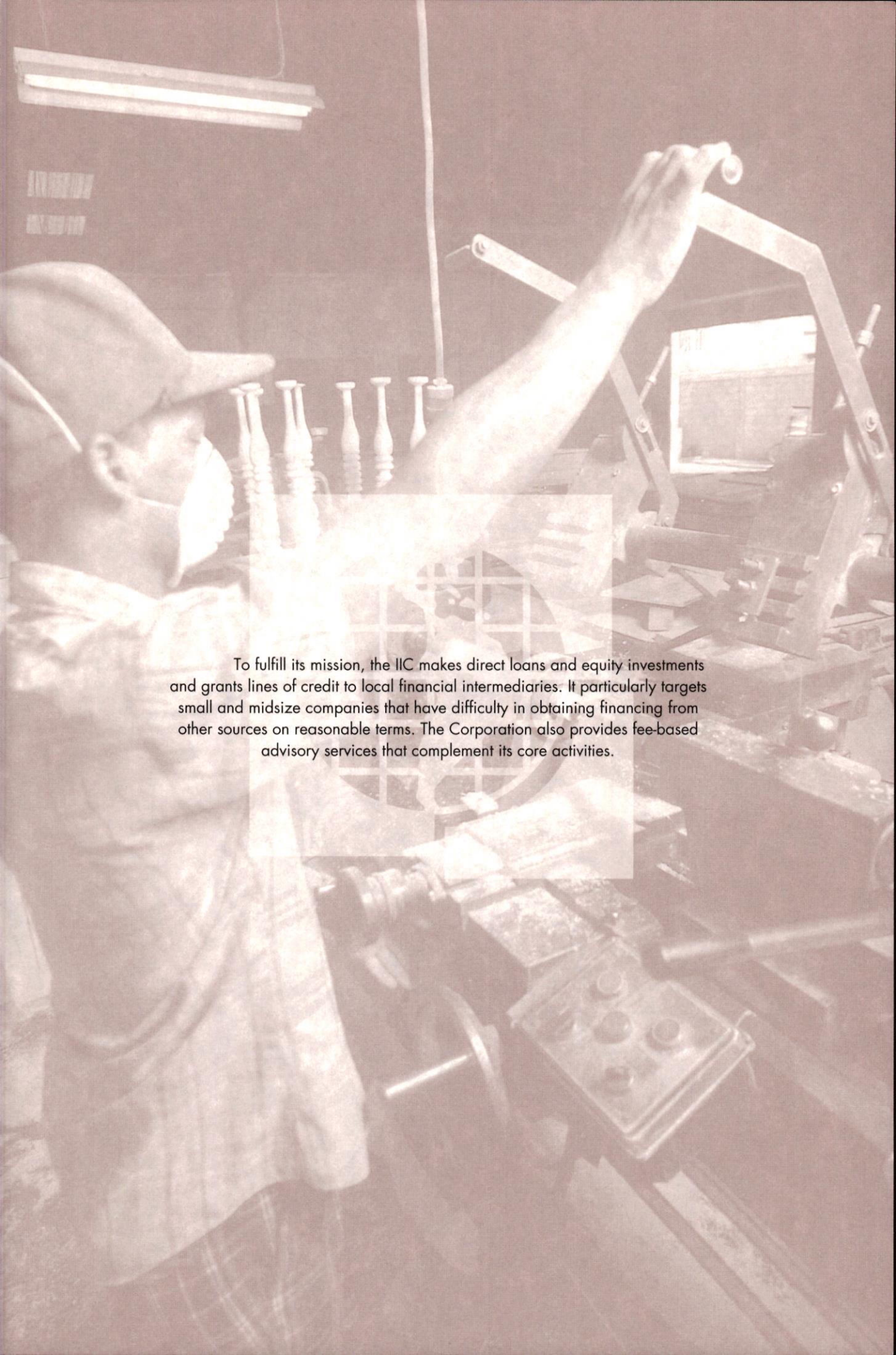


The background of the cover is a dark, monochromatic photograph of a factory floor. In the center, a glowing globe is superimposed over the scene. The globe is semi-transparent, showing the continents of North and South America. The factory floor is filled with various pieces of machinery, including what appears to be a large industrial press or mill. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of industrial activity. The overall color palette is dominated by dark reds and blacks, with the white text providing a stark contrast.

*IIC 1995 Annual Report*

Inter-American Investment Corporation



To fulfill its mission, the IIC makes direct loans and equity investments and grants lines of credit to local financial intermediaries. It particularly targets small and midsize companies that have difficulty in obtaining financing from other sources on reasonable terms. The Corporation also provides fee-based advisory services that complement its core activities.

THE INTER-AMERICAN INVESTMENT CORPORATION (IIC) is a multilateral investment corporation. It began operations in 1989 to promote the economic development of its Latin American and Caribbean member countries by financing small and medium-size private enterprise.

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In a sense, IIC finance is seed money. The Corporation serves as a catalyst for attracting other resources: additional financing, technology, and know-how. These resources are mobilized through cofinancing and syndication, supporting security underwritings, and identifying joint venture partners.

Lending and investment require evaluation of project soundness and probability of success. In the preliminary evaluation process, the IIC advises clients on project design and financial engineering and helps them structure their financial plan.

As a natural outgrowth of its project financing, the IIC offers fee-based advisory services. These services include counseling private companies on financial engineering and corporate reorganizations and helping member governments modernize their foreign investment policies and develop capital markets.

To obtain IIC financing, projects must offer profitable investment opportunities. They must also further economic development in some way: by creating jobs, broadening capital ownership, generating net foreign currency income, facilitating the transfer of resources and technology, utilizing local resources, promoting local savings, and/or promoting the economic integration of Latin America and the Caribbean. Any environmentally sensitive project must include specific preventive or restorative measures.

All the powers of the Corporation are vested in its Board of Governors. The IIC Board of Governors consists of a representative and alternate from each member country. Voting power is proportional to each country's paid-in shares. The Board of Governors appoints a Board of Executive Directors to which significant authority and powers are delegated.

The Corporation is part of the Inter-American Development Bank Group. The IIC is legally autonomous, and its resources and management are separate from those of the Inter-American Development Bank.

Thirty-four countries are shareholders in the IIC: twenty-four Latin American and Caribbean countries (Argentina, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela); seven European countries (Austria, France, Germany, Italy, the Netherlands, Spain, Switzerland); and Israel, Japan, and the United States.