez
 Rodrigo Gómez
 Gustavo A. Guerrero

Eduardo McCullough
 César Romeo Acosta
 Ramón Remolina Serrano
 Dodderidge Alleyne

Gervasio Posadas Belgrano
 Héctor Hurtado

* As of April 2, 1969.

EXECUTIVE DIRECTORS AND ALTERNATES*

		NUMBER OF VOTES	PER- CENTAGE
Raul Barbosa	Elected by:		
BRAZIL	Brazil	28,650	12.49
Federico Intriago (Alternate)	Ecuador	1,662	0.72
ECUADOR		30,312	13.21
Carlos S. Brignone	Elected by:		
ARGENTINA	Argentina	28,650	12.49
Armando Prugue (Alternate)	Peru	3,956	1.73
PERU		32,606	14.22
Diego Calle Restrepo	Elected by:		
COLOMBIA	Chile	7,965	3.47
Carlos Pérez de la Cova (Alternate)	Colombia	7,958½	3.47
VENEZUELA	Trinidad and Tobago	1,279½	0.56
	Venezuela	15,412½	6.72
		32,615½	14.22
Edward Clark	Appointed by:		
UNITED STATES	United States	96,899	42.25
Reuben Sternfeld (Alternate)			
UNITED STATES			
José Juan de Olloqui	Elected by:		
MEXICO	Barbados	549	0.24
Arturo Calventi (Alternate)	Costa Rica	1,279½	0.56
DOMINICAN REPUBLIC	Dominican Republic	1,662	0.72
	Haiti	1,279½	0.56
	Honduras	1,279½	0.56
	Mexico	18,465	8.05
	Nicaragua	1,279½	0.56
	Panama	1,279½	0.56
	Uruguay	3,192½	1.39
		30,266	13.20
Carlos Enrique Peralta Méndez	Elected by:		
GUATEMALA	El Salvador	1,279½	0.56
Mario Dalponte (Alternate)	Guatemala	1,662	0.72
EL SALVADOR		2,941½	1.28
Carlos Sanguinetti	Elected by:		
URUGUAY	Bolivia	2,424	1.06
Julio C. Gutiérrez (Alternate)	Paraguay	1,279½	0.56
PARAGUAY		3,703½	1.62
TOTAL		229,343½	100.00

* As of March 19, 1969.

PRINCIPAL OFFICERS OF THE BANK*

President	Felipe Herrera
Executive Vice President	T. Graydon Upton
OPERATIONS DEPARTMENT	
Manager	João Oliveira Santos
Deputy Manager for Loans	Guillermo Moore
Division Directors	Enrique Pérez-Cisneros
	Antonio Casas-González
	Orlando Letelier
Deputy Manager for Project Analysis	James A. Lynn
Division Directors	Ferruccio Accame
	William A. Carter
	Mario Lima
	José Irineu Cabral
Deputy Manager for Loan Administration	Alfredo E. Hernández
Division Directors	João de Mesquita Lara
	Luis Buitrago
	Freeborn G. Jewett, Jr.
FINANCIAL DEPARTMENT	
Manager	Merlyn N. Trued
Treasurer	José Epstein
TECHNICAL DEPARTMENT	
Manager	Cecilio J. Morales
Director, Economic and Social Development Division	Pedro Irañeta
Director, Training Division	Leonel Torres
Director, Technical Assistance Division	Beatriz R. Harretche
LEGAL DEPARTMENT	
General Counsel	Elting Arnold
Assistant General Counsels	José R. Chiriboga
	Arnold H. Weiss
ADMINISTRATIVE DEPARTMENT	
Manager	Alfonso Grados
Director, Division of Administration	Fausto Ruggiero
Director, Personnel Division	Weston A. Williams
SECRETARIAT DEPARTMENT	
Secretary of the Bank	Jorge Hazera
Director, Division of Information	Joaquín E. Meyer
OTHERS	
Program Advisor	Alfred C. Wolf
Integration Advisor	José C. Cárdenas
Representative in Europe	Rodrigo Llorente
Auditor General	William C. Willard
Director, Institute for Latin American Integration	Gustavo Lagos

* As of April 2, 1969.

CHANNELS OF COMMUNICATIONS AND DEPOSITORIES*

Member Country

ARGENTINA
 BARBADOS
 BOLIVIA
 BRAZIL
 CHILE
 COLOMBIA
 COSTA RICA
 DOMINICAN REPUBLIC

ECUADOR
 EL SALVADOR
 GUATEMALA
 HAITI
 HONDURAS
 MEXICO
 NICARAGUA

PANAMA
 PARAGUAY
 PERU
 TRINIDAD AND TOBAGO
 UNITED STATES
 URUGUAY
 VENEZUELA

Channel of Communication

Banco Central de la República Argentina
 Ministry of Finance
 Banco Central de Bolivia
 Banco Central do Brasil
 Ministerio de Hacienda
 Banco de la República
 Banco Central de Costa Rica
 Banco Central da la República Dominicana

Banco Central del Ecuador
 Banco Central da Reserva de El Salvador
 Banco de Guatemala
 Banque Nationale de la République d'Haiti
 Ministerio de Economía y Hacienda
 Banco de México, S.A.
 Banco Central de Nicaragua

Ministerio de Hacienda y Tesoro
 Banco Central del Paraguay
 Banco Central de Reserva del Perú
 Ministry of State for Finance
 Treasury Department
 Ministerio de Hacienda
 Ministerio de Hacienda

Depository

Banco Central de la República Argentina
 East Caribbean Currency Authority
 Banco Central de Bolivia
 Banco Central do Brasil
 Banco Central de Chile
 Banco de la República
 Banco Central de Costa Rica
 Banco Central de la República Dominicana

Banco Central del Ecuador
 Banco Central de Reserva de El Salvador
 Banco de Guatemala
 Banque Nationale de la République d'Haiti
 Banco Central de Honduras
 Banco de México, S.A.
 Banco Central de Nicaragua

Banco Nacional de Panamá
 Banco Central del Paraguay
 Banco Central de Reserva del Perú
 Central Bank of Trinidad and Tobago
 Federal Reserve Bank of New York
 Banco Central del Uruguay
 Banco Central de Venezuela

* As of March 19, 1969.

FIELD REPRESENTATIVES *

ARGENTINA
 Carlos A. Paz
 BARBADOS
 César G. Atala
 BOLIVIA
 Gonzalo de la Pezuela
 BRAZIL
 Ewalo Correia Lima
 CHILE
 Arturo Morales
 COLOMBIA
 Eduardo Barros
 COSTA RICA
 Francisco Galdames

DOMINICAN REPUBLIC
 Francisco Bórquez Pérez
 ECUADOR
 Alberto Ibáñez
 EL SALVADOR
 Justo Carrillo Hernández
 GUATEMALA
 Diego Arria
 HAITI
 Digby Sólomon
 HONDURAS
 Germán Rovira
 MEXICO
 Guillermo Atria

NICARAGUA
 Rodolfo Korenjak
 PANAMA
 Emilio Ortíz de Zevallos
 PARAGUAY
 Roderic D. O'Connor
 PERU
 Julio Solsona Flores
 TRINIDAD AND TOBAGO
 César G. Atala
 URUGUAY
 Oscar Schnake
 VENEZUELA
 Luis F. V. Browne

* As of March 19, 1969.

MEMBER NATIONS



INTER-AMERICAN DEVELOPMENT BANK

HEADQUARTERS

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Edificio Cosiol
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DOMINICAN REPUBLIC

Prolongación Avenida México
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ECUADOR

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Quito

EL SALVADOR

Edificio Montecristo—Plaza de las Américas
(Apartado Postal 1991—Zona 1—Colonia Escalón)
San Salvador

GUATEMALA

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7a. Avenida y 12 Calle, Zona 9
Ciudad de Guatemala

HAITI

Boite Postale 1321
Port-au-Prince

HONDURAS

Edificio Banco Central
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Tegucigalpa

MEXICO

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80 Independence Square N.
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