

FINANCIAL MARKET DEVELOPMENT

Support from the Inter-American
Development Bank Group

1990-2004

June 2005

INTER-AMERICAN DEVELOPMENT BANK
Sustainable Development Department
Infrastructure and Financial Markets Division

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Well-functioning financial markets are one of the most important determinants for economic development and growth. They enable the reduction of the cost of capital and foster progress and innovation. In addition, globalization has made their role even more important. Relatively underdeveloped financial markets in Latin America and the Caribbean create bottlenecks that impede economic growth as well as the reduction of poverty in the region. Governments, regulators, policymakers and the private sector are becoming increasingly concerned with the urgency of these challenges and are undertaking actions to address them.

The IDB group—the Inter-American Development Bank, the Inter-American Investment Corporation and the Multilateral Investment Fund—collaborates with governments and the private sector to reduce financial market deficiencies and devote significant resources to financial market development. This effort was reflected in more than 374 projects approved for 26 countries that total approximately US\$22.2 billion between 1990 and 2004. Most of the operations supported financial intermediation, capital markets, insurance markets, pension reform, housing finance, and, more generally, financial market deepening. Despite great expectations and significant accomplishments in financial market development over the past fifteen years, much remains to be done. Not all countries have advanced at the same pace, some have even undone parts of previous reforms, and there are elements of financial market development that need to be supported in each country.

This fifth issue of *Financial Market Development* offers a general view of the activities of the Bank group that supported financial market development in Latin America and the Caribbean during the period 1990-2004. A consolidated description of the activities undertaken in the period is also included, which illustrates the contributions of the Bank group in the financial market area. The report, which is published every two years, concludes with some comments on how the Bank group expects to continue its support. The Infrastructure and Financial Markets Division of the Sustainable Development Department prepared this publication as part of its mission to disseminate knowledge, and provide leadership, innovation and technical support in areas related to financial markets.

We hope that this account of activities in the sector shows the contributions of the Bank group to the development of financial markets in Latin America and the Caribbean and that it serves as a tool for providing better support to our member countries in the future.

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During the period 1990-2004, the IDB group provided significant support for financial market development in Latin America and the Caribbean. IDB group efforts were aimed at promoting economic development in IDB member countries, making them more attractive to private investors, increasing competitiveness, and fostering regional and international integration.

1

Introduction

1. INTRODUCTION

Throughout the last fifteen years, the Inter-American Development Bank group provided significant support for financial sector reform in Latin America and the Caribbean. The reforms were aimed at making member countries more attractive to private investors, promoting economic growth, increasing competitiveness, and fostering regional and international integration.

Since the 1990s, the financial sector has undergone significant structural transformation. The IDB group actively supported the transition from state-dominated systems, where the public sector was excessively involved in direct financial intermediation and where central banks were assigned a wide range of quasi-commercial activities, to new paradigms with increasing private sector participation and more focused public sector interventions.

Traditionally, banking has dominated financial sector activities in the region, but over the last decade, other financial services have grown in importance. Many countries undertook structural reforms of their pension systems establishing private pension funds and new regulatory and supervisory institutions. The insurance industry has also undergone transformation with the introduction of death and disability coverage, annuities and other products. While changes in capital markets may be less profound, the expansion of pension funds able to purchase debt instruments has contributed to the growth of debt markets in many countries. Brokerage, financial advisory services and credit rating institutions, have also developed in several countries in the region.

Overall, financial services are now deeper and their supervision and regulation more rigorous. Moreover, many countries in the region are already moving toward convergence with international best practices and risk-based supervision. Yet, the region has continued to be plagued by periods of macroeconomic instability that have exacerbated the crises that slowed recovery and eroded the gains made in financial sector development. In some countries, these crises have impaired banking systems and undermined progress made in supervision and regulation. In addition, many of the required structural changes are still incomplete and reforms undertaken need consolidation. This reality reinforces the IDB group's commitment to continue supporting its member countries in efforts to develop their financial markets.

During the period covered by this report, the IDB group addressed financial sector development by targeting five areas that it considers critical: financial intermediation, capital markets, insurance markets, pension systems, and housing finance. Specifically, Bank support for legal reform and strengthening the supervision of bank and capital markets was fundamental to the financial reform process. The Bank group supported capital market development, pension and insurance market reforms, the restructuring and strengthening of financial institutions, the develop-

ment of instruments to facilitate housing finance, and the alleviation of the debt burden. Bank support also included the provision of funds through multisector credit programs to finance private sector activities. In addition, the Bank also provided professional training and assistance in the development of new financial markets, intermediaries and instruments. Most of the reforms focused on building markets and strengthening safety and soundness in order to prevent systemic crises. It should be noted, however, that in some instances the IDB group provided support as part of broad economic emergency programs that included short-term immediate actions.

This report discusses IDB group involvement in and support for the reform, modernization and deepening of financial markets in Latin America and the Caribbean. It serves as a reference for the IDB group in the development and implementation of its strategies in this area. Section 2 presents the Bank's financial sector strategies. Section 3 describes the IDB group's activities related to lending and technical assistance programs for financial market development. Section 4 provides a brief summary of all financial market operations between 1990 and 2004. Nonlending activities are an increasingly important component of IDB group support to the region. Section 5 discusses the types of nonlending support provided. Nonlending activities include the preparation of IDB strategies for the sector, publications, conferences, and special projects. Section 6 provides some concluding remarks.



2

The IDB's financial sector strategies provide guidance to the Bank's operational units and the borrower member countries on developing financial systems. The strategies place relevant emphasis on the development of an environment that enables the efficient functioning of financial markets and institutions.

IDB Financial Sector Strategies

2. IDB FINANCIAL SECTOR STRATEGIES

The IDB's financial sector strategies provide guidance to the Bank's operational units and the borrower member countries on developing stable and effective financial systems, making them competitive and efficient.

Bank operations and activities focusing on financial market development are guided by two sector strategies: the *Capital Markets Strategy* and the *Financial Markets Strategy*.¹ These two documents address the principal issues affecting the financial sector in Latin America and the Caribbean and discuss how the Bank can better manage its interventions to promote the development of sound financial systems.

Financial Markets Strategy

The main emphasis of this strategy is on the development and strengthening of a variety of financial market intermediaries, including but not limited to depository institutions, insurers, pension funds, mutual funds, leasing companies, investment banks and guarantee funds. The role of institutions that are not intermediaries, but which play a critical role in the information environment underlying these markets, such as rating agencies, credit bureaus, electronic databases that provide market information and analysis, and similar sources of economic and financial information, is also included.

The strategy proposes that primary emphasis continue to be placed on the banking system. Due to its critical role in facilitating payments, providing liquidity and credit, and in the transmission of monetary policy, the banking system continues to be the backbone of the financial sector. However, the strategy establishes that the Bank must strive for balance with a continued concentration on the establishment of efficient and effective, safe and sound banking systems, while pursuing opportunities to stimulate nonbank financial markets, institutions and instruments where appropriate.

The Bank has concentrated its support on the following key issues surrounding the development of financial markets in its member countries: a) the development of enabling legal and regulatory environments that allow complete, liquid financial markets to develop within a competitive framework; b) the institutional structure, including both the structure and ownership of financial intermediaries and the role of self-regulation; and c) the activities of state-owned or managed financial intermediaries.

¹ The Financial Markets Strategy (GN-1948-3) was favorably considered by the Board of Executive Directors on September 8, 1999. It is designed as a companion to the Capital Market Development Strategy (GN-1870-2) considered by the Policy Committee of the Board of Directors on September 28, 1995. Both documents are available at http://www.iadb.org/sds/ifm/mainpublication_151_e.htm.

Much of the focus of the strategy is on the development of an environment that enables the efficient functioning of financial markets and institutions. Among the major issues addressed by the IDB in this area are: the maintenance of macroeconomic stability and policy consistency, and the establishment of appropriate legal and regulatory environments, including financial market safety nets, the integration/harmonization of financial markets, the establishment of appropriate governance structures, and encouragement for financial innovation.

The Bank also provides support to improve the institutional structure of financial markets. In this area, the aim of the strategy is to encourage the development of competitive markets and appropriate information environments, the mobilization of savings through domestic institutional investors (e.g. pension funds, insurance companies, mutual funds), promoting innovation in financial markets, fostering the development of the necessary infrastructure for capital markets and encouraging the rationalization of the role of publicly-owned or managed financial institutions.

The strategy places critical emphasis on the incorporation of international financial standards related to financial markets in borrowing member countries. To this end, it encourages the use of such instruments as the core principles for supervision of banks, insurers and capital markets; standards for payments clearing and settlement; IMF standards for the dissemination of macroeconomic statistics; international accounting and auditing standards; international standards for corporate governance; and legal standards for the securitization of asset-backed securities.

IDB efforts support institutions and markets that meet the financial needs of those individuals and firms that have been excluded from participation in formal financial markets, whether for reasons of size or geographic location. Market-based reform efforts are encouraged in both instances in order to ensure that the proper incentives are in place and that programs are financially sustainable.

The IDB undertakes these efforts to develop financial markets in close collaboration with the financial authorities of each country. Bank programs are designed taking into account the differences among IDB member countries in terms of financial market needs and the development of their financial sectors. Also, the Bank works in partnership with the International Monetary Fund, the World Bank and other interested parties.

Capital Markets Strategy

The aim of the capital markets strategy is to increase savings and improve their composition (i.e. shifting from real to financial assets and from short- to longer-term and more stable sources), enhance the economic efficiency of capital markets, and promote the harmonization and integration of the region's capital markets. The strategy addresses the nonbank segment of the financial system only, in particular, money, debt, and equity markets.

Box 1: Goals that Guide the IDB's work in Financial Market Development

- Fostering the emergence of new and varied mechanisms for pooling longer-term savings in domestic markets
- Developing financial instruments and infrastructure to channel domestic and foreign financing into private sector investment
- Expanding access to financial services, especially by smaller businesses
- Ensuring maximum efficiency, mainly by encouraging competition among the providers of financial services
- Assuring adequate prudential regulation and supervision of the financial system
- Supporting the establishment of new institutions, instruments and markets that will allow for efficient risk transfer mechanisms
- Encouraging an increase in financial market liquidity through the development of effective secondary markets

The strategy concentrates Bank efforts on the following areas: national securities legislation, regulatory norms and practices, and financial or commercial practices within each market and their implications for the development and integration of capital markets.

In developing appropriate legal and regulatory environments for capital market development, the strategy encourages enacting, updating and improving national securities legislations; strengthening securities supervisory agencies and improving oversight and enforcement. Efforts are undertaken to foster adequate financial disclosure, especially by seeking the convergence of national practices with international standards.

Other activities seek to develop capital market infrastructure (e.g. adequate trading systems, clearance and settlement mechanisms and depositories); encourage the participation of domestic institutional investors (e.g. insurance companies, pension funds, mutual funds) in the markets, and promote new financial techniques.

Strategic Directions

In response to profound changes and evolution of financial systems in the region, the Bank is updating and consolidating these frameworks to incorporate various new developments in financial services that have taken place since these two strategies were approved. The resulting new framework would also seek greater balance between Bank efforts in support of banking, capital markets, insurance and pension services. Furthermore, its coverage would reflect the lessons learned from the implementation of financial sector programs under the previous strategies, as well as those of other IDB programs such as the Business Climate Initiative,² the Private Sector Action Plans and the Competitiveness Programs.

² The Business Climate Initiative, launched in December 2003, acknowledges the contributions of the private sector to the economic growth of a country, and the key role played by the public sector in the creation of an environment that stimulates the development of private companies. The aim of the Initiative is to identify critical barriers that hinder the growth of private business and to promote legal and regulatory reforms that will lead to their reduction or removal (<http://www.iadb.org/businessclimate/>).

IDB group financial sector operations were concentrated in the areas of financial intermediation, securities markets, insurance, pension systems, and housing finance. Within these categories, they emphasized components such as the structure of the legal and regulatory framework, prudential norms, supervisory procedures, restructuring of superintendencies, staffing and professional training, bank restructuring, and central bank strengthening. These areas are essential to develop stable and effective financial systems.



3

Overview of IDB Group Operations

3. OVERVIEW OF IDB GROUP OPERATIONS

The IDB group commitment to supporting the development of financial markets in its member countries is evidenced by the number of operations (374) approved during the last fifteen years that deal with financial sector reform and market deepening. These include 140 Inter-American Development Bank (IDB) operations, 73 Multilateral Investment Fund (MIF) operations, and 161 operations carried out by the Inter-American Investment Corporation (IIC).

The majority of the operations are IDB sector loans, multisector credit programs, IDB and MIF technical cooperation programs, and IIC loans to local financial intermediaries. Sector loans provide flexible support for institutional and policy reforms at the sector or subsector level through fast-disbursing funds. These loans try to influence the links and transmission mechanisms between financial market activities and development goals. *Multisector credit programs* use Bank financing to promote productive activities in the private sector. Resources are channeled to the private sector through second-tier financial institutions and intermediary financial institutions. *Technical cooperation programs* are projects that transfer technical knowledge, strengthen managerial and institutional capacity, and support diagnostic, preinvestment and sector studies. Reimbursable and nonreimbursable technical cooperation operations are financed with IDB and MIF resources. The IIC *loans to local financial intermediaries* channel resources to the private sector, especially to small and medium-size enterprises through local financial intermediaries to support productive activities.

Between 1990 and 2004, IDB group operations to support the financial sector accounted for approximately US\$22.2 billion, close to 21 percent of total IDB group financing approved for the period. In terms of resources channeled through each of the institutions that make up the IDB group, the Bank participated with US\$21 billion, the MIF with US\$79 million, and the IIC with US\$1 billion.

The operations approved during this period averaged US\$1.45 billion a year. Table 2 shows that for the years 1992, 1995, 1998, 1999, 2001 and 2004 the total amount of IDB group operations exceeded that average. It is not a coincidence that these years were associated with financial crises that affected the region. The relatively large amount of financing approved in 1995 was in response to the Mexican crisis. Similarly, increased financing in 1998 and 1999 was a consequence of efforts to address the effects of the East Asian financial crisis, which had a negative impact on the IDB's largest borrowers. In 2001, the Bank provided US\$2.3 billion in financial support to the region in an effort to strengthen financial markets and help them cope with the effects of economic problems in Brazil. Finally, in 2004 the Bank provided assistance to the Dominican Republic during the banking crisis. It should be noted, however, that the increase in financing in 1992 was associated with support for financial sector structural reforms and credit to the private sector.

**Table 1: IDB Group Operations in Support of the Financial Sector
1990 – 2004**

Type of Operation	Number
IDB Operations	140
Sector Loans	44
Multisector and Global Credit Programs	47
Debt Reduction Programs	5
Technical Cooperation Programs	18
Others	26
MIF Operations¹	73
Technical Cooperation Programs	73
IIC Operations	161
Local Financial Intermediaries Projects	107
Colending Projects	9
Investment Funds Projects	40
Others	5
Total	374

The average size of the operations was approximately US\$58 million, with individual operations ranging widely from US\$78,000 to US\$1.5 billion. The median was approximately US\$6 million. Annex table 1 depicts the IDB and MIF operations included in this report ordered by country. Annex table 2 shows IIC operations by country.

Most financial sector programs have traditionally involved support for government actions to improve *financial intermediation*, with particular emphasis on strengthening the institutions in charge of regulating and supervising financial intermediaries. Supervision efforts have tended to concentrate on the development of appropriate legal and regulatory frameworks and the strengthening of enforcement in debt and equity markets. In addition the IDB group has provided significant resources for intermediation through the financial system. Multisector credit programs and IIC loans to local financial intermediaries have played an important role on channeling funding to small and medium size enterprises.

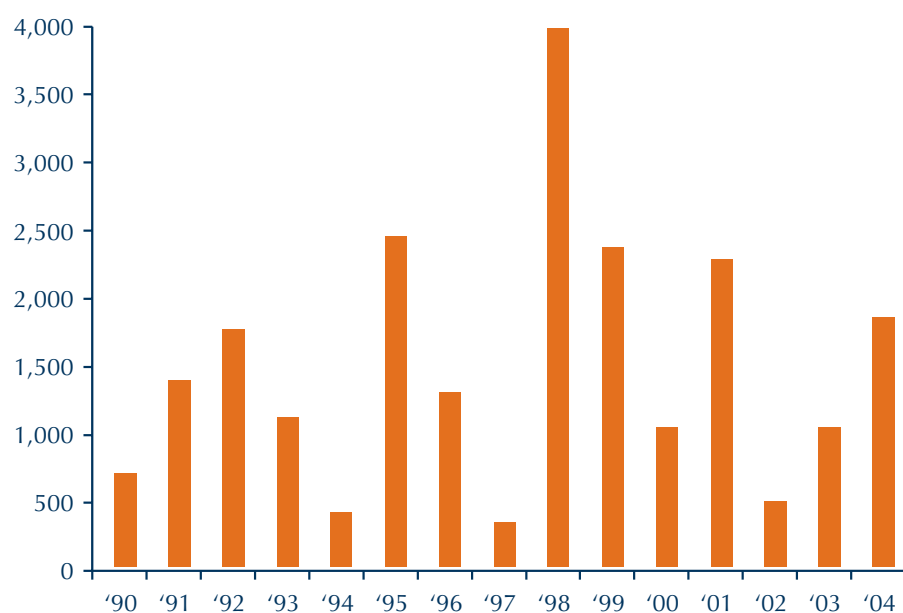
Several country programs also involved pension and insurance market reforms. These programs included strengthening the superintendencies of pension funds and insurance, developing adequate legal and regulatory frameworks for insurance markets, and restructuring social security

¹ MIF operations that focus on the microenterprise sector are not included in this report. IDB group support to this sector is discussed in detail in the publication *IDB Group Support to the Microenterprise Sector: Achievements, Lessons, and Challenges* published every two years.

Table 2: IDB Group Financial Sector Operations by Year (US\$ million)

Year	IDB	MIF	IIC	Total
1990	680	0	10	690
1991	1,328	0	44	1,371
1992	1,675	0	70	1,745
1993	1,062	0	34	1,096
1994	360	7	32	399
1995	2,405	5	21	2,431
1996	1,246	4	28	1,278
1997	271	8	80	359
1998	3,791	9	154	3,954
1999	2,155	10	153	2,317
2000	931	6	95	1,033
2001	2,211	2	60	2,273
2002	448	11	22	481
2003	677	11	116	803
2004	1,813	7	119	1,938
Total	21,052	79	1,037	22,168

Note: Totals may not add up due to rounding.

Graph 1: IDB Group Financial Sector Operations by Year (US\$ million)

pension systems. The latter incorporated the development of private pension systems, improved regulation and oversight of investment practices, and reform of special public sector pension plans.

Housing finance operations supported the development of mortgage instruments as well as the provision of credit to finance housing. Debt reduction programs were designed to support country efforts to restructure and reduce foreign debt (largely commercial bank debt) within the context of the Brady Plan.

Different kinds of operations, such as sector loans and technical cooperation programs are sometimes combined. Many IDB financial sector lending operations have incorporated actions relating to the structure and oversight of financial markets that included the enactment of laws, the development and implementation of adequate accounting and auditing standards, and improvements in the effectiveness of new bank superintendencies and securities exchange commissions. Direct support and technical cooperation programs have been instrumental in the implementation of the action plans related to these issues.

The IDB group has worked closely with the World Bank and the International Monetary Fund in many of these operations, through co-financing of programs, information sharing, and coordination. Several operations have been co-financed with the World Bank such as the following two operations in Mexico: Financial Sector Restructuring (ME-0188, 1995) and Contractual Savings Development Program (ME-0197, 1996). When the programs are not co-financed, the institutions work closely together to assure that reform efforts complement each other. This was recently the case when financial problems erupted in Uruguay in 2002. The IMF, the World Bank, and the IDB closely coordinated their support to the Uruguayan financial system. The IDB approved a US\$200 million program to strengthen the banking system, which complemented a US\$151.5 million World Bank program and IMF actions in the sector. In addition, the three institutions participated actively in joint missions to examine and correct the problems in the Dominican banking sector. They coordinated technical assistance to support the recovery and strengthening of the sector. The IDB approved a US\$100 million financial reform consolidation program (DR-0151, 2004).

Areas of Interest in IDB group Operations

This section presents information about financial sector operations in the major areas of interest: financial intermediation, securities markets, insurance markets, pension reform, housing finance, and debt reduction. Annex tables 3 through 10 present the operations ordered by area of interest.

Financial Intermediation

The IDB group's financial intermediation operations play an important catalytic role in Latin America and the Caribbean in supporting the creation of complete and solid financial markets;

providing medium and long-term financing to support sustainable growth, development and poverty reduction in the region; and allowing deeper financial systems to develop.

There are two groups of operations, those that have as a direct or indirect objective the strengthening of financial intermediation and those that provide resources or credit enhancements for intermediation through the financial system.

Strengthening Financial Intermediation

The Bank approved 88 operations in 24 countries and 7 regional programs to strengthen financial intermediation in the region focusing, in particular, on the banking sector. Activities were carried out in the following areas: development of adequate legal and judicial frameworks, establishment of prudential norms, implementation of modern supervisory policies and procedures, restructuring of bank superintendencies, professional training, development of auditing standards and information disclosure requirements, introduction of early warning information systems, banking restructuring, and central bank strengthening.

Legal and regulatory framework activities included the preparation of amendments to existing legislation and the implementation of new laws governing financial systems. *Prudential norms* are being pushed to enhance the solvency and transparency of the financial system, strengthen it through the adoption of internationally accepted standards and practices, and make the regulatory framework more predictable. Programs also include support for *supervisory procedures* to improve on-site evaluation, analysis and monitoring of banking institutions; strengthen mechanisms to control credit limits; introduce rules and procedures for assessing personal loans, housing loans and financial investments. Lastly, *staffing and professional training* activities support training and recruitment programs that have an important impact on the degree of success and sustainability of the reforms carried out by bank superintendencies. Legal and regulatory framework activities were considered in 56 operations (21 countries and 3 regional operations).

Activities directed at the enhancement of *prudential norms* were included in 39 operations in 19 countries and two regional programs. Basic improvements in prudential regulation included establishing standards to evaluate commercial loans; developing of operational and control methodologies; establishing accounting standards, including accounting of risky assets, provisioning requirements, interest accruals on past due loans, and capital adequacy requirements; defining and controlling related party transactions, including credit limits of the related party; establishing controls and treatment for offshore activities; creating internal control procedures; publishing interest rates and financial statements; and applying international standards and best practices for the detection and prevention of money laundering. The purpose of these regulations was to enhance the solvency and transparency of the financial system, strengthen it through the adoption of internationally accepted practices to avoid incentives toward excessive risk taking, and add predictability to the regulatory framework.

Enhancement of *supervisory procedures* was considered in 44 operations (20 countries and 3 regional programs). This activity included procedures to improve on-site evaluation, analysis and monitoring of banking institutions; strengthening mechanisms to control credit limits;

preparing methodologies for the analysis and evaluation of financial institutions; and introducing rules and procedures for assessing personal loans, housing loans and financial investments. In addition, it involved the establishment of monitoring and oversight mechanisms for nonbank financial intermediaries such as cooperatives.

An overall *restructuring of the superintendency of banks* was included as a major activity in 32 operations (18 countries and 3 regional programs). IDB operations generally included the restructuring of the superintendency of banks within a more general program of financial reform. In contrast, restructuring was the main objective of MIF technical cooperation programs. Measures in this area included providing the supervisory entity with administrative autonomy; securing appropriate personnel and financial resources; establishing prudential regulations; and improving management information and other systems needed for the supervisory entity to properly carry out its responsibilities.

Staffing and professional training activities were introduced in 33 operations (16 countries and 4 regional programs). These measures included training and recruitment programs that have an important impact on the degree of success and sustainability of the reform programs undertaken by the bank superintendency.

Programs to adopt *internationally accepted accounting and auditing standards and requirements on the disclosure of information* were introduced in 26 operations in 17 countries. These activities, aimed at enhancing the transparency of the financial system, included monthly or quarterly publication of financial indicators of institutional performance, enhanced information disclosure requirements and specific guidelines for the adoption of uniform accounting principles.

Another important area that received Bank support is *banking restructuring*. In order to strengthen the financial sector and reduce its vulnerability to future crises, operations in this area have focused on public sector reforms to privatize, restructure or liquidate national, provincial and municipal banks. The Bank provided support for programs in Argentina, Barbados, Costa Rica, Jamaica, Mexico, Panama and Suriname through ten operations.

Finally, some operations focused on strengthening the role and functions of *central banks*. The support was mainly directed to matters related to monetary policy, financial infrastructure and financial management.

Examples of Bank group support in this area are the operations for Mexico and Venezuela (ME-0188, 1995 and VE-0101, 1995). These programs were linked to major banking crises and therefore included short-term or immediate actions, in addition to longer term financial system restructuring. These actions greatly improved oversight, institutional support to increase long-term performance, and recapitalization and the restructuring of financial entities needed to restore confidence and improve the efficiency of financial operations. A similar operation also provided support for the recapitalization and privatization of financial institutions in Barbados (BA-0012, 1995). The IDB also supported the reform and privatization of provincial banks and pension systems in Argentina (AR-0187, 1995; AR-0201, 1996; and AR-0366, 2001).

Among the most recent operations approved by the Bank to strengthen financial intermediation are the following: (i) a financial sector program for US\$25 million (HO-0219, 2003) to contribute to financial sector development in Honduras by assisting the national government in its efforts to lay the groundwork for keeping the banking system stable and solvent, in particular by strengthening of banking supervision and financial information systems, and enhancing prudential norms; (ii) a sector program to strengthen the banking system in Uruguay for US\$200 million (UR-0150, 2003); (iii) a rural financial system consolidation program for US\$300 million in Mexico (ME-0243, 2003); (iv) a financial reform consolidation program for US\$100 million in Dominican Republic (DR-0151, 2004), and (v) a technical cooperation program for US\$1.1 million to improve the regulatory framework for cooperatives and develop an effective oversight mechanism for the sector in Chile (ATN/MT-8696-CH, 2004).

Providing Resources and Credit Enhancements for Intermediation through the Financial System

Multisector and Global Credit Programs

Multisector and global credit programs provide medium- and long-term financial resources to supplement domestic funds to promote productive activities in the private sector. Funds are channeled to the private sector through second-tier financial institutions and intermediary financial institutions. Between 1990 and 2004, the Bank financed 47 operations in 16 countries and 4 regional operations totaling approximately US\$8.4 billion. Most projects focused on strengthening the availability of credit for micro, small and medium-sized enterprises (MSMEs).²

Brazil has used these programs extensively to cover part of the shortfall of medium- and long-term financing for SMEs. Throughout the period covered by this report, 7 multisector programs were approved. Among the most relevant operations are six that the Bank conducted with the Banco Nacional de Desenvolvimento Econômico e Social (BNDES). The first operation was approved in 1990 for US\$250 million. The second operation approved in 1995 for US\$600 million was financed by the Bank (US\$300 million) and by the Japan Bank for International Cooperation (US\$300 million). More than 1,000 subloans were made to small and medium enterprises (SMEs) through over 90 certified local intermediary financial institutions. The third operation was approved in 1998 for US\$1.1 billion. The fourth operation was approved in 1999 as a US\$1.2 billion emergency loan for SMEs from which nearly 10,000 companies benefited. The fifth operation was approved in 2002 for US\$900 million to support a US\$1.8 billion program. The last operation was approved in 2004 for US\$1 billion.

Other multisector credit operations financed by the IDB group were a US\$155 million program to promote the deepening of Uruguay's financial market and a US\$240 million loan for the Multisector Global Financing Program of Chile (CH-0157, 1999). The loan for Uruguay (1998) provided a supply of medium- and long-term financing to intermediaries to encourage and enable them to develop new lending programs and meet the investment needs of private enterprises, in particular those of SMEs. The program for Chile provided credit for small and medium enterprises

² This information includes the multisector credit programs, usually designed to assist SMEs, and the global credit programs for microenterprises.

to expand their operating capacity and introduce modern technologies into productive processes. Credit was channeled to SMEs through intermediary financial institutions for investments in machinery, equipment and construction, working capital, commercial leasing and exports. The most recent multisector operations approved by the Bank were: a US\$42.4 million program for El Salvador (ES-0130, 2002); a US\$180 million loan for Uruguay (UR-0136, 2002); a regional global credit program for small Caribbean nations for US\$20 million (RG-0056, 2002); a US\$30 million program for Nicaragua (NI-0167, 2003), and the previously mentioned US\$1 billion BNDES program to support MSMEs in Brazil (BR-0358, 2004).

IIC's Loans to Local Financial Intermediaries

The IIC provides loans or equity investments to financial institutions that serve the SME market. These institutions include commercial banks, leasing companies, finance companies, and specialized financial service companies. Since 1990, the IIC has approved 107 loans to local financial intermediaries for a total of \$651 million. These financial intermediaries have, in turn, made loans for a total of \$699.2 million to 46,735 small and medium-size companies in Latin America and the Caribbean.

Box 2: Trade Finance

New Bank Initiative to Channel Resources and Credit Enhancements to Expand Trade Finance

In February 2003, the Bank launched a US\$1 billion *International Trade Finance Reactivation Program* designed to mitigate the volatility of international capital flows for trade finance in the region. The objective of the program is to support economic recovery and growth through the expansion of international trade financing to Latin American and Caribbean companies.

The ITFR Program assists the private sector through loans and guarantees and utilizes the IDB's resources to mobilize additional funding from private sources, such as syndicated loans. Financing under the program is channeled to the private sector through private and public financial intermediaries. Resources are available for pre-export as well as import activities. The IDB provides political risk and financial guarantees for structured trade finance transactions.

Banco Bradesco S.A., IDB Loan, US\$50 million, 2003

This *trade finance facility* extended to Banco Bradesco S.A., the largest private bank in Brazil, consists of an IDB A-Loan of up to US\$50 million as well as an IDB B-Loan of up to US\$100 million that was syndicated to international banks. The purpose of this facility is to fund pre-shipment and post-shipment export financing for Brazilian companies and their subsidiaries abroad. This transaction represented the first operation under this IDB program.

Credera, IDB Loan, US\$15 million, Regional, 2004

Under this *facility*, the Bank provided a US\$15 million loan to support the establishment of a US\$60 million trade finance fund for export financing to small- and medium-sized exporters in Argentina and Brazil, and subsequently in other countries in Latin America. The Credera fund is an innovative approach to mobilize equity investors for short-term trade finance in the region and fill an increasingly important market niche. Credera focuses on medium sized exporters that do not have direct access to the local banking system. Given the nature and investment objectives of the Credera equity partners, it is expected that this facility will grow across the region over time and establish a stable and reliable source of short-term trade finance.

Continued

Box 2: Trade Finance, continued

ABN Amro Bank, IDB Guarantee, US\$22.5 million, Uruguay, 2004

The IDB and Exporters Insurance Company, a private insurance company, provided a partial risk guarantee for an amount of up to US\$22.5 million each, to support the ABN Amro's trade finance portfolio of up to US\$ 50 million. This guarantee has a term of five years. The objective of this facility is to address the shortfalls in the availability of short-term trade financing to support Uruguayan exporters, particularly exporters of agricultural commodities. The Bank's support provides Uruguayan exporters access to trade finance lending, through a credit enhancement that allows ABN Amro to grow its trade finance operations. This operation represents an innovative way of increasing the domestic lending capacity of commercial banks in the region by inducing private credit insurers to offer risk allocation capacity in countries they would not normally be attracted to.

Trade Finance Facilitation Program (TFFP)

The TFFP, which was approved in 2004, involves the establishment of a five-year revolving *partial credit guarantee facility* of US\$400 million structured under a risk-sharing mechanism with a number of leading international banks (confirming banks) to banks based in IDB borrowing country members (issuing banks). The program supports short-term trade-related transactions with tenors not exceeding one year. The Bank will partially guarantee (i) documentary credit and documentary collection instruments issued by issuing banks and confirmed by leading banks active in international trade finance (confirming banks), and (ii) pre-export financing provided to the issuing banks by the confirming banks.

Securities Markets

The IDB group financed 75 operations to support securities markets development in 21 countries as well as in 8 regional programs. Reform measures largely focused on introducing appropriate legal and regulatory frameworks (including self-regulation); setting prudential norms; supporting professional training programs; establishing supervisory procedures and financial information systems; restructuring market oversight entities; improving accounting standards, auditing practices and information disclosure requirements; strengthening clearance and settlement systems; supporting various markets (money, debt, equity and commodity exchanges); enhancing the role of institutional investors; and strengthening property rights and their enforcement (see table 5 in the Annex).

Legal and regulatory framework activities included drafting and implementing new laws. This activity was included in 43 operations (20 countries as well as 5 regional programs). Adequate *prudential norms* help regulators improve capital market oversight while fostering market deepening. Procedures to *enhance supervision* focused on increasing private sector confidence in the financial system and particularly on providing appropriate levels of regulation, or self-regulation, and the administration thereof. Implementing *accounting, auditing and information disclosure* standards and upgrading financial information systems were aimed at providing transparency to the financial system and improving investor confidence. In addition, the IDB group undertook a number of specific operations involving *market development*. These included support for the development of appropriate clearance and settlement procedures and deepening and development of debt markets.

The *enhancement of prudential norms* was included in 20 operations in 12 countries. Prudential regulations were adopted to help regulators maintain vigilant oversight over the financial market while fostering market deepening. Reforms for securities markets were aimed at managing risk and making the system more predictable and transparent, while stimulating the supply of securities by focusing on the classification of risk.

Procedures to enhance supervision were introduced in 26 operations (15 countries and 2 regional programs). Their aim was to provide appropriate levels of regulation, or self-regulation, and the administration thereof. Programs to enhance the supervision of securities markets complement the regulation of banking institutions by providing a level playing field and limiting risk-taking associated with regulatory arbitrage. In many cases, securities brokers, insurance companies and pension funds were regulated by a variety of unrelated and unqualified government agencies or were not regulated at all. IDB operations emphasizing supervisory procedures included the preparation of updated handbooks for supervision of capital markets, the establishment of specific criteria for financial institutions and groups, improved enforcement and initial efforts to consolidate the assessment and management of the risk inherent in financial groups.

The *restructuring of securities markets oversight agencies* was included in 22 operations (16 countries and 2 regional programs). In some cases, these agencies, as well as those that monitor insurance markets and pension funds, were integrated into the superintendency of banks. In other cases, they were autonomous or nonexistent. In general, measures were taken to ensure good supervisory performance whether in existing or newly structured agencies.

The establishment of *accounting and auditing standards and information disclosure requirements* was included in 24 operations in 14 countries and one regional program. These activities (improving accounting, auditing and information disclosure standards and upgrading financial information systems, providing transparency to the financial system and confidence to investors) complement the measures described under bank supervision.

Professional training for market regulators was included in 19 operations (9 countries as well as 3 regional programs). Because securities markets are at an incipient stage in most countries, there is a critical lack of trained personnel. This constrains the implementation of capital markets development efforts. There is an urgent demand for appropriate and sustainable professional training related to capital market development.

In addition, the IDB group undertook a number of specific operations involving *securities markets development*. These included support for the development of appropriate clearance and settlement procedures in 12 operations (7 countries and 2 regional programs) and deepening and development of money and debt markets in 22 operations (14 countries and one regional program).

Among the recent operations approved to provide support in this area are various MIF techni-

cal cooperation programs whose aim is to improve local accounting and auditing standards in Chile, Costa Rica, Honduras, Mexico and Uruguay by bringing them into line with international standards. In addition, to foster local bond markets, the Bank provided credit enhancement through various partial credit guarantees for corporate bond issuances to be placed in local security markets (see box 3 for more information).

The MIF also approved a technical cooperation program to support the establishment of a Caribbean credit rating services agency (RG-M1023, US\$325,000, 2004). This new, regional agency will facilitate private firms' access to domestic and cross border issuance of notes and bonds and thereby lower their cost of funds, provide investors with high quality information to compare debt instruments in the Caribbean region, enable the capital markets in the region to become deeper and more liquid as more debt instruments are issued, and foster greater regional integration of capital markets.

Box 3: Recent Private Sector Operations to Foster the Development of Securities Markets

Guarantees for Domestic Corporate Bond Issuances

The IDB has developed a Financial Guarantee Program to provide credit enhancement to private sector debt issuances in the local capital markets. The Bank's aim is to promote the development of corporate domestic bond markets by offering credit enhancements to bridge the gap between the demands of investors and the needs of issuers for long-term debt instruments. By making it possible for domestic issuers to issue long-term debt in the local markets through the availability of IDB credit enhancements, the Bank helps them achieve a credit risk profile acceptable to domestic institutional investors. This financing mechanism allows the Bank to contribute to the development of local capital markets by attracting institutional investors, increasing the volume of bonds and creating an additional financial instrument for portfolio risk diversification. Below are some operations approved recently.

Graña y Montero S.A., IDB guarantee, US\$10 million, Peru, 2003

The G&M Bond Guarantee transaction is a partial credit guarantee for a whole business securitization bond for certain subsidiaries of Graña y Montero S.A. The bond was issued through a securitization trust formed under applicable Peruvian Law. The guarantee is provided by the IDB for up to US\$10 million for a bond issuance of US\$50 million with a tenor of 8 years placed in the Peruvian capital markets. The transaction allows G&M Group to carry out its capital expenditure program.

Costanera Norte S.A., IDB guarantee, US\$75 million, Chile, 2003

The Bank approved a US\$75 million partial credit guarantee for a Chilean Peso-denominated bond to be issued by Sociedad Concesionaria Costanera Norte S.A., a single-purpose company dedicated to implementing an urban toll road concession in Santiago, Chile. Ambac, a AAA-rated monoline insurer, was the co-guarantor of the bonds. Financial guarantees organized by the IDB covered up to US\$240,1 million of the bond issue. This is the second operation of this kind. In 2002, the IDB structured and closed a financial guarantee for another Chilean concession company for a similar bond issue to finance the construction and rehabilitation of the Santiago-Valparaíso-Viña del Mar toll road.

Continued

Box 3: Recent Private Sector Operations to Foster the Development of Securities Markets, continued

Telemar Norte Leste S.A., IDB guarantee, US\$68 million, Brazil, 2004

The IDB provided Telemar with a partial credit guarantee (PCG) for an approximately US\$170 million domestic corporate bond issuance denominated in Brazilian reais to be placed in the local capital market. Capital market transactions in Brazil have been of limited tenor, in general no longer than two years. Credit enhancements are needed to achieve longer tenors. The PCG provides coverage for up to US\$68 million.

Banco de Comercio, IDB guarantee, US\$ 20 million, El Salvador, 2004

This \$20 million partial credit guarantee is designed to assist Banco de Comercio (BanCo), El Salvador's fourth largest commercial bank, to fund its 2005-2008 mortgage lending program. The guarantee will support a three-year, US\$150 million mortgage bond program to raise resources to expand home lending operations. The new bonds, which will have a three-tier security structure, are to be offered to Costa Rican, Panamanian and Salvadoran institutional investors. The BanCo bonds will be the first regional mortgage backed fixed-income transaction by a Salvadoran entity, fostering the integration of Central American capital markets.

Stock Market Certificate Issue Guarantee

CABLEMÁS S.A., IIC guarantee, US\$7.6 million, Mexico, 2004

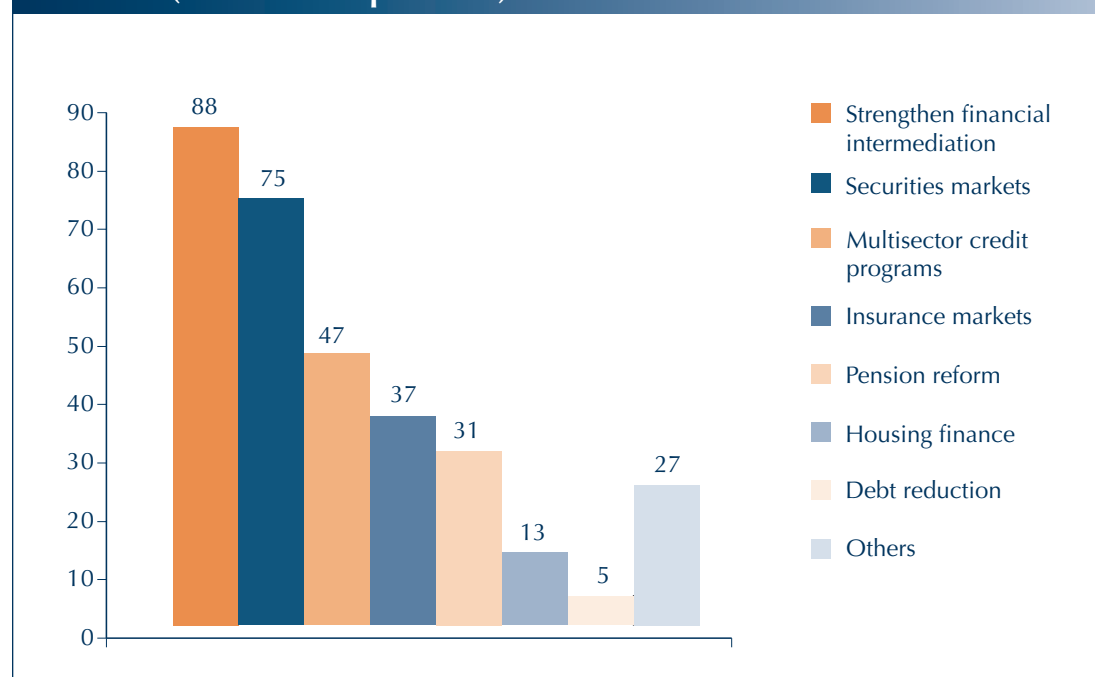
The purpose of this guarantee is to improve the risk profile of Cablemás S.A.'s stock market certificate (SMC) issue, which will be launched on the Bolsa Mexicana de Valores (Mexican securities exchange), and to make it easier for the company to obtain better financing terms and conditions so that pension funds and similar entities can buy its SMCs. The portfolios of Sociedades de Inversión Especializadas en Fondos para el Retiro (investment companies specializing in retirement funds) are at present markedly skewed because most of their funds are used to finance the government, while few local companies have access to this funding. There is a group of companies seeking funding on the securities market, but their size, degree of development, rating, and the fact that they are not well known hinder their access to the market. This type of operations will help those companies to access to capital markets. This IIC operation promotes the development of securities markets by supporting companies interested in issuing paper on the markets to access funding from institutional investors.

Insurance Markets and Pension Reform

The IDB group supported 37 operations in 16 countries and 4 regional programs that included measures to reform and develop *insurance markets*. Programs focused on introducing appropriate legal and regulatory frameworks; establishing prudential norms; improving supervisory procedures and information systems; strengthening supervisory agencies; and promoting the participation of insurance companies as institutional savers in capital markets.

The IDB group supported pension systems reform by approving 31 operations (16 countries and one regional operation). The primary focus of these operations was institutional and regulatory reform. Several of them provided assistance to member countries to undertake structural reforms of their pension systems establishing private pension funds and new regulatory and supervisory institutions. Argentina, Chile, Ecuador, Uruguay and Venezuela were among the countries that received important support in this area.

**Graph 2: IDB Group Financial Sector Operations by Area of Interest
(Number of Operations)**



Among recent operations, in 2003 the Bank approved a technical cooperation loan for US\$5 million for the Dominican Republic to assist in establishing a regulatory framework to improve the functioning of the Superintendency of Pensions (SIPEN), including its institutional, administrative, financial, and technical design and implementation. In addition this program helped to set the terms and conditions for the creation and operation of pension fund administrators (PFAs); establish a prudential investment regime for PFAs; create and implement training mechanisms for SIPEN staff; and develop information and internal and external communication systems for SIPEN and the supervised entities.

Housing Finance

The IDB group's commitment to solving the housing problem in the region is reflected in the active role it played in financing various operations in this area. The operations focused on promoting and expanding access to housing finance, developing mortgage instruments and increasing the access to financial services by low-income sectors.

The IDB group has promoted secondary markets for mortgages by encouraging the securitization of housing loans as a means of increasing the funds available for housing finance and reducing significant housing shortages. The IIC financed an US\$8 million program for *Delta Leasing Habitacional S.A.* to acquire, package and sell lease-backed securities to institutional

investors (CH-1069A, Chile, 2000). In 2002, the Bank provided support to the *Colpatria Mortgage Bond Project* to foster the development of a local mortgage-backed bond market in Colombia by providing access to long-term funding for the origination of new mortgages (CO-0260, Colombia).

In addition, the Bank has provided assistance to promote the mortgage-backed securities market in Mexico by providing a US\$75 million partial credit guarantee to cover a US\$500 million mortgage-backed securities issued by *Hipotecaria Nacional*, Mexico's largest special purpose mortgage financial institution. The securities issue was the first to feature standardized criteria that can be used to create a secondary market in mortgage-backed securities (ME-L1003, 2004).

Other operations in this area improved and promoted the legalization of land titles, and financed the development of the infrastructure needed to expand the mortgage-related industries. For instance, the IIC financed the acquisition of software and systems for secondary mortgage market infrastructure (BR-1102A, US\$1 million, Brazil, 2000).

Debt Reduction

The goal of debt reduction operations was to reduce the debt burden and promote stabilization and structural reforms in indebted countries. In addition to supporting debt (and debt service) reduction programs, these operations provided funding for the purchase of collateral and debt buybacks in line with agreements between countries and commercial banks made during the 1990s. These programs played an essential role in minimizing country risk and in normalizing countries' relations with foreign creditors and international financial markets. The Bank financed five debt reduction operations totaling almost US\$800 million in Argentina, Ecuador, Nicaragua, Panama, and Peru.

Other

This category considers operations that support areas of activities not included in the main categories described above. It covers diverse various areas, from rural finance to the development of financial instruments for risk management associated with natural disasters and the support for remittance services to immigrants. The Bank approved a total of 27 operations, including support to 12 countries and 8 regional programs.

The IDB financed the program *Support for Small Farmers* through PROCAMPO (US\$500 million, Mexico, ME-0213, 2001) to build the capacity of small-scale dryland farmers to make more efficient use of their resources in productive operations. The program financed advanced payments to small farmers that enabled them to carry out their productive activities without incurring high-risk financial costs.

Natural disasters cause important losses in Latin America and the Caribbean every year. To provide financial protection for the private and public sectors, the Bank has undertaken studies and approved a few operations in this area. One of the programs approved in 2002 was a technical

cooperation which provided support to El Salvador in its efforts to respond to natural disasters by evaluating and creating a financial risk management strategy (ATN/SF-8025-HO, US\$150,000).

The IDB group, in particular the MIF, supports financial institutions in designing remittance-related financial products and services in order to foster local economic development and the inclusion of the beneficiaries of remittances in the formal financial system. The MIF is carrying out operations aimed at reducing the costs of remittances by stimulating competition among providers of remittance services, promoting the dissemination of information among migrants and improving the regulatory frameworks for financial services. The following operations were recently approved: a US\$2.5 million and a US\$840,000 technical cooperation programs for the

Box 4: Secured Transactions

The IDB group has undertaken various activities that aim to promote the development of efficient secured transactions frameworks (STF) in Latin America and the Caribbean. Evidence shows that the effective functioning of credit markets in the region is constrained by the lack of an appropriate secured transactions framework (the set of rules and institutions that allows the creation, perfection and enforcement of security interests to support financial transactions). An efficient STF increases the value of movable assets and real property as collateral, reduces transaction costs and promotes significant growth in private sector credit and investment.

The IDB group has financed operations that included components to improve STF such as the reform of cadastres, the formalization of titling and registries, elements to improve the legal enforcement of security interests, diagnostic studies, and draft laws, among others.

Business Climate Initiative

By mapping out the set of issues involved in secured transactions, the IDB's Business Climate Initiative is looking at the whole process to determine in which area bottlenecks or inadequacies arise. The IDB will target those areas and find pragmatic solutions that enable a deepening of financial market and a greater availability of credit. A roadmap has been prepared to start the identification, through pilot activities, of problems in the member countries' secured transactions frameworks.

MIF Cluster "Promoting Effective Property Rights"

By providing funds for technical cooperation programs, the MIF cluster aims to improve the legal, regulatory and institutional framework for secured transactions in Latin America and the Caribbean. The following technical cooperation programs were approved recently:

Improvement in the Secured Transactions Framework to Facilitate Access to Credit

Nicaragua - US\$700,000 - ATN/MT-8428-NI - 2003

Bankable Property Rights

Mexico - US\$2,000,000 - ATN/MT-8245-ME - 2003

Program to Incorporate Business Assets into the Formal Sector

Mexico - US\$2,600,000 - ATN/MT-8654-ME - 2004

Dominican Republic (DR-0158 and ATN/ME-8455-DR, 2003), and two regional technical cooperation programs totaling US\$825,000 and US\$1.5 million respectively (ATN/ME-8695-RG and ATN/SF-8770-RG, 2004).

In looking for alternatives to improve access to credit by SMEs, the IIC approved a US\$3 million loan to finance international factoring to help improve access to working capital for small and medium-size Chilean import and export companies. This project is the first IIC operation with a factoring company. Factoring is used chiefly by small and medium-size companies that usually do not have easy access to bank financing because they cannot provide security, lack audited financial statements, or do not have a track record in the financial system. This program will allow small and medium-size companies to more rapidly convert export receivables into cash and to provide importing companies with additional capacity to increase supplier credit financing for the purchase of raw materials or other imported goods (*FactorLine S.A.*, Chile, 2004).

Regional Financial Market Development

Regional operations also support the development of financial markets but are geared to projects with a regional perspective. This report identifies 24 regional operations that were approved during the last fifteen years. The main focus of these operations was financial intermediation, securities and insurance markets.

Four multisector regional programs were approved during the period covered by this report. Included were a US\$200 million loan to the Andean Corporation Fund to support the private sector in IDB member countries (RG-0010, 1993); a US\$100 million loan to the Central American Bank for Economic Integration (CA-0008, 1997); and two loans to the Caribbean Development Bank (RG-0037, 1996 for US\$37 million and RG-0056, 2002 for US\$20 million).

The other 19 regional operations are technical cooperation programs. Among the programs undertaken, five deserve to be highlighted. The *Financial and Securities Market Development Program* (ATN/SF-5274-RG, US\$850,000, 1996) was designed in response to a mandate from the finance ministers of the western hemisphere. In general terms, the project was created to support policy research and training programs on financial and securities markets in the Latin America and the Caribbean. The operation was made up of five subprograms: risk management, financial systems survey, best practices in accounting and auditing standards, pilot training programs in bank and securities market supervision, and investor education.

The *Bank and Securities Markets Supervision Regional Training Program* (ATN/MT-5855-RG, US\$1.3 million, 1998) was designed to enhance regional or subregional training of bank and securities markets regulators. By supporting training at the regional level, the IDB group facilitates the harmonization of market rules, improves the compatibility of market information, and

further the integration of the region's financial and capital markets. To permit the development of a consistent supervisory approach and common minimum standards, training funded by this MIF technical cooperation was limited to programs with a regional focus.

The *Financial Sector Activities and Poverty Reduction Program* (ATN/SF-7297-RG, US\$115,000, 2000). This program focused on investigating the relationship between financial sector activities and poverty reduction in order to identify financial policies and services that may have a significant impact on income distribution and efforts to reduce poverty.

The Bank is implementing the *Regional Financial Sector Policy Framework Program* to develop a regional forum of financial sector policymakers and regulators to discuss key issues in financial sector development (ATN/SF-7464-RG, US\$150,000, 2001). This comprehensive operation involves the areas of financial intermediation, pension reform, securities and insurance markets. Another operation approved in 2002 was *the Support for the Exchange of Know-How and Experiences among Development Banks in Latin America and the Caribbean* (ATN/MT-7872 - RG, \$275,000). This program was financed with MIF resources and was implemented by ALIDE (Asociación Latinoamericana de Instituciones Financieras para el Desarrollo). The specific objective of this program was to support the exchange of experiences and the transfer of know-how on specialized banking techniques and financial approaches among development banks in Latin America and the Caribbean.

Other areas supported by regional financial sector operations include harmonization and development of capital markets, regional and subregional financial system integration, and initiatives to restrict money-laundering activities, and programs to exchange best practices and policy dialogue with the regional and international regulatory institutions.

The IDB group financed projects that addressed the development of financial markets, provided support during banking crises, promoted private sector activities and provided financing through multisectoral credit operations. The IDB group has also provided technical support for the development of financial strategies, innovation in financial risk activities, development of primary and secondary mortgage markets, and other financial sector activities.



4

Operations Involving Financial Sector Development

4. OPERATIONS INVOLVING FINANCIAL SECTOR DEVELOPMENT

This section describes the operations dealing with financial sector reform and market deepening, highlighting each operation's main aspects. Operations are listed by country and ordered by date of approval. Regional operations are listed at the end of the section. This section does not include the summary of the following IIC operations: loans to local financial intermediaries, colending and investment funds operations.²

1. Argentina

1.1. GLOBAL CREDIT PROGRAM FOR SMALL BUSINESSES AND MICROENTERPRISES

AR-0213, PR-1802, \$45,000,000, 1991

The objective of this program was to expand microentrepreneurs access to credit and provide technical assistance to help them increase production and income, while at the same time maintaining or increasing rural and urban employment opportunities. The program resources were used to grant short- and medium-term loans to finance the purchase of fixed assets, working capital and technical assistance services. The resources were channeled through the central bank to intermediary financial institutions (IFI) that complied with the eligibility criteria. The program also financed technical assistance for institutions and IFIs.

1.2. PUBLIC SECTOR REFORM PROGRAM

AR-0215, PR-1792, \$325,000,000, 1991

One of the components of this public sector reform loan consisted on the adoption and implementation of important banking supervision measures which were introduced as first and second tranche conditions. The measures included drafting, submitting to Congress, enacting and implementing a new Financial Management and Performance Control Law; reorganizing the banking superintendency and implementing that reform; and establishing an action plan on systems and training for the Superintendency of Banks.

1.3. INVESTMENT SECTOR REFORM PROGRAM

AR-0059, PR-1901, \$350,000,000, 1992

Among the main objectives of the program were to strengthen the Superintendency of Banks and to develop a modern regulatory information system. The commitment made by the central bank included the implementation of action plans to foster the establishment of modern supervision practices, information systems and extensive professional training programs, establishment of the legal, regulatory and institutional structures needed to develop new financial instruments, and improvement of the supervisory capability and level of training of the regulatory authorities. In addition, this program was aimed at helping the government to develop securities markets by strengthening enforcement mechanisms, improving the training and profession-

² IDB group support to MSMEs are discussed in detail in the following IDB publications: *IDB Group Support to the Microenterprise Sector: Achievements, Lessons, and Challenges* and *IDB Group Support to the Small- and Medium-Size Enterprise Sector: Achievements, Lessons, and Challenges*.

al development of regulators and developing the legal and regulatory structure for derivative markets. The program was also designed to assist the government in carrying out comprehensive analyses of at least five agreed upon provincial banks as well as pension systems in at least eight provinces.

1.4. DEBT AND DEBT SERVICE REDUCTION LOAN

AR-0139, PR-1902, \$400,000,000, 1992

The operation contributed to Argentina's medium-term development by giving the government the time it needed to implement structural reforms that would promote macroeconomic stability. The proposed debt and debt service reduction loan, which financed interest and principal collateral for par bonds, enabled the government to regularize its relationships with external creditors in a way that was fiscally sustainable, thus improving Argentina's country risk.

1.5. GLOBAL MULTISECTOR CREDIT PROGRAM

AR-0055, PR-1963, \$300,000,000, 1993

The program was designed to enhance the functioning of domestic medium-term credit markets, and to increase access to medium- and long-term credit for the productive sector. Since strong banking supervision was important to the success of the program, strengthening banking supervision was a precondition for the first disbursement. The government had to present a plan and a precise timetable for completing this task, including establishment of management information systems, accounting and auditing standards, supervisory capacity, training programs, supervisory norms and examination procedures, and international standards for disclosure. However, the responsible institution was unable to effectively disburse the funds and consequently the loan was cancelled at the request of the Argentine government.

1.6. PROVINCIAL BANKS PRIVATIZATION SECTOR LOAN

AR-0187, PR-2036, \$750,000,000, 1995

Loan operation to continue public sector reforms initiated under other Bank operations and to promote the economic development of Argentina's provinces through the privatization or closure of eligible provincial and municipal banks. Loan funds financed CIF costs of eligible imports, and the governments established trust funds that were distributed to provinces in order to cover short-term liquidity needs. Specifically, program funds were used to: (i) pay back private deposits; (ii) repay short-term advances from the central bank and a state-owned bank; (iii) repay bonafide liabilities; (iv) fund voluntary reduction-in-force programs; and (v) cover costs associated with advisors and consultants hired to draft documents for the privatization of specific banks. This program responded to an unexpected and historic opportunity to privatize or close most provincial banks, which have been a weak link in both the financial system and provincial fiscal management for some time. The privatization of provincial banks was intended to reduce public sector presence in the economy, and encourage compliance with the government's broader financial policies that target improved efficiency and solvency of financial intermediation, with capital adequacy of financial institutions and provisioning based on risk-weighted assets.

1.7. CREDIT GUARANTEE SYSTEM FOR SMALL- AND MEDIUM-SIZED ENTERPRISES

ATN/MT-5080-AR, MIF/AT-66, \$610,000, 1995

This project was designed as a nonreimbursable technical cooperation to establish the legal and regulatory framework for a credit guarantee system for small- and medium-sized businesses. It supported the Argentine government by: (i) preparing the regulations and legal framework for the reciprocal credit guarantees system; (ii) appointing the supervisory authority and strengthening the capacity of the central bank to exercise supervision and control over the new reciprocal credit guarantee companies (SGRs); and (iii) encouraging the establishment of SGRs in Argentina by training future operators to ensure the program's efficiency and sustainability with minimal intervention by the public sector. To reach these goals, the program was divided into three subprograms, each of which was designed to strengthen the enforcement authority; support the regulatory development of the reciprocal credit guarantee system; strengthen the capacity for inspection and control of the SGRs by the central bank; and disseminate information about the new system and provide training for its potential operators. This system facilitated access to credit by small- and medium-sized businesses, both in terms of the number of beneficiary enterprises and the volume of guaranteed credit.

1.8. PROVINCIAL SOCIAL SECURITY SECTOR REFORM

AR-0201, PR-2151, \$320,000,000, 1996

This loan operation was intended to support the government of Argentina to strengthen social security institutions, consolidate reforms and balance provincial budgets. Efforts to stimulate private savings and investment by allowing provincial employees to join the system of pension fund administrators promoted the development of capital markets. Finally, these reforms lessened the impact of retirement funds on provincial budgets. The program also provided support for strengthening the National Social Security Administration (ANSES) and established controls to prevent fraud and evasion in the consolidated system. The program consisted of three components, the first of which involved the transfer of active and noncontributing members and the related revenue and expenditures as well as support for capital market development. The second component focused on restructuring the ANSES to improve its administrative and financial operations, efficiently absorb the provincial retirement funds, and lessen the fiscal impact of the social security deficit. The third component called for cutting benefits to ineligible payees in order to generate savings for the system.

1.9. MUNICIPAL REFORM AND DEVELOPMENT PROGRAM

AR-0250, PR-2371, \$250,000,000, 1998

The primary focus of this program was to establish and enforce the institutional conditions necessary for self-sustaining development in Argentina's municipalities. A small but important subprogram (\$2 million of the total program cost, which is estimated at \$500 million) was designed to help to devise financing mechanisms whereby municipalities can access the capital markets directly to secure medium- and long-term private funding for capital investment projects. The subprogram set up a mechanism that allows qualifying municipalities (those meeting the reform requirements established by the program) to gain access to long-term private sector funding. The program also included a number of studies on financial intermediation arrangements that could be used to secure long-term financing for municipal projects.

1.10. SPECIAL STRUCTURAL ADJUSTMENT PROGRAM AND STRENGTHENING OF BANKING SYSTEM SAFEGUARDS

AR-0254, PR-2370, \$2,500,000,000, 1998

This emergency loan was intended to strengthen the banking sector, deepen macroeconomic reforms and improve the social safety net. The loan to be disbursed in conjunction with programs also supported by the International Monetary Fund and the World Bank was designed to counteract global financial shocks resulting from the 1997-98 Asian financial crisis and the foreign debt default by Russia. The loan had two components. One component (\$500 million) focused on the strengthening of the central bank's system of banking safeguards, known as the Repo System, which is a bond repurchase arrangement between the central bank and a group of commercial banks. It served to ensure that the banking system had the necessary liquidity to withstand sudden financial stress. The other component (\$2,000 million) contemplated reforms in four major areas: (i) intergovernmental fiscal relations; (ii) social sector; (iii) infrastructure and public utilities; and (iv) financial sector. To avoid distortions in presenting the information, it was assumed that \$1,000 million of this component may be allocated to the financial sector.

1.11. GLOBAL SMALL BUSINESS AND MICROENTERPRISE CREDIT PROGRAM

AR-0127, PR-2411, \$100,000,000, 1997

This operation constituted the second stage of the Global Credit Program (AR-0213, 1991). The principal objective of this program was to continue providing credit support to enhance the productive capacity of small businesses and microenterprises, and thereby help them to become more competitive and to reduce unemployment. The program consisted of two components. A credit component (US\$196 million), managed by the Central Bank of Argentina, was channeled through regulated intermediary financial institutions (IFIS) that met the eligibility criteria of the program and were willing to provide financing at market terms and conditions and to make increasing use of their own resources in support of the target group. The second component was a technical assistance (US\$4 million) that included activities to promote the transfer of appropriate lending technology to eligible IFIS and to provide institutional strengthening for the executing agency.

1.12. FINANCIAL SERVICES SECTOR PROGRAM

AR-0266, PR-2579, \$500,000,000, 2001

This program supported the execution and implementation of reforms in the pension, insurance and capital markets. The project had four components: macroeconomic framework, pension systems reform, insurance sector restructuring and capital markets development. The objectives of this program were (i) to promote a competitive and financially sound marketplace; (ii) foster the delivery of high-quality and cost-efficient financial services; (iii) improve governance of institutions and corporations; and (iv) strengthen the regulatory functions and enforcement capabilities of regulators. This program was expected to enhance competition among providers of financial services and protect property rights of investors and consumers by fostering more transparency from financial services providers. In addition, this program helped expand the pension, insurance and financial markets.

1.13. TECHNICAL COOPERATION- FINANCIAL SERVICES SECTOR PROGRAM**AR-0284, PR-2579, \$2,000,000, 2001**

Part of the Financial Sector Program mentioned above, consisted of technical assistance which financed a series of studies to provide a basis for second tranche policies and future reforms in the financial services markets as well as financed the project implementation unit. The technical cooperation loan provided extensive support to the executing agency (the Ministry of Economy) in terms of staffing and expert consultants in the areas of insurance supervision and regulation and capital markets.

2. Bahamas**2.1. MULTISECTOR CREDIT PROGRAM****BH-0015, PR-1882, \$21,000,000, 1992**

The credit program had two main objectives: the development of reliable capital markets for long-term lending through the Bahamian private sector and the generation of a series of new project initiatives by the country's small- and medium-sized businesses. The program included a technical assistance component providing for the training of both intermediaries and end-users of funds in various aspects of entrepreneurship and marketing, financial planning and the administration of joint ventures. This program involved two ordinary capital loans, one for \$14 million and a second for \$7 million. This loan was used to establish a credit facility to be drawn upon by the Bahamian private sector. The financing featured a variety of technical assistance components at the levels of the executing agency, financial intermediaries and borrowers. Project lending was carried out by the Bahamas Development Bank (BDB), working both independently as a source of funds for private domestic borrowers and in concert with the country's central bank as a source of capital for qualifying financial intermediaries, private commercial banks and a second-tier financing in the productive sectors. The central bank administered periodic auctions to allocate funds to these intermediaries.

2.2. PROGRAM TO SUPPORT CAPITAL MARKETS MODERNIZATION**ATN/MT-6083-BH, MIF/AT-190, \$500,000, 1998**

This technical cooperation was intended to assist the government of The Bahamas in its efforts to upgrade the existing Securities Board, develop an international securities exchange, and promote investor education. Upgrading the Securities Board included personnel training and the establishment of guidelines for the effective management of a well-functioning regulatory agency, oversight of the issuance process, secondary trading, information dissemination, and standards for enforcement of regulations. The second component, development of the Bahamas International Securities Exchange (BISX), involved support for the implementation of a functional exchange with both domestic and international tiers, allowing for a transparent and public platform for trading. The final component was concerned with promotion of the two institutions and education of the general public, brokers/dealers, custodial banks and other market participants.

3. Barbados

3.1. INVESTMENT SECTOR REFORM PROGRAM

BA-0012, PR-2081, \$35,000,000, 1995

This program supported and encouraged the creation of an agreement on a new Financial Institutions Act to strengthen the government's oversight of the financial system, and reform public development banks and strengthen bank supervision to oversee capital standards. In addition, the program financed a study of the regulatory environment for all finance-related institutions in Barbados; the preparation of recapitalization and privatization plans for the National Bank of Barbados; the liquidation of the Barbados Development Bank; the preparation of background studies and an initial implementation plan for a second-tier mortgage bank; an agreement on required improvements to primary and secondary government securities market and its further implementation and maintenance of targets.

3.2. STRENGTHENING OF THE BARBADOS SECURITIES MARKET

ATN/MT-7090-BA, MIF/AT-349, \$298,000, 2000

This nonreimbursable technical cooperation contributed to the sustained development and expansion of the financial sector of Barbados by providing support to strengthen the capital market legal and regulatory framework, and establishing an adequate institutional structure for market regulation and supervision. It also provided assistance for the Securities Exchange of Barbados (SEB) in the areas of training, dissemination and business planning. In addition to the SEB, the Ministry of Finance and Economic Affairs was involved in the execution of the project.

4. Belize

4.1. BANKING AND NON-BANKING SUPERVISION

ATN/MT-8538-BL, MIF/AT-564, \$500,000, 2003

This technical cooperation was devoted to improve the safety and soundness of the financial system of Belize, supporting the government efforts to promote macroeconomic stability and economic growth and to facilitate access to credit without jeopardizing deposits by the public. The main objective of this program was to strengthen the Financial Sector Supervision Department (FSSD) of the Central Bank of Belize (direct beneficiary of the project) in order to enhance its capacity to supervise the country's financial institutions and its regulatory, monitoring and auditing function over commercial banks and non-bank financial intermediaries.

5. Bolivia

5.1. MULTISECTOR LENDING PROGRAM

BO-0088, PR-1789, \$80,000,000, 1991

This loan supported the reform of Bolivia's financial sector, promoted private investment and funded a multisectoral global credit program. Specifically, it supported a multisectoral credit

program that complemented financial and investment reforms and provided medium- and long-term financing to the private sector (especially small- and medium-sized businesses) through a competitive market pricing mechanism. It also supported institutional and operational reforms to improve the financial intermediation process. A technical cooperation from the government of Switzerland helped strengthening the institutional capacity of the central bank's credit management unit and intermediary financial institutions as well as fund staff training.

5.2. FINANCIAL AND INVESTMENT SECTOR REFORM PROGRAM

BO-0110, PR-1789, \$60,000,000, 1991

This loan was approved together with the Multisector Lending Program (BO-0088) to support the reform of Bolivia's financial sector, and promote private investment. The reforms were intended to improve the competitive banking environment, eliminate controls on interest rates and remove impediments to the development of capital markets. Investment sector reforms supported by the loan opened opportunities for private capital in public enterprises, particularly in the mining and hydrocarbon sectors; developed plans for fostering private participation in major public enterprises and support the privatization of others.

5.3. GLOBAL MULTISECTOR CREDIT PROGRAM II

BO-0034, PR-2016, \$70,000,000, 1994

This program, which was initially executed by the Gerencia de Desarrollo of the Central Bank of Bolivia (BCB), continued the provision of competitively priced medium- and long-term financing for the country's private sector that was begun with the help of an \$80 million loan in 1991. The second phase of the program also coincided with the consideration of a new law governing the activities of the BCB that would transfer the responsibility for executing this and other credit operations to an independent, second-tier financing entity. The program functioned through a credit auction mechanism first established by the BCB in 1990 and which to date has brought interest rates charged by intermediary credit institutions (ICIs) more into line with their own cost of funds. It also increased allocative efficiency across alternative sectors, reduced transaction costs and increased the degree of transparency surrounding the selection of projects for financing. The second phase of the program contained explicit guidelines on environmental control for end-users of credit, including the incorporation of evaluation statements as part of the documentation submitted by sub-borrowers to ICIs.

5.4. STRUCTURAL REFORMS AND CAPITALIZATION PROGRAM

BO-0094, PR-2050, \$70,000,000, 1995

This program supported the development of long-term financial markets. The first phase of the financial reform program was financed through a previous IDB program and was aimed at reforming the existing banking system. This program focused on improving the regulation of securities and insurance institutions, as well as strengthening contractual savings and pension mechanisms. In addition, the government planned to further strengthen the financial system by restructuring the central bank and enacting the Organic Central Bank Law and the Superintendency of Banks and Financial Entities Law. Draft securities legislation was prepared and prospective MIF technical assistance was provided to strengthen the Securities and Exchange Commission.

5.5. INTEGRATED PROGRAM FOR SUPPORT OF THE MICRO AND SMALL ENTERPRISE

BO-0171, PR-2333, \$35,000,000, 1998

This program supported the government's efforts to increase the access of small businesses to the financial system, but also it helped to expand flows of resources for investment, support policies and regulations favorable to the sector and strengthened sector institutions. This program supported the consolidation and normalization of financial intermediaries and the adoption of effective standards for granting credit.

5.6. HOUSING POLICY SUPPORT PROGRAM (PROVIVIENDA)

BO-0008, PR-2291, \$60,000,000, 1998

The primary focus of this program was to support the Government of Bolivia in implementing a national housing policy. However, an important subprogram was designed to promote the establishment of a secondary mortgage market, thereby improving access to long-term funds and reducing the risks associated with maturity mismatches. Under this component of the program, Nacional Financiera Boliviana (NAFIBO) received a loan to begin the process of purchasing mortgages to be packaged and securitized. To better ensure the success of the program, the government was expected to undertake complementary actions that include contracting an international investment bank to advise on the structure of securitization and underwriting, risk classification, and issuance and registration of the securities.

5.7. STRENGTHENING OF THE SUPERINTENDENCY OF BANKS

ATN/MT-5946-BO, MIF/AT-169, \$1,200,000, 1998

The main objective of this operation was to develop and improve the quality of financial services for disadvantaged groups and microenterprises in Bolivia by strengthening the Superintendency of Banks and Financial Entities (SBEF), which was also the executing agency. The aim was to ensure effective supervision of the increasing intermediation performed by nonbanking entities, to put proper rules and procedures in place, and to incorporate this into the financial institutions providing credit services for small businesses and microenterprises and home financing for low-income groups.

5.8. CAPITAL MARKET CONSOLIDATION AND DEVELOPMENT PROGRAM

ATN/MT-6354-BO, MIF/AT-225, \$1,150,000, 1999

This project, which was executed by the Superintendency of Pensions, Securities and Insurance (SPVS), supported the consolidation and development of the securities market in Bolivia, in order to improve resource allocation and the quality of financial services. The appropriate operation of the securities market would foster private sector confidence, and increase domestic savings and the financing of productive projects with long maturities. The specific objectives of this operation were to facilitate the drafting of suitable rules and regulations for the operation of the securities market; strengthen the Securities Administration by providing support for staff training and sufficient staffing for its operations; and design monitoring systems and operating manuals that would provide and ensure effective market supervision.

5.9. PENSION REFORM IMPLEMENTATION PROGRAM**ATN/MT-6374-BO, MIF/AT-230, \$1,100,000, 1999**

This technical cooperation grant focused on improving, designing, installing and putting into operation systems to monitor and supervise the compulsory social security system and the capitalization process, incorporating the reforms contained in legislation on pensions, property and public credit. The program was designed to strengthen the Superintendency of Pensions, Securities and Insurance by supporting the development of regulatory and control structures for the new social security system. It also sought to design and disseminate educational material and information to the population sectors with the least knowledge of finance, explaining their rights and obligations under the Property and Public Credit Act and the Pension Act. This was carried out using such means as pamphlets, leaflets, a toll-free information line, statistical summaries, the mass media and the development of information systems. The program provided Pension Administration employees with computer software and hardware.

5.10. INSTITUTIONAL STRENGTHENING OF THE OFFICE OF INSURANCE OVERSIGHT**ATN/MT-6950-BO, MIF/AT-319, \$840,000, 2000**

The principal objective of this project was to consolidate insurance market operations in Bolivia, to contribute to accelerating the economic growth of the country's private sector. The program provided support to the legal, regulatory and supervisory framework for insurance activities pursuant to the Core Principles of Insurance Supervision for Emerging Markets, established by the International Insurance Supervisors Association (1997). The specific technical cooperation objectives were: (i) to implement the new insurance law; (ii) draft implementing regulations to adapt the current rules to the new insurance law; (iii) bring Bolivian insurance companies in line with the new regulatory provisions; and (iv) strengthen the supervisory capacity of the Office of Insurance Oversight by introducing information technology, staff training, and methods and procedures of supervision and oversight. The project was executed by the Superintendency of Pensions, Securities and Insurance through the Office of Insurance Oversight.

6. Brazil**6.1. GLOBAL MULTISECTOR CREDIT PROGRAM I****BR-0172, PR-1731, \$250,000,000, 1990**

This loan, executed by the Banco Nacional de Desenvolvimento Econômico e Social (BNDES), supported the development of the Brazilian productive sector by providing resources for subloans to private enterprises for fixed assets in all sectors and working capital in the agricultural sector. Individual enterprises as well as producers' associations and cooperatives were eligible for the resources, fifty five percent of which BNDES channeled through financial institutions, including commercial and investment banks, all of which met rigorous eligibility criteria to participate. The banking sector's involvement in the program promoted its role as an agent of economic development. The program expanded, modernized, and diversified private sector activities in industry, transport, storage, telecommunications, energy, social infrastructure, agriculture, technological development, and the environment. As such, it dovetailed with Brazil's Economic Stabilization Plan (the Collor Plan), adopted early in 1990, which relied on the pri-

vate sector as the principal agent of economic development and sought to increase exports. Individual subloans were capped at \$20 million, and program resources were used to purchase machinery, equipment, and services.

6.2. GLOBAL MULTISECTOR CREDIT PROGRAM II

BR-0155, PR-2093, \$300,000,000, 1995

This loan to Brazil's Banco Nacional de Desenvolvimento Econômico e Social channeled credit through participating intermediary financial institutions (IFIs) to finance the acquisition and use of capital assets by private firms. The program continued initiatives begun under the loan described above to develop the country's medium- and long-term credit markets, particularly for small- and medium-sized businesses. Channeling funds through IFIs made it possible for IDB resources to contribute to developing sound portfolio management practices at a time when, following a prolonged period of high inflation, commercial banks in Brazil were making the transition to a market in which lending is again the principal mode of operation. Market deficiencies reflected in the dearth of long-term lending in Brazil's financial system have affected small and medium-sized firms to a disproportionate degree. The financial charges on funds on lent to IFIs and sub-borrowers were based on the country's long-term interest rate; the IFIs charged their customers a lending fee, to which they may added other commissions. As in the case of the earlier loan, environmental quality control was ascertained on the basis of the standards maintained by CONAMA, the National Environmental Commission.

6.3. BRAZILIAN EQUITY INVESTMENTS III LTD

BR-1058A, CII/PR-132, \$5,000,000, 1995

The Brazilian Equity Investments ("the Fund") is a closed-end investment fund, incorporated under the laws of the Cayman Islands as an exempted company. The Fund sought to earn high long-term capital appreciation through investments in equity and quasi-equity securities of medium-sized companies that need capital funding for expansion. The Fund was listed on the Irish Stock Exchange. It has a life of 7 years plus two years for orderly liquidation, for a total of 9 years. The Fund's investments were mostly in medium-sized companies with high growth potential already operating in Brazil. The sponsors for the project were BEA Associates and Garantia Banking Ltd.

6.4. GLOBAL MULTISECTOR FINANCING PROGRAM III

BR-0277, PR-2316, \$1,100,000,000, 1998

This program enabled the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) to lend to intermediary financial institutions to support the productive sectors, increase the availability of long-term credit to small businesses, promote greater investments in health and education, and deepen and broaden financial sector reforms included in the Real Plan by stimulating the development of a medium- and long-term credit in Brazil. The program consisted of three components: providing financial support for microenterprises and small businesses that have formalized their legal status, giving them access to medium- and long-term credit for investments in productive sectors; financing to enhance the competitiveness of small businesses in a more open economy; and strengthening the private sector delivery of health and education services.

6.5. SUPERVISION OF CLOSED PRIVATE PENSION FUNDS**ATN/MT-5949-BR, MIF/AT-171, \$1,200,000, 1998**

The objectives of this project were to review the legal framework and regulations for the private closed supplemental pension system and to strengthen the system's regulatory capacity as well as the supervisory and compliance monitoring functions of the Supplemental Pension System Secretariat of the Ministry of Social Security and Social Assistance, the body that regulates and supervises the system and was also the executing agency.

6.6. GLOBAL CREDIT PROGRAM FOR SMALL- AND MEDIUM-SIZED ENTERPRISES**BR-0310, PR-2382, \$1,200,000,000, 1999**

This program supplied multisector global financing to spur job creation in the productive sectors so small- and medium-sized enterprises could modernize and expand their operations to become more competitive. The program took the form of a discount window for medium- and long-term commercial bank loans to small- and medium-sized enterprises to finance purchases of machinery, equipment, and services. All funds for the program were channeled through the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and then through intermediary financial institutions, which in turn lent these funds to small- and medium-sized enterprises to finance productive investment projects. The program supported the development of a modern manufacturing sector in Brazil; it also supported the Brazilian government efforts to modernize the country's production sectors and make them more competitive. The specific aim of the program was to maintain an adequate flow of medium- and long-term financing on market terms, via the formal financial system, to enable small- and medium-sized enterprises to restructure, improve, and expand efficient operations.

6.7. SFI-SERVIÇOS FINANCEIROS IMOBILIÁRIOS LTDA.**BR-1102A, CII-PR-242, \$1,000,000, 2000**

This Inter-American Investment Corporation project was sponsored by SFI-Serviços Financeiros imobiliários Ltda./International Mortgage Services LLC. The program's funds were used to finance the acquisition of new software and systems so that SFI can strengthen and expand its operations. SFI provided high quality independent mortgage servicing to issuers of mortgage-backed securities in Brazil. Mortgage servicing is critical to the development of a secondary market infrastructure.

6.8. BRAZILIAN SECURITIES COMPANHIA DE SECURITIZAÇÃO I**BR-1099A, CII-PR-243, \$10,300,000, 2000**

The IIC approved the purchase of up to US\$10 million in mortgage-backed securities issued by the Brazilian Securities Companhia de Securitização (BS) as well as a subordinated loan for up to US\$300,000. The purpose of this project was to strengthen the capital of BS, a securitization company, in order for BS to participate in the development of a secondary mortgage market in Brazil. The project helped to introduce, through a private initiative, rated mortgage-backed securities in the Brazilian capital markets, as a new long-term investment instrument for institutional investors. This operation complemented the below IIC operation with Brazilian Mortgages Companhia Hipotecária (BM). BM was the mortgage originator, purchasing mortgage

loans from developers. These mortgages then were sold at a spread to BS, which acquired the mortgages from BM as well as other financial institutions and issued mortgage backed securities, called in Brazil *Certificados de Recebíveis Imobiliários* (CRIs), with terms of up to 10 years. The CRIs were sold to the IIC. As the secondary mortgage market develops, the IIC will sell, through BS, the CRIs to Brazilian secondary market investors, including insurance companies and pension funds.

6.9. BRAZILIAN MORTGAGES

BR-1117A, CII-PR-243, \$200,000, 2000

A \$200,000 subordinated loan went to Brazilian Mortgages Companhia Hipotecária (BM). This project, together with the above operation, helped introduce mortgage-backed securities in the Brazilian capital markets as a new long-term investment instrument for institutional investors. The project would also strengthen the capital of BM in order for it to participate in the development of a secondary mortgage market in Brazil. The funding provided by the IIC would help improve the quality of life of low- and middle-income families, making it easier for them to become homeowners. With this project, the IIC contributes to the development of the mortgage origination sector, which can play a catalytic role in developing a secondary mortgage market in Brazil.

6.10. PROGRAM TO EXPAND MARKETS FOR SMALL- AND MEDIUM-SIZED ENTERPRISES IN NORTHEASTERN BRAZIL

BR-0270, PR-2560, \$150,000,000, 2001

The objectives of this program were to help raise the efficiency and competitiveness of small- and medium-sized enterprises producing goods and services in the Northeast of Brazil and to create an operating mechanism within the Banco do Nordeste do Brasil for granting loans to small- and medium-sized enterprises through financial intermediaries. This program promoted and financed technical assistance, training programs, productive investments, projects involving innovations, research and development of new technology, trade promotion activities, development of additional infrastructure and institutional strengthening. The program had two components: (i) technical assistance, training, technology research and development, export promotion, and infrastructure and institutional strengthening financed with nonreimbursable contributions; and (ii) loans for productive investments.

6.11. SUPPORT FOR THE MODERNIZATION OF PENSION SYSTEM MANAGEMENT

BR-0327, PR-2602, \$57,000,000, 2001

The main objective of the program was to support modernization of Brazil's pension system management. There were two specific objectives of the program: (i) modernization of the National Social Security Institute in order to obtain greater efficiency, and transparency in the management of the General Pension Scheme which serves member workers in the private sector; and (ii) strengthening the Pension Secretariat to expand its technical assistance capacity at sub-national levels of government in order to assist them in formulating proposals for reform and in modernizing the management and administration of their Public-Sector Schemes which serve civil servants.

The program required more than one project cycle due to the long-term objectives sought. The first phase of the Program included the execution of the following two subprograms. The first one was the Modernization of the General Pension Scheme Administration which aimed to strengthen the National Social Security Institute through the following components: (i) strengthening management; (ii) process integration; (iii) human resources; and (iv) service to the public. The second subprogram was the development of public-sector pension schemes, which had two components: (i) strengthening the pension secretariat; and (ii) support for the reform and management of municipal pension systems.

6.12. BNDES PROGRAM TO SUPPORT MICRO, SMALL AND MEDIUM SIZED ENTERPRISES BR-0331, PR-2633, \$900,000,000, 2001

The main objective of the Program was to support the development and modernization of micro, small and medium-sized enterprises in Brazil. The borrower and executing agency was the Banco Nacional de Desenvolvimento Econômico e Social (BNDES). The program consisted of a rediscount facility for medium- and long-term loans granted by intermediary financial institutions to Brazilian firms to finance investment projects for the reconversion, improvement, and expansion of efficient activities under competitive conditions. All funding under the program was channeled by the BNDES through already-established second-tier mechanisms that operated through a network of 180 regulated financial agents with more than 15,000 banking branches.

6.13. BRAZILIAN SECURITIES CAMPANHIA DE SECURITIZAÇÃO II BR-1099B, CII-PR-271, \$10,000,000, 2001

In 2000, the IIC financed three projects (BR-1102A, BR-1099A, and BR-1117A) that contributed to the development of the secondary mortgage market in Brazil. This operation strengthened the IIC efforts to develop the secondary markets. The operation provided Brazilian Securities (BS) access to a facility that allowed the capacity to acquire larger volumes of mortgages for their subsequent securitization. This permitted BS to further expand the market for rated mortgage-backed securities in the Brazilian capital markets as a long-term investment instrument for institutional investors.

6.14. BRAZILIAN MORTGAGES COMPANHIA HIPOTECÁRIA S.A. II BR-1117B, CII-PR-271, \$5,000,000, 2001

The program gave Mortgages Companhia Hipotecária S.A. (BM) access to a facility that allowed the company to provide home equity loans to individual homeowners, and to originate mortgage loans. This program, complemented with the above IIC operation, supports the further expansion of the market for rated mortgage-backed securities in the Brazilian capital markets, as a long-term investment instrument for institutional investors.

6.15. MODERNIZATION AND INSTITUTIONAL STRENGTHENING OF THE COMISSÃO DE VALORES MOBILIÁRIOS ATN/MT-7887-BR, MIF/AT-475, \$2,000,000, 2002

The objective of the program was to deepen the capital market by strengthening and modernizing the regulatory and oversight agency. This program was made up of five components: (i)

update the regulatory framework and its integration with other markets; (ii) analyze the competitiveness of Brazil's reference markets (Mercosur, Chile and the main international markets); (iii) modernize the entire process of registration of issues of bearer securities and the disclosure of significant facts occurring in the market; (iv) endow the Comissão de Valores Mobiliários (CVM), Brazil's securities commission, with the tools necessary to control the behavior of markets under its supervision; and (v) modernize the requirements for access in Brazilian capital markets.

6.16. BANCO BRADESCO TRADE FACILITY

BR-0407, PR-2751, \$50,000,000, 2003

In February 2003, the Bank launched a US\$1 billion International Trade Finance Reactivation Program designed to mitigate the volatility of international capital flows for trade finance in the region. This facility represented the first operation under this IDB program. The trade finance facility extended to Banco Bradesco S.A., the largest private bank in Brazil, consists of an IDB A-Loan of up to US\$50 million as well as an IDB B-Loan of up to US\$100 million that was syndicated to international banks. The purpose of this facility is to fund pre-shipment and post-shipment export financing for Brazilian companies and their subsidiaries abroad.

6.17. TELEMAR BOND GUARANTEE

BR-402, PR-2845, \$68,000,000, 2004

The IDB provided Telemar with a partial credit guarantee (PCG) for an approximately US\$170 million domestic corporate bond issuance denominated in Brazilian reais to be placed in the local capital markets. Capital market transactions in Brazil have been of limited tenor, in general no longer than two years. Credit enhancements are needed to achieve longer tenors. By lengthening the tenor, the Bank's partial credit guarantee is expected to improve the bond's local rating. The PCG provides coverage for up to US\$68 million. This financing mechanism allows the Bank to contribute to the development of local capital markets by attracting institutional investors, increasing the volume of bonds and creating an additional financial instrument for portfolio risk diversification.

6.18. BNDES PROGRAM TO SUPPORT MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

BR-0358, PR-2909, \$1,000,000,000, 2004

This program aims to strengthen the micro-, small- and medium-sized enterprises competitiveness and create jobs by providing medium- and long-term financing for small scale investment projects. Loan resources extended to the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) will be channel through intermediary financial institutions for projects to expand, modernize and diversify business productivity. The goal of this multisector credit program is to meet demand across a wide variety of economic sectors and regions, ensure transparency in resource allocation through the use of market criteria and proper management and oversight. This operation also includes a conditional credit line.

6.19. UNIBANCO INFRASTRUCTURE CREDIT FACILITY**BR-0411, PR-2780, \$50,000,000, 2004**

This infrastructure finance facility extended to Unibanco consists of an A-Loan of up to US\$50 million as well as a B-Loan of up to US\$100 million to be syndicated to international banks. This project is expected to help induce the flows of medium- to long- term financing to Brazil from private sources (mainly international banks), thereby increasing the availability of resources necessary to support the government's plan for improving the country's basic infrastructure and expanding the coverage of its public utility services. Proceeds of this facility will be used to provide financing for infrastructure projects undertaken by Brazilian companies including Brazilian subsidiaries of companies incorporated in IDB member countries.

7. Chile**7.1. INVESTMENT SECTOR REFORM PROGRAM****CH-0044, PR-1775, \$150,000,000, 1991**

This program covered various aspects of the Chilean financial system. Important measures affecting the securities market included: issuing the Reglamento de Concesiones, which was an effort to increase the supply of equity securities; alleviating demand constraints on securities; permitting greater participation in investment in equity shares of the pension funds administration entity; and improving infrastructure of securities markets by enacting a set of guidelines for risk classification of securities issued by utility companies and by other companies operating in newly privatized sectors. A new banking supervision program was required to establish and implement an action plan to support services that would enhance risk assessment of small- and medium-sized enterprises and facilitate access to credit.

7.2. GLOBAL MICROENTERPRISE CREDIT PROGRAM**CH-0033, PR-1831, \$12,000,000, 1992**

In order to improve the access to credit and expand the coverage of microenterprises in Chile, this program was intended to integrate this sector into the formal financial system providing better and effective services. The program provided the benefit for the Intermediary Financial Institutions of setting up service platforms and encouraging the expansion of financial services. The project improved their institutional credibility in the financial markets, considering its importance in mobilizing more of public savings and for issuing corporate bonds in the medium and long term.

7.3. MULTISECTOR GLOBAL FINANCING PROGRAM**CH-0157, PR-2388, \$240,000,000, 1999**

This loan strengthened the availability of medium- and long-term credit for small- and medium-sized enterprises, increasing productive investment in the private sector and improving export capacity through gains in competitiveness. The resources, which were administered by the Corporación de Fomento de la Producción as a second-tier financial institution, enabled the

firms to receive funding for investment and related working capital in such areas as machinery and equipment, construction, exports, and leasing. The loan was designed to increase output and employment. It encouraged the financial system to grant more credit to small- and medium-sized businesses, enabling firms to introduce modern technologies into the productive processes.

7.4. DELTA LEASING HABITACIONAL S.A.

CH-1069A, CII/PR-235, \$8,000,000, 2000

This IIC project consisted of a 10-year senior loan for up to \$7 million and a preferred equity investment for up to \$1 million. These funds were used to finance the acquisition of low-cost housing for leasing to individuals. The lease contracts generated were securitized. In addition, the project entailed the development and sale of lease-backed securities, a new instrument in Chile, to institutional investors such as insurance companies and pension funds. Delta Leasing Habitacional/Empresa Constructora Delta was the sponsoring entity.

7.5. LOCAL BOND ISSUANCE GUARANTEE FOR SANTIAGO-VALPARAISO-VINA DEL MAR TOLL ROAD PROJECT

CH-0167, \$75,000,000, 2000

The IDB structured and closed this first private sector credit guarantee for Rutas del Pacífico S.A., a Chilean concession company, for a bond issue to finance the construction and rehabilitation of the Santiago-Valparaíso-Viña del Mar toll road. This project mobilized sources of long-term domestic capital to finance the project through the issuance of a local currency bonds for US\$306 million, with principal and interest payments covered by the IDB and co-insurers. The well developed private pension fund system in Chile created an opportunity for the IDB to provide credit enhancement for this operation that enabled domestic savings held by pension funds to be invested in infrastructure. This IDB project helped to develop the local bond market in Chile.

7.6. LOCAL BOND ISSUANCE GUARANTEE FOR COSTANERA NORTE TOLL ROAD PROJECT

CH-0179, \$75,000,000, 2003

The Bank approved a US\$75 million partial credit guarantee for a Chilean Peso-denominated bond to be issued by Sociedad Concesionaria Costanera Norte S.A., a single-purpose company dedicated to implementing an urban toll road concession in Santiago, Chile. Ambac, a AAA-rated monoline insurer, was the co-guarantor of the bonds. Financial guarantees organized by the IDB covered up to US\$240.1 million of the bond issue. These credit enhancements allows the bank to contribute to the development of local bond markets.

7.7. INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERNATIONAL STANDARDS ON AUDITING

ATN/MT-8617-CH, MIF/AT-583, \$750,000, 2004

The main objective of this program is to bring Chile into line with global standards by adopting standardized criteria in the presentation of financial accounting information facilitating also trade integration. It will strengthen existing mechanisms to support the system and process for issuance and adaptation of international standards, and effective mechanisms of coordination, integration and dissemination, to converge towards them. The components of this program are:

a converge plan, strengthening of the accounting profession, training and dissemination. This project will benefit large firms and business organizations, small and medium-size enterprises SMEs, regulatory bodies, Chilean professional and technical workers in the accountancy field and society at large, as a result of greater transparency in financial and accounting information.

7.8. PROGRAM TO STRENGTHEN REGULATION AND OVERSIGHT OF COOPERATIVES ATN/MT-8696-CH, MIF/AT-590, \$1,136,000, 2004

The program will strengthen the regulation and supervision of Chile's growing cooperative sector. The objective of this project is to improve the regulatory framework for cooperatives and develop an effective oversight mechanism for the sector. The components include changes in the regulatory and legal framework; establishment of an effective monitoring and oversight system; creation of a statistic and data dissemination system for regulatory and economic policy decision-making; training, and structuring and strengthening of the Cooperatives Department (DECOOP) to establish government oversight capacity.

7.9. FACTORLINE S.A. CH-2962A, CII-PR-322, \$3,000,000, 2004

This project consists of a US\$3 million loan to FactorLine S.A. The loan proceeds will be used to finance international factoring operations with a term of up to one year for small- and medium-sized companies in Chile. These companies must meet the eligibility criteria established by the IIC. Factoring is used chiefly by small- and medium-sized companies that usually do not have easy access to bank financing because they cannot provide security, lack audited financial statements, or do not have a track record in the financial system.

8. Colombia

8.1. GLOBAL CREDIT PROGRAM FOR MICROENTERPRISES CO-0086, PR-1738, \$15,000,000, 1990

This program was aimed to expand access to credit for Colombian microenterprises. This program assisted to integrate this sector into the formal financial system providing competitive and effective services. Specific for financial markets, this program encouraged domestic savings mobilization and insured the financial health of banking institutions. The idea of this program was to promote competitiveness between intermediary financial institutions to maximize institutional efficiency, resulted from lower interest rate spreads and high quality service.

8.2. INVESTMENT SECTOR PROGRAM CO-0035, PR-1799, \$205,000,000, 1991

This program supported the efforts of the Government of Colombia to modernize its economy and expand economic opportunities through the removal of constraints that limit private sector participation. The program required an assessment of the existing pension system and restructuring of alternative proposals as well as a new legislative proposal authorizing the government to reform the pension system. The program also required that pension funds be subject to reg-

ulation and supervision by the Superintendent of Banks and Financial Institutions. Even though improving banking supervision was not directly part of the program, it was a condition for the first tranche disbursement. Specifically, the program required increasing the transparency of information systems and strengthening the prudential regulatory system.

8.3. GLOBAL CREDIT PROGRAM FOR MICROENTERPRISES

CO-0037, PR-1956, \$30,000,000, 1993

This program expanded the supply of loanable funds that promoted significant changes in government policy and implementation strategies to integrate microenterprises with formal financial markets. This occurred because of a promotion of a market based development of the sector. It supported the promotion of *Banco de la República* policy of reduction in the over regulation of the financial markets.

8.4. FINANCIAL SECTOR REFORM

CO-0232, PR-2461, \$300,000,000, 1999

This loan assisted Colombia with a series of reforms to improve the government's capacity to deal with the most pressing problems in the financial sector and improve its efficiency. The program, executed by the Finance Ministry, strengthened the legal and regulatory framework and the techniques and procedures used to solve the problems of financial institutions; improved the institutional capacity of the agencies responsible for supervision and problem resolution of financial institutions; and made improvements in the status of the first-tier banking sector and of cooperatives supervised by the Banking Superintendency. It also promoted effective measures for promptly addressing the impact of adverse economic conditions on the financial sector. The financing operation was under an emergency loan program approved by the Board of Governors in 1998 to assist countries whose fiscal balance was affected by international financial volatility.

8.5. CREDIT GUARANTEE FOR COLPATRIA MORTGAGE BOND PROJECT

CO-0260, PR-2715, \$5,200,000, 2002

This \$5.2 million partial credit guarantee is designed to assist Banco Colpatria to fund its 2003-2005 mortgage lending program. The IDB provided Colpatria with a partial credit guarantee for an approximately US\$50 million domestic mortgage bond issuance denominated in local currency to be placed in the capital markets. This project is the first IDB private sector mortgage bond guarantee. The guarantee was designed to support Colombia's pioneer effort to establish the mortgage bond as a new instrument in Colombia's capital markets, with Colpatria as the first issuer of such a security, as permitted by new financial regulations approved in 1999. The IDB support for this transaction was intended to provide a demonstration effect for other private issuers as well as for investors in Colombia, increasing the volume of securitization instruments locally and benefiting the depth and diversity of the Colombian capital market.

8.6. STRENGTHENING CAPITAL MARKETS

ATN/MT-7793-CO, MIF/AT-457, \$1,018,000, 2002

This program supported the executing agency, Bolsa de Valores de Colombia, S.A. (BVC), in three areas. The first area was information disclosure and corporate governance. The program

promoted the creation of a data base containing financial market and individual firm data for use by investors. In order to carry this out, disclosure standards needed to be improved. Investors' interests were protected through the dissemination of corporate governance requirements that meet international standards. The second program area dealt with clearance and settlement. The program promoted the establishment of a clearance and settlement corporation to guarantee trades, increasing the security of Colombian capital markets. The third project area was providing support for the design of operating guidelines and the establishment of trading systems needed for a proposed derivatives exchange in Colombia.

9. Costa Rica

9.1. GLOBAL MICROENTERPRISE CREDIT PROGRAM

CR-0016, PR-1867, \$10,000,000, 1992

To improve the access to credit and expand the coverage of small and microenterprise sector in Costa Rica, this program integrated this sector into the formal financial system providing better and effective services. As one of the most important objectives, it transferred the appropriate financial technology to the participating Intermediary Financial Institutions (IFIs) in order to provide more assistance to this sector. This transfer included the training of credit agents and the installation of computer programs to inspect and follow up operations. This project benefited the IFIs making possible for them to carry out promotional activities and to make loans within the framework of the loan.

9.2. INVESTMENT SECTOR REFORM PROGRAM

CR-0032, PR-1904, \$100,000,000, 1993

The reform package financed by the investment sector program included standardizing and strengthening prudential regulations at the legal and regulatory levels (i.e. amending the Securities Market Act to enhance development of the capital market, drafting legislation to liberalize the insurance and reinsurance markets, and drafting legislation to create pension funds with private capitalization to increase the flow of long-term investment). The program also provided an assessment of the equity situation of financial institutions to give monetary and banking authorities a clear picture of the financial and liquidity positions of major public and private financial institutions. It also provided financing to streamline and strengthen the regulatory capacity of the Office of the General Auditor of Financial Institutions.

9.3. MULTISECTOR CREDIT PROGRAM

CR-0032, PR-1904, \$70,000,000, 1993

This multisector credit program was linked to the above Investment Sector Reform Program to provide financing to the private sector. The program was designed to make the financial system more efficient, spur capital-market expansion, improve the regulatory framework for investment and foster basic infrastructure development. It aimed to focus on the following essential government's concerns: bank supervision and restructuring of the state banking system and the securities market.

9.4. COMMODITY EXCHANGE SUPPORT PROGRAM

ATN/MT-5062-CR, MIF/AT-62, \$323,000, 1995

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of Costa Rica's stock exchange. This was achieved through targeted assistance to improve the legal and operational structure of the exchange, the underlying specifications of the traded commodities, and the marketing effort required to capture significantly increased volume of selected products to be traded. This program had six components: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information; and (vi) exchange promotion. The executing agency was Bolsa de Productos Agropecuarios S.A. (BOLPRO).

9.5. TECHNICAL COOPERATION LOAN FOR DEEPENING STATE REFORM AND OPENING UP THE FINANCE AND INFRASTRUCTURE SECTORS TO PRIVATE ENTERPRISE

CR-0112, PR-2211, \$12,650,000, 1997

This IDB technical cooperation loan, along with three other Multilateral Investment Fund (MIF) technical cooperation programs, was part of a comprehensive program for Costa Rica. This technical cooperation had a \$2.35 million subprogram dedicated to the financial system which addressed issues related to bank supervision, the insurance sector, the securities market, and the development of the pension system. For the banking and insurance sectors the objective was to support the development of competitive markets under a sound supervision system. The subprogram included components for the privatization of the remaining state banks and the institutional development of a Superintendency of Insurance. The technical cooperation also had another subprogram devoted to securities market development including actions to strengthening the National Securities Commission by updating prudential and oversight mechanisms and developing new information systems and training. A third subprogram devoted to pension system reform supported a review of the legal framework, the design and implementation of technological systems and the creation of new control systems to reduce evasion.

9.6. SUPPORT FOR OPENING UP THE FINANCIAL SYSTEM TO THE PRIVATE SECTOR

ATN/MT-5643-CR, MIF/AT-135, \$1,600,000, 1997

This technical cooperation supported the privatization of the Bank of Costa Rica. Additionally, it included features to strengthen the Superintendencia General de Entidades Financieras (SUGEF), the institution in charge of banking supervision. Support for the SUGEF primarily included training and personnel development. In addition, this program supported the opening of the insurance sector to private participation by the privatization of the National Institute of Insurance (the insurance administration institution) and a plan to develop a superintendency of insurance (in charge of insurance supervision). Also included a subprogram to finance the development of prudential rules, personnel training and implementation of a computer system.

9.7. PROGRAM TO STRENGTHEN THE CAPITAL MARKET

ATN/MT-5644-CR, MIF/AT-136, \$1,600,000, 1997

The main objective of the program was to strengthen Costa Rica's capital market by creating an efficient public debt market that can later serve as a basis for private debt and equity issues. The

program was divided into three subprograms. The first was intended to standardize the public debt market by creating standard debt securities that can be easily traded in the primary and secondary markets. The second subprogram developed a book-entry system for the clearing and settlement of securities. This subprogram covered an assessment of the current situation, preparation of the regulations that will govern the system, the incorporation of the management company and elaboration of manuals and procedures (the software and the system was developed with part of the IDB technical cooperation CR-0112 and the Central Bank of Costa Rica). The third subprogram was devoted to strengthening the Comisión Nacional de Valores (CNV) addressing organizational issues, prudential regulation (including pension fund regulation), training for the CNV personnel and incorporating the Superintendency of Securities and Pensions into the CNV.

9.8. IMPROVING THE QUALITY OF FINANCIAL REPORTING

ATN/MT-8843-CR, MIF/AT-606, \$435,000, 2004

The general objective of this project is to boost the efficiency of the financial market and to help improve the business and investment climate. This objective will be accomplished raising the quality, transparency, objective and comparability of businesses' financial reporting through the application of international financial reporting standards (IFRS) and international standards on auditing (ISA). The adoption of these standards trend seen around the world will benefit Costa Rica having a solid financial base to compete in international markets.

10. Dominican Republic

10.1. FINANCIAL SECTOR REFORM PROGRAM (FSRP)

DR-0016, PR-1933, \$102,000,000, 1993

This project was part of a comprehensive economic program launched in 1990 covering both stabilization measures and structural reforms, known as the New Economic Policy (NEP). The NEP was aimed at improving fiscal and monetary policies and exchange rate management as well as reforming the tax and trade regimes, and strengthening the financial system. One of the FSRP's objectives was to improve the financial sector's capacity to mobilize and allocate financial resources via a sector structure that promotes the deepening of financial markets, increased competition and economies of scale in operations. The program also ensured the solvency and stability of financial institutions by strengthening the prudential regulatory framework and the supervising capacity of the Superintendency of Banks (SIB), including mechanisms for an effective management of financial crises. The FSRP comprised four main areas: (i) institutional structure of the banking sector aimed at establishing a market structure dominated by banks providing multiple services, (ii) prudential regulatory framework designed to ensure the soundness of financial institutions in a competitive and liberalized environment, (iii) banking supervision aimed at ensuring prudent management and the financial solvency of banks, and (iv) monetary and credit policy aimed at increasing the effectiveness of monetary management through the use of open market operations as the main monetary policy instrument. The Central Bank of the Dominican Republic (BCRD) was the borrower and executing agency.

10.2. COMMODITY EXCHANGE SUPPORT PROGRAM

ATM/MT-5065-DR, MIF/AT-62, \$295,000, 1995

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of the Dominican Republic's Exchange. This was achieved through targeted assistance to the legal and operational structure of the Exchange, to the underlying specifications of the traded commodities, and to the marketing effort required to capture significantly increased volume of selected products to be traded. The program had six components as follows: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information, and; (vi) exchange promotion. The executing agency was Junta Agroempresarial Dominicana Inc. (JAD).

10.3. SUPPORT PROGRAM FOR BANK SUPERVISION

ATN/MT-7252-DR, MIF/AT-379, \$1,300,000, 2000

The objective of this program was to improve the quality of regulation and supervision of financial intermediaries, with special emphasis on banking institutions, in order to enhance the security and solvency of the Dominican financial system. Specifically, the program sought to improve the banking regulation and supervision by enhancing juridical instruments and methods of inspection; and improve efficiency and supervision through a better management of human resources and modern information systems.

10.4. TECHNICAL-COOPERATION LOAN PROGRAM TO SUPPORT IMPLEMENTATION OF PENSION REFORM

DR-0146, PR-2745, \$5,000,000, 2003

In order to help authorities of Dominican Republic to preserve economic growth and stability and reduce social debt, this project was devoted to support the development and implementation of the pension area of the Dominican Social Security System created by Law 87-01, introducing the pension contribution system. It will provide support to establish all the necessary regulations for proper operation of the Superintendency of Pension (SIPEN); establish a prudential investment regime for pension fund administrators consistent with the size of the Dominican financial system and the risks in that system; create and implement training mechanisms for SIPEN staff; support the authorities in preparing an information application for financial evaluation of the new pension regime, and work with authorities on a transparency strategy for implementation of the new pension regime by developing promotion and dissemination plans for all participants.

10.5. STRENGTHENING, SUPERVISION AND REGULATION OF THE BANKING SYSTEM

DR-L1001, PR-2790, \$6,000,000, 2003

Following the commitments of the government with the IMF, IDB and World Bank, this technical cooperation loan aims to help the Monetary Board launch on-site assessment of the condition of all banking institutions and to help the authorities to develop and implement their program of financial sector consolidation. It also intends to improve conditions in the banking sector and address weaknesses in the financial sector. To achieve this improvement the project will

review the regulations; develop and implement the Monetary and Financial Law; and examine the Information Systems Divisions of the Superintendency of Banks and the Central Bank of the Dominican Republic.

10.6. IMPROVING REMITTANCES DISTRIBUTION CHANNELS IN SUPPORT OF THE MICROENTERPRISE SECTOR IN THE DOMINICAN REPUBLIC

DR-0158, MIF/AT-531, \$2,500,000, 2003

This program implemented new technologies to develop alternatives to the channels traditionally used for receiving, controlling and distributing remittances used in the Dominican Republic and the United States. This will open the way for large-scale expansion of its remittance transfer services and financial services to the target population, in addition to increasing financing for Dominican microenterprises and their capital development. The objectives of this project are: facilitate access to capital in the Dominican microfinance sector, benefit recipients of remittances by enhancing the end value of such payments through a reduction in transfer commissions, involve the traditional formal financial sector in providing financial services to low- and medium-income economic units and, enhance the impact of remittances on the economy's internal savings and on channeling such savings to productive sectors.

10.7. DEVELOPMENT OF FINANCIAL AND BUSINESS SERVICES FOR REMITTANCE RECIPIENTS

ATN/ME-8455-DR, MIF/AT-549, \$840,000, 2003

This operation has the specific objective to facilitate the population access to financial and business services when it needs support for productive activities. The component of the program include improvement of remittance transfer services and its efficient integration into a diversified range of financial services that will foster the mobilization of savings among remittance recipients as members of savings and loan cooperatives. The benefits of the project incorporate a reduction in cost of money transfers, enhanced efficiency of remittances transactions, increased membership in cooperatives, mobilized savings and the creation of new businesses.

10.8. FINANCIAL AND MONETARY LAW IMPLEMENTATION

ATN/SF-8578-DR, \$200,000, 2003

The Dominican Republic Government requested support from the multilateral organizations to assist in the implementation of a strategy that will help the government to deal with the weak financial system, the lack of a proper legal framework and the inefficient supervision of credit entities. In order to support the government in strengthening the regulation framework of the Dominican financial system, the objective of this program is to support the monetary authorities in the implementation of the Monetary and Financial Law emitted on December of 2002. This support includes the necessary incentives in the process to guarantee banks solvency. The bank priorities in the program are: strengthening of regulatory framework, supervision strengthening and to improve the information systems of the financial authorities.

10.9. FINANCIAL REFORM CONSOLIDATION PROGRAM

DR-0151, PR-2834-1, \$100,000,000, 2004

In order to overcome the persistent macroeconomic and financial weaknesses and to build up the capacity of administrative and political institutions to respond to social demands in Dominican Republic, the ultimate objective of this project is to strengthen the Dominican banking system by supporting the program that the authorities have proposed as a response to the recent financial crisis in the country. This program was devoted to facilitate the development and full implementation of the new Monetary and Finance Act (LMF) and the institutional strengthening required to make the financial reform established in the act permanent. The reform has three objectives: to strengthen the supervisory agencies to modernize the regulatory framework, to strengthen the public institutions that support the financial intermediation system and, to lay the groundwork for restoring the solvency of the banking system and public confidence in it.

10.10. MULTI-PHASE LOW/MODERATE INCOME HABITAT PROGRAM

DR-0141, PR-2836, \$37,000,000, 2004

The main objective of this program is to contribute to the improvement of the habitat conditions of low/moderate-income households through re-orienting public resources and expanding credit markets towards these income groups. The Program institutes a new approach to housing policy in the country, which redirects public support to lower income households through innovative and more cost-effective types of programs and investments. The National Housing Bank (BNV) will rediscount microcredits originated by first-tier lenders and directed to housing improvements. These new programs will be complemented by the creation of housing planning and policy making instruments, including a housing programs monitoring system and an unified beneficiaries register, destined to institutionalize the new policies and monitor effectiveness of public resources applied in the sector. This constitutes the first of a two-phase Program intended to support and consolidate these new types of investment and approaches to housing policy.

11. Ecuador

11.1. MICROENTERPRISE CREDIT PROGRAM

EC-0110, PR-1751, \$16,200,000, 1990

In order to improve the access to credit and expand the coverage of Ecuadorian microentrepreneurs, this program supported the integration of this sector into the formal financial system. In addition, this project created the conditions whereby the Intermediary Financial Institutions provide credit on competitive terms. It honed the IFIs technical and operational capabilities in an effort to improve the management skills and the competitive provision of services.

11.2. MULTISECTORAL GLOBAL CREDIT PROGRAM

EC-0089, PR-1810, \$102,270,000, 1991

This loan provided medium- and long-term credits for the purchase of machinery, equipment, and services to help establish private firms or to help existing firms expand, modernize, or diversify. The resources were channeled through Corporación Financiera Nacional (CFN), the exe-

cuting agency, after it was reorganized into a second-tier bank. CFN lent the money to intermediate financial institutions, which issued the credit to private enterprises. The intermediate financial institutions included banks, investment companies, and leasing companies meeting certain requirements. In addition to supporting the growth of the private sector and the institutional strengthening of CFN, this loan supported modernization of the financial system. Attendant financial policy changes included the freeing of interest rates, reduction of mandatory investments of intermediate financial institutions, and elimination of the functions performed by the central bank as a provider of credit for productive activities at subsidized interest rates. The parallel technical cooperation also was used to improve CFN's data handling systems, train CFN staff to improve its capacity to mobilize domestic and external resources, and support the privatization of companies that CFN owns.

11.3. FINANCIAL SECTOR REFORM PROGRAM

EC-0043, PR-1995, \$110,000,000, 1994

This program involved a loan and a reimbursable technical cooperation funding for a financial sector program. Activities related to capital markets development included: enactment of a new Securities Market Law to remove legal obstacles that have distorted financial and capital markets operations; agreement on guidelines for the oversight of securities market operations by the Superintendency of Companies; reforming the pension system to ensure private sector participation and improving the operation of the Ecuadorian Social Security Institute (IESS); and drafting an insurance law to foster a more competitive and efficient insurance market. Activities related to banking supervision included: restructuring the Superintendency of Banks to create a special commission to simplify laws and regulations, and developing a human resources program and a data processing strategy; establishing prudential regulations through the issuance of procedures and rules for assessing risk assets, provisioning, accruals of interest, capitalization of reserves, capital adequacy, and treatment of related-party and offshore activities; and strengthening prudential supervision procedures through a process of improvements in the area of on-site evaluation, analysis and monitoring of institutions. Additionally, the program addressed the supervision of insurance through the issuance of rules and regulations on operating capacity, solvency margins, diversification and valuation investments, and improving the ability to monitor companies.

11.4. DEBT AND DEBT-SERVICE REDUCTION PROGRAM

EC-0142, PR-2015, \$80,000,000, 1994

The objective of the program was to further the economic development of Ecuador by supporting the debt and debt-service reduction program and helping finance the purchase of collateral for purposes of the agreement worked out with the country's commercial bank creditors. Specific goals of the program were to: (i) ease the nation's debt burden; (ii) help Ecuador be perceived abroad as a better risk; and (iii) normalize the country's relations with its foreign creditors and the international capital markets.

11.5. COMPAÑIA DE TITULARIZACIÓN**EC-1027A, CII/PR-208, \$5,000,000, 1998**

This project created the Compañía de Titularización Hipotecaria (CTH), a second-tier financial institution to develop financial products for the mortgage finance sector and to develop local capital markets in Ecuador. This IIC operation promoted two key sectors of the Ecuadorian economy: capital markets, and the housing and construction industry. CTH is expected to be an efficient intermediary between the capital markets and the housing industry.

11.6. INVESTMENT SECTOR PROGRAM**EC-0194, PR-2500, \$150,000,000, 2000**

This sector loan supported Ecuador's macroeconomic stabilization program while protecting social expenditures that benefited the most vulnerable groups during the structural reform process. Development objectives included laying the groundwork for an enabling environment that would promote private sector participation in the rehabilitation and expansion of the power and telecommunications sectors; and the resolution of intervened financial institutions in a transparent and effective manner. The program also included measures to improve targeting of key social programs for the poor, strengthen the safety net, and protect social services from erosion. The program was carried out in close coordination with other lending programs by the World Bank and the Andean Development Corporation and in the framework of a stand-by program of the International Monetary Fund.

11.7. INSTITUTIONAL STRENGTHENING FOR DEBT MANAGEMENT**ATN/SF-7067-EC, \$150,000, 2000**

IDB resources were used by the Economy and Finance Ministry to improve its ability to manage the country's debt. In particular, the program assisted during the process of dollarization of the economy and finance debt analysis and follow-up functions toward the end of the debt renegotiation process. In addition to managing debt operations, this included gathering and analyzing data to ensure an optimum financial inflows and minimize financial risks.

12. El Salvador**12.01. MULTISECTOR GLOBAL CREDIT PROGRAM****ES-0086, PR-1743, \$60,000,000, 1990**

The objective of this operation is to support the development of private businesses, especially small- and medium-sized enterprises, by expanding the supply of medium- and long-term financing. The program provided resources to the Central Reserve Bank (BCR) to finance credit for private enterprises to be granted through eligible financial intermediary institutions (IFIs) that meet the program eligibility criteria. The program resources also supported the BCR in its aim of reorganizing the banking system and contributed to setting up an effective, autonomous superintendency to ensure the functioning of the financial system. As a prior condition to the first disbursement of funds, a preliminary charter law for the Superintendency of the Financial System (SSF) had to be submitted to the General Assembly. The law would, among other measures, grant legal, administrative and financial autonomy to the SSF. In addition, the BCR submitted legisla-

tive proposals dealing with the establishment of a new charter for the BCR and a new banking law or amendment to the Law on Credits and Similar Institutions.

12.2. INVESTMENT SECTOR REFORM PROGRAM

ES-0016, PR-1893, \$90,000,000, 1992

This program supported efforts by the Government of El Salvador to approve a law authorizing the creation of an independent Superintendency of the Financial Sector. It also provided financing to organize and improve the administration of that entity. USAID provided technical assistance for the latter purpose, and in particular, to strengthen the capacity of the division in charge of banks and nonbanking financial intermediaries. Conditions for the disbursement of program funds were the submission and implementation of an action plan to strengthen the Superintendency of the Financial Sector. Activities required included reorganizing the institution, providing training and training manuals, and introducing a specific reform plan. In addition, the program funded activities, such as strengthening the division in charge of insurance companies and pension funds; revising the capital markets law in the areas of insurance of long-term securities, supervision, accounting and auditing procedures, etc.; and drafting an action plan for a financial restructuring of the insurance sector and a new legal and regulatory framework.

12.3. GLOBAL MICROENTERPRISE CREDIT

ES-0037, PR-1946, \$24,000,000, 1993

In order to improve the access to credit and expand the coverage of small business, this program supported the integration of this sector into the formal financial system providing better and effective services. The program was aimed to assist authorities efforts to restructure the financial system, in particular to develop the capital and money markets; strengthen the system's supervisory skills; promote the creation of new financial instruments; absorption of non-regulated financial institutions into the formal financial sector; and improve the sector's efficiency and operation.

12.4. PROGRAM FOR INSTITUTIONAL STRENGTHENING OF THE FINANCIAL SECTOR SUPERINTENDENCY (SSF)

ATN/MT-4471-ES, MIF/AT-5, \$1,832,000, 1994

Program resources supported the following activities: the establishment of a legal framework for the financial system; institutional strengthening of the SSF; establishment of a computerized information system; professional training for SSF staff and a dissemination program among institutions. Loan conditions required drafting and submitting to the Congress the following laws: (i) "Ley de Cajas de Crédito"; (ii) "Ley de Cooperativas de Crédito"; (iii) "Ley de Instituciones Auxiliares de Crédito"; (iv) "Ley de Instituciones de Seguros"; (v) "Ley de Fianzas"; and (vi) Pension Fund Law.

12.5. MULTISECTORAL GLOBAL CREDIT

ES-0057, PR-2065, \$100,000,000, 1995

This operation supported substantial and ongoing changes in the country's banking and financial systems. The principal goal was to provide the private sector with stable, long-term financial resources to supplement available domestic sources of financing. Subloans in the first phase

of the program (approved in 1990) averaged slightly over \$200,000. Significantly, since the signing of the peace accords in 1992, a higher percentage of the subloans have been made outside the capital region. The program also strengthened El Salvador's system of financial intermediation and consolidate the Banco Multisectorial de Inversiones (BMI), a public credit institution. Established by legislation in 1994, BMI has its own legal standing and capital and is constrained from financing or underwriting any state institutions or enterprises. Using resources from the loan, the BMI discounted loans to eligible financial institutions, which in turn extended credit to businesses for the acquisition of fixed assets, including working capital, and the hiring of technical and managerial services.

12.6. COMMODITY EXCHANGE SUPPORT PROGRAM

ATN/MT-5063-ES, MIF/AT-62, \$686,000, 1995

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of El Salvador's Exchange. This was achieved through targeted assistance to the legal and operational structure of the Exchange, to the underlying specifications of the traded commodities, and to the marketing effort required to capture a significantly increased volume of selected products to be traded. The program had six components as follows: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information, and; (vi) trade promotion. Bolsa de Productos Agropecuarios de El Salvador (BOLPROES) was the executing agency.

12.7. STRENGTHEN FINANCIAL SECTOR SUPERVISION

ES0115, PR-2384, \$3,802,000, 1999

The objective of this loan was to strengthen the technical capacity of El Salvador's supervisory agencies for the financial sector. Resources were used to develop a short- and medium-term investment plan for the three superintendencies and to carry out the investment plan for the modernization of technological resources. Complementary, a grant from the Multilateral Investment Fund (MIF) financed the introduction of international accounting principles in the financial sector, the establishment of the Deposit Insurance Institution, and the strengthening of the Financial System Superintendency, the Securities Exchange Superintendency, and the Pension Superintendency. MIF resources also were used to finance the implementation of a planning and monitoring system, human resources management, strengthening the management of the technological platform, and a training program for judges and arbitrators.

12.8. SUPPORT PROGRAM FOR THE FINANCIAL SECTOR

ATN/MT-6400-ES, MIF/AT-237, \$2,962,000, 1999

This program contributed to the stability and solvency of El Salvador's financial system by strengthening the financial sector supervisory agencies and complemented the loan described above. It improved the individual capacity of the participating agencies, while at the same time encouraging and facilitating coordination, cooperation, and the smooth flow of information between them. The participating agencies were the Financial System Superintendency, the Deposit Insurance Institution, the Securities Exchange Superintendency, the Pension Superintendency, and the National Council of Judges through the School for Judicial Training.

MIF resources funded control systems to enable the superintendencies to manage their resources efficiently. The program also supported the establishment of the Deposit Insurance Institution; institutional strengthening of the Central Reserve Bank of El Salvador, including the development of regulations, organizational structures, procedures and manuals; strengthening of the Financial System Superintendency, including bank supervision, supervision of nonbank intermediaries, supervision of insurance companies, and strengthening of the Securities Exchange Superintendency, particularly with respect to accounting standards for issuers, regulation and supervision of investment funds, regulation of the securities market, and book-entry system operation and clearing houses.

12.9. SUPPORT PROGRAM FOR THE INSTITUTO SALVADOREÑO DEL SEGURO SOCIAL ES-0134, PR-2504, \$5,800,000, 2000

The aim of this program was to support the process of institutional change at the Instituto Salvadoreño del Seguro Social (ISSS) so that it could assume gradually its basic function of providing health insurance. The specific objectives of the program were: (i) assist the ISSS with the design, testing, and evaluation of the mechanisms of institutional change that are needed to spur reform in its sector; (ii) lay the groundwork for building a consensus among the leading players on the institutional changes needed at the ISSS; and (iii) strengthen the ISSS's strategic capacity to promote organizational learning and produce and disseminate information in support of its institutional transformation.

12.10. HOUSING PROGRAM ES-0087, PR-2637, \$70,000,000, 2001

The objective of this program was to support the government of El Salvador in developing and introducing a set of sustainable housing policy instruments. The program have been divided into two phases to accommodate the complex reforms that are needed to ensure the sustainability of the Fondo Social para la Vivienda (FSV), El Salvador's first-tier financial institution that serves middle-income population with mortgage lending for home buying. The FSV modernization plan was implemented during the program's first phase, thus consolidating the processes and systems that are required to enhance financial management. The housing program consisted of three subprograms. The first subprogram entailed the following components: (i) strengthening the mortgage market; and (ii) institutional and financial strengthening of the Fondo Social para la Vivienda. The second subprogram was made up of: (i) subsidies for upgrading marginal neighborhoods; (ii) reconstruction subsidies; (iii) land legalization; (iv) progressive development of subdivision market; and (v) modernization of the Vice Ministry of Housing and Urban Development. The third subprogram was a housing program for the Municipality of San Salvador. In the program's second phase financing was provided for direct subsidies to the FSV's target population. The subsidized interest rate system were replaced with one based on direct efficient, targeted and sustainable subsidies.

12.11. GLOBAL MULTISECTOR CREDIT PROGRAM ES-0130, PR-2657, \$42,400,000, 2002

The overall objective of the operation was to support the development of the private sector, especially small- and medium-sized enterprises, by increasing the supply of medium- and long-

term financing. The program provided funds to the Multisector Investment Bank (BMI) to finance lending to private enterprises by eligible intermediary financial institutions (credit component) and to provide technical assistance. The resources for the credit component were used only for BMI operations. The subloans were extended to startups and existing private firms in all economic sectors in both urban and rural areas. The resources for the technical assistance component were used to finance three subcomponents, the purpose of which was to: (i) expand the BMI's capacity; (ii) strengthen the intermediary financial institutions in risk analysis; and (iii) promote an increase in financing for rural projects.

12.12. STRENGTHENING OF FINANCIAL AND FAMILY-REMITTANCE SERVICES FOR LOW-INCOME GROUPS

ATN/ME-7886-ES, MIF/AT-473, \$1,500,000, 2002

The project's objective was to improve access to financial services suited to the needs of low income groups, especially those in the country's rural areas. The project's specific objective was to strengthen the financial and administrative capacity of credit unions affiliated to the Federation of Credit Unions of El Salvador (FEDECACES) so that they are better able to serve this segment of the population. The project had four components: (i) strengthening of family remittance services; (ii) adaptation to conform to the rules governing nonbanking institutions; (iii) modernization of procedures and systems; and iv) a training plan. FEDECACES was the executing agency.

12.13. BANCO DE COMERCIO MORTGAGE BOND PROJECT

ES-0163, PR-2903, \$20,000,000, 2004

This \$20 million partial credit guarantee is designed to assist Banco de Comercio (BanCo), El Salvador's fourth largest commercial bank, to fund its 2005-2008 mortgage lending program. The guarantee will support a three-year US\$150 million mortgage bond program to raise resources to expand home lending operations. The new bonds will be offered to Costa Rican, Panamanian and Salvadoran institutional investors. The BanCo bonds will be the first regional mortgage backed fixed-income transaction by a Salvadoran entity, fostering the integration of Central American capital markets. The IDB expects that this operation will help increase the availability of affordable, long-term financing for housing in El Salvador. It will also support the development and deepening of the national and regional capital markets.

13. Guatemala

13.1. GUATEMALAN NATIONAL MICROENTERPRISE PROGRAM

GU-0072, PR-1927, \$10,000,000, 1992

To improve the access to credit and expand the coverage of urban microentrepreneurs and rural microproducers in Guatemala, this program helped to integrate this sector into the formal financial system providing better and effective services. The program financed the creation of separate revolving credit funds named ADEPH, FUNDAP and FAFIDES. This program transferred resources to institutions with appropriate experience in the sector, with sufficient capital base and a directly administered loan portfolio.

13.2. FINANCIAL SECTOR REFORM PROGRAM I**GU-0018, PR-1948, \$132,000,000, 1993**

The program's main objective was to diversify the provision of banking products and services, in accordance with modern financial practices, and under appropriate prudential regulations and effective bank supervision. The government of Guatemala had to prepare draft legislation to establish minimum capital requirements. This law had to be approved and further implemented during program execution (conditions for disbursement). Other laws, resolutions and agreements that were to be approved and put into effect during program execution included the following issues: depositor protection against insolvent institutions; asset classification and capital provisioning for risks; equal treatment to borrowers; trust operations and operations to third party obligations; and stricter criteria to loan renewals and extensions. The government put into effect resolutions establishing the minimum financial information that banks should disclose to the public, adequate accounting systems and operational autonomy of the Superintendency of Banks. Also included in the program were measures to establish a regulatory framework for capital markets based on an autonomous regulatory agency; modify tax legislation to promote equity and commodities market; and permit diversification of the investment portfolio of insurance companies and the Guatemalan Social Security Institute.

13.3. TECHNICAL COOPERATION TO SUPPORT THE DEVELOPMENT OF A SECURITIES REGISTRY FOR GUATEMALA'S CAPITAL MARKETS**ATN/MT-5783-GU, MIF/AT-151, \$930,000, 1997**

The primary objective of this technical cooperation was to strengthen the capital markets of Guatemala by increasing transparency and efficiency as well as promoting investor education. The program assisted the Government of Guatemala in developing the Securities Registry, an important first step in establishing oversight of the heretofore unregulated over-the-counter-market (OTC), which accounted for more than 80 percent of all secondary trading in Guatemala. The program had four components: (i) strengthening the legal and regulatory framework, including developing norms for prospectuses, issuer obligations, accounting and financial statements, and capital adequacy requirements for intermediaries, operating both on- and off-exchange; (ii) establishment of the Registry, including establishing policies and procedures, staffing requirements, systems for monitoring, oversight and enforcement, and investor information standards; (iii) implementation of a training program for Registry staff, based on international standards and best practices; and (iv) an investor education campaign. The program was expected to provide the basis for future expansion of the Registry's functions.

13.4. FINANCIAL SECTOR REFORM PROGRAM II**GU-0119, PR-2638, \$200,000,000, 2002**

The objective of the operation was to modernize the legal framework that applies to the financial sector and to strengthen the regulatory and supervisory entities of the system, in particular the Central Bank and the Superintendency of Banks. The program consisted of a series of legal reforms, the issuance of regulations that are required by the legal reforms, and the implementation of action plans to enable the authorities to execute the reforms. The borrower and executor of the program was the government of Guatemala with the participation of the Ministry of Public Finance, the Central Bank, and the Superintendency of Banks.

13.5. PROJECT TO STRENGTHEN BANK SUPERVISION

ATN/MT-7827-GU, MIF/AT-460, \$1,000,000, 2002

The general objective of the project was to improve the solvency, efficiency and transparency of the Guatemalan banking system. The specific objective was to strengthen the Superintendency of Banks so that it will be able to implement and enforce the new law. The project had two components. The first component was to draft the regulations that were required by the new banking legislation. The second was to upgrade the inspection and accounting manuals, and the information systems in order to enabled the Superintendency of Banks to supervise all of the entities in the financial system on a consolidated basis.

14. Guyana

14.1. FINANCIAL SECTOR ADJUSTMENT PROGRAM

GY-0032, PR-2056, \$38,000,000, 1995

This program included specific actions in banking legislation. The legislative reforms consisted of a Financial Institutions Act (FIA), a new Bank of Guyana Act, and selected amendments to the Co-operative Financial Institutions (COFA) Act, the Dealers in Foreign Currency (Licensing) Act and the Companies Act. The new Bank of Guyana Act was designed to create an independent central bank, conferring powers to exercise a considerable degree of independence in its central banking and bank supervisory functions. Approval and regulation of this Act were included as conditions for the first and second program tranche respectively. Also, this program included privatization of several banks, the merger of two government banks, and the institutional strengthening of GNCB and Deeds Registry.

14.2. STRENGTHENING SYSTEM OF PROPERTY RIGHTS

ATN/MT-6671-GY, MIF/AT-289, \$940,000, 1999

This objective of this MIF technical cooperation was to improve the legal framework and administrative procedures for secured transactions in real estate and other property, and to enhance the physical security of records. The components were focused on improving the legal framework; strengthening the Deeds Registry; and project management. The first component funded reviewing of the legal framework for secured transactions in movable and immovable property and develops an action plan for reform (laws to be analyzed included the Deeds Registry Act, Bills of Sale Act, laws of evidence). The second component supported activities to strengthen and improve the services provided by the Deeds Registry offices in Georgetown and New Amsterdam. The third component provided for an initial, baseline, survey of Deeds Registry users, followed by an end-of-project survey to evaluate progress on both a quantitative and qualitative basis.

14.3. STRENGTHEN BANK SUPERVISION

ATN/SF-7597-GY, \$700,000, 2001

This project had four components. The first component involved private and public sector training and coordination. The Bank of Guyana in cooperation with the private sector held several

seminars on a range of topics to enhance skills in the marketplace. The second component involved the formulation and development of strategies and improvement to the supervisory processes. The Bank, in coordination with the IMF, provided assistance to strengthen the Bank of Guyana's on- and off-site supervisory procedures. The third component involved regulatory reporting and information technology and focused on improving the verification, analysis and reporting of financial information. The fourth component provided support to prevent money laundering and strengthen the Bank of Guyana's Legal Department. Technical assistance included training in-house legal staff on supervisory and regulatory issues, highlighting the effective implementation of enforcement measures (legal sanctions).

15. Haiti

15.1. BANKABLE PROPERTY RIGHTS REFORM PROGRAM

ATN/MT-5078-HA, MIF/AT-67, \$650,000, 1995

The objective of the program was to assist the Government of Haiti in establishing a legal and institutional framework for bankable property rights and lien registration that allows for the efficient creation, perfection and enforcement of collateral liens. Activities financed under the program included drafting a comprehensive bankable property rights law; designing an efficient system and institutional framework for the registration of liens; and, training the banking and legal communities as well as the judicial authorities in the use of the new system. This operation was required to provide a more transparent and reliable legal system and to strengthen banking supervision.

15.2. INVESTMENT SECTOR LOAN

HA-0046, PR-2173, \$52,495,000, 1996

This program provided support for the modernization of the legal and regulatory framework of the financial system, institutional framework for secured transactions (not a financial sector component), and the reform of the electricity sector. The component supporting the financial sector was mostly dedicated to legal and regulatory framework reform. In addition, the program brought the Banque National de Credit into conformity with all prudential norms and regulatory measures required to establish the soundness of the bank.

16. Honduras

16.1. MULTISECTOR GLOBAL CREDIT PROGRAM

HO-0034, PR-1888, \$60,000,000, 1992

Program resources were allocated to financial intermediaries by means of an auction mechanism, to meet the private sector's need for medium- and long-term credit for financing investment projects in the production sector. In addition, important reform measures were undertaken during project preparation and throughout the project as disbursement conditions. As part of program preparation, the Bank assisted the Central Bank of Honduras in carrying out several reforms of basic prudential regulations. Reforms included reviewing standards for evaluation of

commercial loans and defining operation and control methodologies; reviewing accounting regulations (risky interests, overdue portfolio, control procedures); establishing regulations on credit to related parties and procedures for control; establishing the regulations for the publication of interest rates and financial statements; establishing valuation of guarantees regulations; and creating a work schedule for the preparation of a statistical bulletin of the Superintendency of Banking and Insurance (SBS). During the second stage, several activities were included as a condition for disbursing the second half of the program's resources. Those conditions were effectively implementing the regulations mentioned above; strengthening the mechanisms that control credit limits; preparing methodologies for the analysis and evaluation of financial institutions; and introducing rules and procedures for assessing personal loans, housing loans and financial investments, among others.

16.2. PROGRAM TO STRENGTHEN THE BANKING AND INSURANCE COMMISSION

ATN/MT-5235-HO, MIF/AT-82, \$1,530,000, 1996

The objective of this program was to strengthen financial system supervision. The MIF operation included four subprograms: support for reforms of the regulatory framework governing the financial system, the insurance market, and the capital market; support for the Banking and Insurance Commission in establishing its organizational structure and operating procedures and manuals; support for strengthening information systems; and support for a professional development program.

16.3. PROGRAM TO STRENGTHEN THE FINANCIAL SECTOR

ATN/MT-7240-HO, MIF/AT-375, \$1,457,000, 2000

This program has the two components: (i) strengthening the training system of the Honduran Association of Banking Institutions and the Honduran Chamber of Insurance Companies to improve the system's human resources, and (ii) strengthening the regulatory and prudential framework governing the financial system. The latter component includes extending supervision to the nonbanking financial institutions in the system; expanding the National Banking and Insurance Commission's (CNBS) risk center; creating a comprehensive system of activities to protect financial sector institutions; and integrating the Central Bank of Honduras (BCH) and CNBS information systems with those of the institutions in the financial system.

16.4. SUPPORT STRENGTHENING NATIONAL ACCOUNTS

ATN/SF-7320-HO, \$750,000, 2001

The main objective of the program was to support the Central Bank of Honduras in improving economic statistics through new methodology, and the adequate collection and processing of data to allow for a better evaluation of alternative economic policies and track trends in poverty, inflation and economic growth. The program's three objectives were to support the modernization and expansion of short-term calculation system and economic indicators; improve interinstitutional coordination to enhance the collection, processing and exchange of information; and provide support for analyzing the country's basic statistical needs and designing a system for collecting and reporting data. The program had five components: (i) creation of an input-output table for the nation's economy; (ii) development of institutional accounts and economic

integrated accounts; (iii) change in the base year and linking of statistical series; (iv) development of a basic plan of Component Matrix Production, and; (v) the development of a basic plan for the creation of satellite accounts.

16.5. FINANCIAL MANAGEMENT OF NATURAL DISASTERS

ATN/SF-8025-HO, \$150,000, 2002

This technical cooperation (TC) assisted the government in evaluating the available information related to the natural disaster risks that the country faces and likely macroeconomic and fiscal impacts of disaster to develop a financial management strategy to reduce the global cost of risk. Specifically, the TC financed: (i) a political economy working group for the financial risk management of catastrophes; and (ii) preparation of the “Financial Risk Management Strategy of Catastrophes in Honduras.”

16.6. FINANCIAL SECTOR PROGRAM

HO-0219, PR-2820, \$25,000,000, 2003

The general objective of this financial sector program is to contribute to financial sector development in Honduras, by assisting the government in its efforts to lay the groundwork for keeping the banking system stable and solvent. The program focuses on four aspects of the government's policy to resolve problems in the banking system: a macroeconomic policy framework consistent with the program objectives; a set of prudential standards that conform to Basel Principles; strengthening of bank supervision, and efficient financial information systems. To bring prudential regulations into line with Basel Principles, the National Banking and Insurance Commission will need to carry out a number of different actions, the most significant of which concern: capital adequacy; classification of loans, guarantees, and reserves; matching of maturities, currencies, and interest rates; external audits; contingent assets; accrual of interest in income accounts, and electronic exchange of financial information. In the area of consolidated supervision, action will be taken on the following fronts: establishment of financial groups and procedures for registration; the methodology for presentation of consolidated financial statements; financial group capital adequacy; and treatment of off-shore operations.

16.7. ADOPTION OF FINANCIAL REPORTING AND AUDITING STANDARDS

MIF/AT-603, \$490,000, 2004

The project aims to make financial information on the performance of Honduran companies more reliable, transparent, objective, and comparable. It will adopt and properly apply the International Financial Reporting Standards (IFRS) and the International Auditing Standards (IAS). This project will raise the quality of firms' financial reporting by adopting and implementing the IFRS and the IAS, will facilitate training in, and dissemination of, the standards, as well as promote the technical basis for their implementation and, will help the professional associations of accountants and bookkeepers in the area of quality control in accounting firms.

17. Jamaica

17.1. ADJUSTMENT PROGRAM FOR TRADE, FINANCE AND INVESTMENT SECTOR

JA-0019, PR-1790, \$76,092,000, 1991

This program, which included a loan and a technical cooperation, provided support to the Bank of Jamaica (BOJ) for the establishment of a supervision department to enhance supervisory activities. This included recruitment and training, development of a manual on regulatory strategies and prudential requirements, establishing definitions of the data to be provided to the BOJ, and preparing a manual to be used to analyze parent companies and assess risks. First tranche conditions called for agreement on the terms of reference for a Bank financed technical assistance program for strengthening the prudential regulation and supervisory capacity of the Superintendency of Banks. First tranche activities had to be substantially under way before the second tranche was approved. By the third tranche, any recommendations stemming from the first two phases had to be implemented. Program implementation also called for drafting a securities act that was to be put into effect along with the Securities and Exchange Commission's regulatory norms.

17.2. INSTITUTIONAL SUPPORT OF FINSAC

ATN/MT-5735-JA, MIF/AT-141, \$1,445,000, 1997

The main objective of the program was to develop a stronger financial infrastructure by helping the Financial Sector Adjustment Company (FINSAC) to manage its investments in the insurance sector, and by strengthening insurance supervision. This program provided assistance to the FINSAC to strengthen insurance supervision and establish a department charged with disposing of loans and real estate assets acquired through interventions in an orderly fashion and at reasonable prices. Other activities included designing financial statements and periodic reporting forms, and the development of investment guidelines for the insurance companies.

17.3. FINANCIAL SECTOR REFORM PROGRAM

JA0049, PR-2509, \$150,000,000, 2000

This loan helped strengthen the financial sector and reduce its vulnerability to future crises. The resources supported steps to improve supervision of the financial system, enhance the enforcement and adjudication capacity of government authorities and improve their coordination. The loan assisted in the disposition of assets accumulated by the Financial Sector Adjustment Company, the government agency charged with resolving the situation of financial institutions that were intervened as a result of a financial crisis during 1996-1997.

17.4. SUPPORT FOR STRENGTHENING THE SUPERVISION OF NON-DEPOSIT TAKING ACTIVITY WITHIN THE FINANCIAL SERVICES COMMISSION

ATN/SF-7700-JA, \$700,000, 2001

This project had six components. The first component was concerned with insurance guarantee and investor protection funds. The objective was to examine the structure of these funds (compensation schemes) in order to recommend policies to address compensation schemes in general for the nonbank financial sector. The second component addressed issues dealing with

legal and regulatory enforcement. It provided technical assistance to the current legal staff of the Financial Services Commission, the General Counsel, and the Chief Executive Officer on a range of legal issues. The third component deals with prospectus and disclosure requirements by providing assistance to establish standards for prospectus and on-going disclosure requirements, and developed regulations and procedures to define the process of registration. The fourth component provided support for training executive management and senior staff in emerging financial supervision issues, particularly how to supervise offshore activity and on-line/electronic banking. The fifth component provided support for developing and establishing minimum actuarial standards as well as training in the implementation of these standards. The last component addressed the issue of corporate governance requirements.

17.5. SUPPORTING THE IMPROVEMENT OF THE ACCOUNTING PROFESSION

ATN/MT-8113-JA, MIF/AT-512, \$665,000, 2002

The overall objective of the program was to strengthen the accounting profession in Jamaica, improve the annual financial statements of Jamaican businesses by providing transparency, reliability and comparability among financial statements, qualities that facilitated and promoted business investment. The program components included: (i) conducting an independent assessment of accounting and auditing in accordance with the Reports on the Observance of Standards and Codes (ROSC) program and developing an action plan; (ii) assisting in the implementation and application of International Accounting Standards (IAS); (iii) building adequate mechanisms for the enforcement of IAS and International Standards on Auditing (ISA); and (iv) establishing systems and processes that sustain the implementation of IAS and ISA.

18. Mexico

18.1. GLOBAL CREDIT PROGRAM FOR MEDIUM AND SMALL BUSINESSES

ME-0152, PR-1856, \$250,000,000, 1992

The program consisted of the following three components: (i) credit for funding investments in fixed assets, working capital, studies and advisory assistance for medium and small private business establishments; (ii) credit for the development of a special private infrastructure of financial intermediation, information, training, and technical assistance to provide integrated support for medium and small business establishments; and (iii) institutional strengthening of Nacional Financiera S.N.C. (NAFIN) to provide for the creation of nine NAFIN centers and two pilot business development centers.

18.2. CORPORATE STRENGTHENING OF FINANCIAL INSTITUTIONS PROGRAM

ME-0126, PR-2097, \$250,000,000, 1995

The main objective of this program was to contribute to Mexico's economic recovery by helping to strengthen the financial sector. Its specific objectives were to promote modernization of private financial intermediaries, assist in the corporate strengthening of Nacional Financiera S.N.C. (NAFIN), and stimulate business investment. The program had three components: (i) a loan for modernizing private financial intermediaries, which was used by participating intermediaries to upgrade their operating and management capacity; (ii) technical assistance for the

corporate strengthening of NAFIN, including a thorough analysis of the institution, as well as identification and implementation of specific reforms in the areas of strategy development, redesign of procedures, risk management, and human resources; and (iii) a multisector loan to finance investments of private companies.

18.3. FINANCIAL SECTOR RESTRUCTURING PROGRAM

ME-0188, PR-2041, \$750,000,000, 1995

The objectives of the program were the short-term stabilization of troubled financial institutions and restoring confidence in the safety and soundness of the Mexican financial sector by undertaking substantial policy reforms that would provide Mexico with a solid and transparent legal and regulatory framework for the financial sector in the medium term. In particular, the program was designed to: improve the safety and soundness of financial institutions through the modernization of prudential regulations and strengthened supervision based upon accepted international practices, and increase the transparency and accuracy of financial statements. Conditions for disbursement included several actions in the areas of bank inspections, prudential regulations and uniform accounting principles. Other financial sector restructuring activities within this program included measures to recapitalize and improve the financial system. An activity of particular interest was to create the national commission for banking and securities, and issuing guidelines for external audits of banks and stock exchanges.

18.4. CONTRACTUAL SAVINGS DEVELOPMENT PROGRAM

ME-0197, PR-2153, \$300,000,000, 1996

The core of this program provided support for the pension system reform and was primarily oriented to strengthening pension system institutions. In addition, it also provided support for reforming capital and insurance markets. The program supported the shift toward the private management of pension funds from the existing pay-as-you-go system and required the establishment of the necessary regulations for pension fund investment and administration. Additionally, the program had a component to strengthen the pension fund administration supervisory agency.

18.5. SUPPORT TO THE COMISIÓN NACIONAL BANCARIA Y DE VALORES DE MÉXICO (CNBV)

ME-0059, PR-2252, \$8,000,000, 1997

The purpose of the program was to strengthen the CNBV's operating capacity. Its specific objectives included consolidating the progress made in banking supervision; setting the supervisory standards for all the financial intermediaries; monitoring the supervisory needs of the securities market; developing a human resource management system; and developing an effective information technology support. The plan used a flexible approach based on the definition and execution of semi-annual operating plans for the first year and annual plans for the subsequent years. The activities financed were aimed at modernizing the supervisory processes, methodologies and practices; and consolidating the operating platform that supports supervisory work.

18.6. CAPITAL MARKET DEVELOPMENT**ATN/MT-6085-ME, MIF/AT-187, \$1,500,000, 1998**

This technical cooperation supported the establishment and operation of a Mexican securities clearinghouse, which provides clearance and settlement services for securities transactions in the Bolsa Mexicana and eventually for over-the-counter (OTC) markets. The program consisted of technical assistance in eight activities. First, the program focused on drafting the regulatory framework required for securities clearing house operations in addition to reviewing and strengthening existing legislation. The second component included the development of a financial plan and fee structure for the clearinghouse (Cámara Mexicana de Compensación y Liquidación, CMCL). Third, the project supported the development of internal auditing standards and procedures that meet international standards. A fourth activity included developing a financial safeguard system and risk management operating regulations. Under this system, members were required to provide an initial capital contribution to CMCL and place callable capital contributions in reserve. Risk management procedures included measures to determine CMCL's exposure to clearing members, to prevent accumulated losses, and to administer collateral. The fifth component focused on developing CMCL's bylaws, corporate governance and general rules of operation. A sixth subprogram trained staff responsible for risk management at both CMCL and Comisión Nacional Bancaria y de Valores (CNBV).

18.7. MULTISECTOR GLOBAL CREDIT PROGRAM**ME-0117, PR-2491, \$300,000,000, 2000**

The objective of the program was to assist the development of micro, small and medium enterprises (MSME) by expanding the supply of formal credit services for this sector. The program made resources available to NAFIN to fund loans that financial intermediaries made to MSMEs. It also provided resources for developing specialized lending technologies tailored to meet the sector's needs efficiently.

18.8. SUPPORT CONSOLIDATION OF BANKING SECTOR REFORM PROGRAM**ME-0227, PR-2490, \$250,000,000, 2000**

Project resources supported a government program designed to strengthen the legal and regulatory framework of the banking system, complete the restructuring program for the banking sector and ensure the transfer of the ownership of banks that had previously experienced difficulties back to the private sector in a transparent and timely manner. It also supported efforts to maximize the recovery of bank loans and other assets resulting from bank resolution programs and portfolio purchases and to implement viable arrangements for financing the costs resulting from banking sector stabilization.

18.9. SUPPORT FOR SMALL FARMERS THROUGH PROCAMPO**ME-0213, PR-2590, \$500,000,000, 2001**

The project's objective was to build the capacity of small-scale dry land farmers to make more efficient use of their resources in their productive operations. This loan provided financing to deliver Farmers Direct Support Program (PROCAMPO) payments before the spring and summer planting seasons as well as technical assistance to strengthened PROCAMPO management,

assessed its environmental impacts, analyzed alternative operational approaches, and identified the uses to which beneficiaries put the payments they receive.

18.10. CAPITALIZATION OF REMITTANCES FOR LOCAL ECONOMIC DEVELOPMENT

ATN/ME-7717-ME, MIF/AT-450, \$1,115,000, 2001

This project promoted local competitiveness in an effort to increase revenue and employment in regions that experience high migration. It intended to establish or strengthen pilot mechanisms in Guanajuato, Zacatecas and Puebla to channel remittances to productive entrepreneurial projects with the participation of local governments, local private investors and clubs of Mexican migrants abroad. The project had four components: (i) development of public-private collaboration; (ii) strategic plan for the local private sector; (iii) development of productive investment projects; and (iv) outreach workshops.

18.11. PILOT PROGRAM FOR THE INVESTMENT OF REMITTANCES FOR RURAL DEVELOPMENT IN MIGRANT'S HOME ECONOMIES

ATN/ME-7834-ME, MIF/AT-465, \$460,000, 2002

The program helped increase revenues and job opportunities in the rural communities affected by high migration, by promoting and supporting the business activities of groups of producers established primarily by women in the states of Michoacán, Oaxaca, and Guerrero. The specific objective was to establish a model for the productive use of remittances through interaction between producers in the communities of origin and migrating entrepreneurs, by improving the business skills of groups of producers needed to turnout and market agricultural and micro industrial products, providing access to markets and information, and facilitating access to financing leveraged by the capital contributed by the migrants abroad.

18.12. RURAL FINANCIAL SYSTEM CONSOLIDATION PROGRAM

ME-0243, PR-2783, \$300,000,000, 2003

The objective of this program is to expand and consolidate the supply of financial services for rural sectors. In particular the project will support (i) increase the efficiency of the tools used by the government liquidating the National Rural Credit Bank system, establishing Financiera Rural, as well as tighten coordination among the various government programs; and, (ii) improve conditions for the development of bank and nonbank financial intermediaries in rural areas.

18.13. PROGRAM TO SUPPORT THE CONVERGENCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

ATN/MT-8243-ME, MIF/AT-525, \$1,700,000, 2003

The objective of this program is to improve the quality of financial reporting on business activities to make it objective, reliable, comparable and transparent. Its main purpose is to establish effective bodies for generating, disseminating and supporting adequate implementation of accounting standards that are convergent with the International Accounting Standards.

18.14. BANKABLE PROPERTY RIGHTS IN MEXICO**ATN/MT-8245-ME, MIF/AT-527-1, \$2,000,000, 2003**

This program is part of the MIF's support to the improvement of the legal, regulatory, and institutional framework within which the private sector operates. Its main objective is to strengthen the property rights framework in order to increase economic transactions involving real property, particularly, credit. The components of the project are: execution of reforms in the property rights registry (PRR) of the participating states, development of a PRR performance rating systems, and the dissemination of models and the project experience to encourage other states to adopt similar reforms.

18.15. HIPOTECARIA NACIONAL MORTGAGE BACKED SECURITY**ME- L1003, PR-2848, \$75,000,000, 2004**

Supporting the efforts carried out by the Mexican government to diversify funding sources and establish the local capital markets as an important source of funding for housing development, the project has the objectives of promoting the development and standardization of the Mortgage Backed Securities (MBS) in the Mexican capital markets, and supporting the diversification of financing sources for mortgage financing through better access to capital markets. Providing Hipotecaria Nacional access to long-term private funding for the origination of new mortgages within the local housing market in Mexico, will enhance HN ability to raise long term financing to match funding requirements of the mortgage market, and will provide support to local capital markets towards the standardization of MBS.

18.16. PROGRAM TO INCORPORATE BUSINESS ASSETS INTO THE FORMAL SECTOR**ME-M1002, MIF/AT-587, \$2,600,000, 2004**

The program will create better conditions to have access to more commercial and financial options, ability to optimize capital structure through the use of partnerships and increase in value for owners of real state and business assets once incorporated into the formal sector. The project include reforms designed to provide certainty as to the law for financial operations that will increase the supply credit by fostering conditions that will reduce risk and promoting the use of trust guarantees and chattel mortgages to provide both borrowers and lenders with legal safeguards and certainly as to the law.

18.17. STOCK MARKET CERTIFICATE ISSUE GUARANTEE FOR CABLEMAS S.A.**ME-3170A, CII-PR-330, \$7,600,000, 2004**

The purpose of this guarantee is to improve the risk profile of Cablemás S.A.'s stock market certificate (SMC) issue, that will be launched on the Bolsa Mexicana de Valores (Mexican securities exchange), and to make it easier for the company to obtain better financing terms and conditions so that pension funds and similar entities can buy its SMCs. The portfolios of Sociedades de Inversión Especializadas en Fondos para el Retiro (investment companies specializing in retirement funds) are at present markedly skewed because most of their funds are used to finance the government, while few local companies have access to this funding. There is a group of companies seeking funding on the securities market, but their size, degree of

development, rating, and the fact that they are not well known hinder their access to the market. This type of operations will help those companies to access to security markets. This IIC operation promotes the development of securities markets by supporting companies interested in issuing paper on the markets to access funding from institutional investors.

19. Nicaragua

19.1. TRADE AND FINANCE ADJUSTMENT PROGRAM

NI-0012, PR-1798, \$132,500,000, 1991

This program included two loans and a technical cooperation to establish a strong and autonomous Superintendency of Banks empowered with an adequate institutional capacity to enforce regulations. The program was carried out in several stages with the following conditions established to release funds: submit an action plan to develop and implement a new Law of Banking and Financial Institutions and ancillary laws and regulations; adopt the operating regulations to implement the Superintendency Law and appoint a Superintendent; submit to the National Assembly a draft law of Banking and Financial Institutions and related ancillary laws and regulations; and demonstrate progress in carrying out the new organizational structure for the Superintendency of Banks.

19.2. GLOBAL CREDIT PROGRAM FOR MICROENTERPRISES

NI-0035, PR-1954, \$23,600,000, 1993

In addition to its objective of providing credit to urban and rural small and microenterprises, this project improved the financial management and credit administration of non-conventional financial intermediaries. One of the components of this program was the credit and institutional strengthening including *Financiera Nicaragüense de Inversiones* and commercial banks. For the institutional strengthening, *Instituto PAMIC* assisted at least 30 financial organizations to strengthen their financial management and credit services.

19.3. DEBT REDUCTION PROGRAM

NI-0082, PR-2048, \$40,000,000, 1995

The objective of this program was to support debt reduction operations that would stabilize the economy and lay the groundwork for future sustainable growth. The program was part of a concerted effort by the Bank, the World Bank and bilateral donors to help Nicaragua buy back a significant portion of its external debt to commercial banks. The operation also facilitated the execution of the stabilization, adjustment and structural reform programs that the government was carrying out.

19.4. TECHNICAL COOPERATION LOAN FOR THE STRENGTHENING OF THE CENTRAL BANK OF NICARAGUA

NI-0087, PR-2085, \$3,450,000, 1995

This technical cooperation was devoted to strengthening the role and functions of the central bank in matters related to monetary policy. Areas requiring improvement included economic

programming, international operations and financial management. The focus of this operation was central bank strengthening and included the establishment of electronic communication between the central bank and the banking sector.

19.5. COMMODITY EXCHANGE SUPPORT PROGRAM

ATN/MT-5064-NI, MIF/AT-62, \$375,000, 1995

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of Nicaragua's Exchange. This was achieved through targeted assistance affecting the legal and operational structure of the Exchange, the underlying specifications of the traded commodities, and the marketing effort required to significantly increased the volume of tradeable products. The program had six components as follows: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information, and; (vi) trade promotion.

19.6. FINANCIAL SECTOR REFORM PROGRAM

NI-0104, PR-2317, \$65,000,000, 1998

The objective of the reform program is to rationalize Nicaragua's state-owned banks and create a stable and efficient private banking sector. In particular, the operation addresses reforms concerned with liquidation or privatization of the state banks; modernization of the financial system's legal and regulatory structure; and modernization of the institutional and normative framework for prudential regulation and supervision. Disbursement of funds for the component concerned with rationalization of the state-owned banks requires meeting various conditions, among them divestiture of a controlling share of (51% minimum) Banco Nicaragüense de Industria y Comercio (BANIC). The component for modernization of the legal and regulatory structure was intended to improve the autonomy of regulatory institutions as well as the institutional structure of the sector, regulation and supervision, and the delivery of more modern financial products.

19.7. FINANCIAL SECTOR REFORM PROGRAM

NI-0106, PR-2317, \$765,000, 1998

This technical cooperation loan program is a parallel operation to NI-0104, outlined above. The TC provides technical support to the implementation of the legal and regulatory reforms. The program includes subcomponents for support to the Legal Commission in drafting the legal documents, and support to the Superintendency of Banks and other Financial Institutions (SBIF) in the areas of information systems and off-site inspection analysis. A bank performance reporting system was adapted to provide the information required to enforce the legal and normative framework. Off-sight analysis techniques and information dissemination policies were upgraded to provide more rigorous performance indicators to the public. In addition, the SBIF focused on development of a credit bureau.

19.8. CAPITAL MARKETS MODERNIZATION PROGRAM

ATN/MT-6157-NI, MIF/AT-199, \$998,000, 1998

This technical cooperation program had five specific components focused on developing the capital market. The first component involved the preparation of a specific capital markets law in order to rationalize all current legislation on this area and to conform to international standards. The new law established the foundation for all of the other components of the program. The second component involved the reorganization of the Superintendency of Banks and other Financial Institutions (SBIF) to create two distinct and separate divisions, which are responsible for regulating prospectuses, disclosure processes and secondary trading (Intendencia de Valores); for prudential supervision of broker dealers, especially the minimum net capital standards for allowing clearing privileges (Intendencia de Bancos and Other Financial Institutions). The third objective concerned upgrading the clearance and settlement system for public and private debt markets. Fourth, the program was intended to standardize public debt instruments, in particular, converting the existing Bonos de Pago de Indemnización (BPI) into a physical certificate with standard characteristics, such as maturity dates, denomination, and face values. Finally, the program included a publicity campaign in order to inform the public of the structural changes to the capital markets.

19.9. PROGRAM FOR STRENGTHENING PRIVATE-SECTOR EXTERNAL AUDITING

ATN/MN-6715-NI, MIF/AT-296, \$923,000, 1999

In order to strengthen the technical and professional skills of public accountants and private independent auditing firms in Nicaragua, this program provided support to: (i) review and modernization of the legal framework governing public accountancy and publication and promotion of the new standards; (ii) strengthening the administrative structure and operations of the Society of Public Accountants of Nicaragua, enabling it to oversee the profession and develop continuing education programs; (iii) raising the level of professional competence among public accountants by reviewing and upgrading the university curriculum in accountancy and establishing a self-financing program of continuing education, and (iv) review and updating of the procedures and methods currently used by the Comptroller General of the Republic in the selection and hiring of independent auditing firms.

19.10. LEGAL FRAMEWORK OF NEW PENSION SYSTEM

ATN/MT-6573-NI, MIF/AT-260, \$1,200,000, 1999

This Multilateral Investment Fund technical cooperation was aimed to establish the legal and regulatory framework for the pension system reform and its implementation. The first component included draft laws and regulation for the new pension system, as well as the establishment of prudential investment rules for pensions funds, and training for legislators to increase their awareness of reform alternatives and problems in the current pension system. The second component included support for the formulation and execution of a strategy to implement the reform and establish a pension superintendency.

19.11. SUPPORT OF THE PENSION SYSTEM REFORM**NI-0101, PR-2614, \$30,000,000, 2001**

This operation was designed to support the structural reform of the pension sector and provide financing within the context of the government's Poverty Reduction and Growth Facility agreement with the International Monetary Fund. The program entailed a set of measures and actions that facilitated the development of an adequate legal, regulatory and institutional framework for the establishment of private service providers. Five principal areas of reform were proposed: (i) establishment of the legal framework for the new system; (ii) reform of the current defined benefit pay-as-you-go pension system; (iii) establishment of the institutional arrangements for supervision and service provision; (iv) establishment of a financing plan for transition costs; and (v) initiation of implementation process.

19.12. SUPPORT FOR THE SUPERINTENDENCY OF BANKS AND OTHER FINANCIAL INSTITUTIONS**ATN/MT-7975-NI, MIF/AT-481, \$1,238,000, 2002**

The general objective of this technical cooperation program was to reduce the vulnerability of Nicaragua's financial system. The specific objective of the program was to consolidate and strengthen the Superintendency of Banks and Financial Institutions (SBIF) in its capacity to regulate, supervise, inspect bank and nonbank intermediaries and their operations, and ensure they are technically and administratively efficient. The project was divided in the following five components: (i) updating the framework for regulation and supervision of the financial banking sector; (ii) updating and developing a framework for regulation and supervision of nonbank financial institutions; (iii) transforming the technology platform and developing systems audit capacity; (iv) consolidating and expanding personnel technical capacity; and (v) strengthening the organizational and administrative structures of the SBIF.

19.13. GLOBAL MULTISECTOR CREDIT PROGRAM**NI-0167, PR-2746, \$30,000,000, 2003**

The objective of this operation is to support the development of private businesses, especially small- and medium-sized enterprises, by expanding the supply of medium- and long-term financing. The program will provide resources to Financiera Nicaragüense de Inversiones (FNI) to finance credit for private enterprises to be granted through eligible financial intermediary institutions (IFIs) (credit component), as well as technical assistance resources. The resources for the credit component will be used exclusively for FNI operations with supervised formal financial intermediaries that meet the program eligibility criteria. The subloans will be granted to startup and existing private enterprises in all sectors of the economy, in both urban and rural areas. The subloans will be used to meet the need for credit in the procurement of fixed assets; working capital base for expansion, conversion, or modernization of production, or the hiring of technical and management services to support investments in fixed assets. The program will also provide technical assistance resources for the technical and institutional strengthening of the FNI to help it access the domestic and international capital markets in the medium term.

19.14. PROGRAM TO IMPROVE THE SECURED TRANSACTIONS FRAMEWORK TO FACILITATE ACCESS TO CREDIT

ATN/MT-8428-NI, MIF/AT-545, \$700,000, 2003

The general objective of the project is to stimulate greater financial intermediation, in particular in the form of transactions secured by personal property. The potential and existing creditors and debtors in secured credit transactions, and small businesses in particular will benefit from a standardized institutional system that will improve the possibilities for access to secured financing. This operation has been structured in three components: (i) modernizations of registry systems and centralized registry, (ii) training and dissemination campaigns targeting authorities in all sectors to inform them about the key aspects of commercial law relating to secured transactions, and (iii) reviewing and updating of the draft law on security interests in personal property.

20. Panama

20.1. EXTERNAL DEBT AND DEBT-SERVICE REDUCTION PROGRAM

PN-0098, PR-2094, \$30,000,000, 1995

This program was an integral part of the country's economic adjustment program. The objectives of the loan were to: (i) reduce the external debt's burden on the balance of payments; (ii) lower Panama's risk premium on international capital markets; and (iii) fully regularize Panama's relations with its foreign creditors. These three objectives were accomplished by cofinancing the purchase of collateral instruments under a debt restructuring agreement with the international commercial banks, following a system similar to the Brady Plan launched by the United States. The program consisted of the purchase of U. S. Treasury zero coupon bonds that constituted the collateral under the agreement to restructure the external commercial debt.

20.2. FINANCIAL SECTOR REFORM PROGRAM

PN-0056, PR-2256, \$130,130,000, 1997

This program supported the reform of Panama's financial sector, which was designed to ensure a sound banking system; foster competitiveness; make financial transactions more secure, transparent, and diversified; and promote the development of capital markets. This operation consisted of a loan and a technical cooperation. The loan program focused on strengthening financial regulation and the social security system and included components for the banking system, the securities market, and financial supervision. The technical cooperation provided resources for measures to make administration more transparent, modernize fund management, liberalize the investment regime, and implement proper auditing and controls and improved debt management, creation of a market for debt securities, and restructuring the legal framework for public financial administration.

20.3. PROJECT TO STRENGTHEN THE SECURITIES COMMISSION

ATN/MT-5785-PN, MIF/AT-154, \$1,200,000, 1997

This technical cooperation was designed to complement the capital markets component of operation PN-0056 and strengthen the National Securities Commission, established by the

Securities Market Act. Specific activities to strengthen securities market regulation and oversight included development and implementation of the new organizational structure; training and management of human resources; implementation a professional development program; design of an information systems management program; development of new regulations; production of a prospectus register; standardized reporting forms and procedures; creation of mechanisms for oversight of brokers and dealers; and creation of mechanisms to ensure supervision of investments funds.

20.4. COMMODITY EXCHANGE SUPPORT PROGRAM:

BOLSA AGROPECUARIA E INDUSTRIAL, S.A. (BAISA)

ATN/MT-6665-PN, MIF/AT-290, \$482,000, 1999

The project consisted of the following components: (i) selection of strategic commodities to be traded in BAISA; (ii) design and execution of a marketing campaign to capture a viable volume of trading; (iii) training for parties involved in commodities trading; (iv) spot technical assistance in the legal, economic, and taxation areas to foster opening of the market; and (v) procurement of computer systems and hardware for price dissemination.

21. Paraguay

21.1. INDUSTRIAL CREDIT PROGRAM

PR-0065, PR-1714, \$30,000,000, 1990

The objectives of the program were: (i) to provide medium- and long-term resources needed to help finance activities in the industrial sector; and (ii) to facilitate the process of liberalizing the financial sector. The program included a credit component, the resources of which were used to finance capital goods and provide working capital primarily for industrial projects that were financially and economically profitable under the nation's private sector. It also included a technical assistance component for the preparation of baseline studies in the financial sector and institutional strengthening of the Superintendency of Banking.

21.2. INVESTMENT SECTOR PROGRAM

PR-0003, PR-1894, \$81,500,000, 1992

This program included a loan and a reimbursable technical cooperation to strengthen supervision and enhance the transparency of financial information, as well as establish standards for capitalization and allowances for credit risks that are in line with international standards. Actions required to meet those objectives included: executing a plan of action to strengthen the Superintendency of Banks; issuing accounting and auditing standards consistent with international standards; and issuing regulations on annual external audits of bank financial statements. Measures affecting capital markets were: approval of amendments to the Stock Exchange Law; to establish external audit standards for companies issuing publicly-traded securities; amending the Capital Market Act as it affected the National Securities Commission; encouraging the development of a long-term debt securities market; introducing a pension system capitalized with private contributions; strengthening the regulatory framework for insurance companies; preparing an action plan to institutionalize a risk rating mechanism for publiclytraded securities.

21.3. GLOBAL MICROENTERPRISE CREDIT PROGRAM I

PR-0013, PR-1878, \$10,000,000, 1992

The main objectives of this program were: (i) to increase the flow of reasonably priced credit to microenterprises, (ii) to create a growing, self-sustainable channel of credit to this sector through regulated financial institutions, (iii) to foster awareness of the special requirements of microenterprise credit within the country's regulatory institutions, and (iv) to develop a new institutional framework which would assure microenterprises continued access to financial and technical assistance services. The technical cooperation component of this program was divided into five areas: strengthening of the program technical unit; assistance to selected financial institutions in developing a credit technology targeted to meeting the needs of microenterprises; developing a framework for offering cost-efficient and appropriate training and technical assistance to microenterprises; monitoring and initiating corrective actions on environmental issues and those related to women, and assistance to the Central Bank of Paraguay and the Superintendency of Banks in the reform of the regulatory framework in the supervision of microenterprise lending activities.

21.4. INSTITUTIONAL STRENGTHENING OF THE BANK SUPERINTENDENCY

ANT/MT-5479-PR, MIF/AT-112, \$1,200,000, 1996

The primary objective of this program was to strengthen the office of the banking superintendent. The program included four subprograms: (i) development of a regulatory framework established under the central bank charter and the new general law governing banks, finance companies and other credit institutions; (ii) training and professional upgrading for the technical staff of the superintendency; (iii) improving audit and evaluation by providing computerized systems; and (iv) implementing new and improved means for dissemination of information for institutions in the financial system.

21.5. GLOBAL MICROENTERPRISE CREDIT PROGRAM II

PR-0094, PR-2199, \$20,000,000, 1997

In order to improve the access to credit and expand the coverage of Paraguayan microentrepreneurs, this program integrated this sector into the formal financial system providing better and effective services. The operation provided resources to expand the supply of medium- and long-term financing for this sector. This program transferred financial technology to Intermediary Financial Institutions to enhance their lending capacity and the financial services they offer, through the use of best practices to lower operating costs and facilitate risk analysis of loans. Also it identified institutional and regulatory obstacles that impede access to credit.

21.6. INSURANCE INDUSTRY REFORM

ATN/MT-6357-PR, MIF/AT-228, \$915,000, 1999

This project was intended to improve the functioning of the insurance market as a means of promoting private sector development. It provided institutional strengthening support to the Superintendency of Insurance to give it the capacity to issue modern prudential standards and to supervise the country's insurance companies effectively, and developed efficient procedures for the regulatory agency and for insurance companies to improve solvency in the sector.

21.7. STRENGTHENING OF TRANSPARENCY AND FORMALIZATION OF THE FINANCIAL SYSTEM

ATN/MT-7926-PR, MIF/AT-480, \$641,000, 2002

This program was intended to open the way for effective action against money laundering; promote the balanced growth of nonbanking financial entities; and provide support to the Superintendency of Banks to improve its connectivity with financial intermediaries. The overall objective of the program was to help the financial system operate properly by introducing improvements in its prudential oversight in order to strengthen its legal structure.

22. Peru

22.1. FINANCIAL SECTOR REFORM PROGRAM

PE-0033, PR-1832, \$221,825,000, 1992

The operation consisted of a financial sector adjustment loan and an institutional strengthening technical assistance program. The banking supervision component aimed at strengthening the solvency of the financial system by reforming financial prudential regulations, reorganizing the Superintendency of Banking and Insurance in the areas of supervision, auditing, staffing, training, organization and computing, and immediately establishing a special supervisory unit to act while the Superintendency was being reorganized. The technical cooperation program consisted of the provision of the consulting services and equipment necessary to bring about the reforms. It also included funding for the design and implementation of the social security reform.

22.2. MULTISECTOR CREDIT PROGRAM

PE-0113, PR-2019, \$100,000,000, 1994

This project consisted of two components. The first was a credit component in which medium- and long-term loans were passed through a qualifying financial intermediary to benefit small and medium enterprises. The second part was an institutional support component aimed at assisting government officials charged with oversight and enforcement in environmental activities. Building upon the progress achieved in a series of wide-ranging financial reforms, it made it possible for the Corporación Financiera de Desarrollo to discount funds made available by the IDB for on-lending to intermediaries assuming the full risk of individual credit operations. Because many of the authorities and regulations in this area were new, the technical cooperation component included an information dissemination program to be implemented across various ministries and directed at the end users of credit, in addition to the training for government personnel.

22.3. GLOBAL MICROENTERPRISE CREDIT PROGRAM

PE-0035, PR-2074, \$25,000,000, 1995

The objective of this operation was to support the development of microenterprises by expanding the supply of medium-term and long-term financing. In order to improve the access to credit and expand the coverage of microenterprises, this program integrated this sector into the formal financial system providing better and effective services. The operation financed advisory

services, transfer of credit technology and training to the Intermediary Financial Institutions (IFIs) participating. This program brought a sustained deepening of the financial sector because IFIs contributed with the development of a new segment of loans. It increased the banking system's operation base, thereby facilitating diversification of the risk. Some IFIs were able to reduce the volatility factor and diversify their liabilities and planed the growth of their loan portfolios.

22.4. PROGRAM FOR CITIZEN PARTICIPATION IN PRIVATIZATION AND CAPITAL MARKET DEVELOPMENT

ATN/MT-4909-PE, MIF/AT-42, \$1,731,000, 1995

This nonreimbursable technical cooperation program strengthened the reforms undertaken by Comisión de Promoción de la Inversión Privada (COPRI), the Comisión Nacional Supervisora de Empresas y Valores (CONASEV), and the Lima Stock Exchange (BVL). The program comprised three subprograms: (i) support for the citizens participation program to expand capital markets and increase and diversify public ownership of privatized enterprises; (ii) strengthening the regulatory framework for capital markets; (iii) institutional strengthening and modernization of the Lima Stock Exchange; (iv) improve the transparency of information on securities and secondary markets operations; and, (v) promote securities markets through public participation.

22.5. INVESTMENT SECTOR REFORM PROGRAM

PE-0097, PR-2178, \$150,000,000, 1996

This program concentrated on the infrastructure and finance sectors that offered significant opportunities for private participation. In the financial area, the program contributed to a more orderly operation of the financial and securities markets, and supported the extension of financial services to small and microenterprises. The program also called for a \$3 million parallel technical assistance program financed by the government, which was dedicated to reviewing the existing banking and insurance norms and regulations.

22.6. DEBT AND DEBT-SERVICE REDUCTION PROGRAM

PE-0103, PR-2155, \$235,500,000, 1996

This program enabled the restructuring of approximately \$10.8 billion in external debt. Bank financing was joined by support from the World Bank, the International Monetary Fund, and Export-Import Bank of Japan. Financing from these sources (totaling an estimated \$800 million), in conjunction with the use of the country's reserves (for an estimated \$635 million) enabled Peru to finance the purchase of collateral and debt buyback under the Agreement, for a sum of about \$1.4 billion. This operation was designed to help improve Peru's external viability and foster economic development through support for the debt and debt service reduction program and financing for the purchase of collateral and a debt buyback in the context of an agreement with commercial banks.

22.7. GLOBAL MICROENTERPRISE CREDIT PROGRAM

PE-0189, PR-2320, \$30,000,000, 1998

One of the main objectives of this program was the formation of an institutional base of financial intermediaries capable of providing credit with increasing and uninterrupted service. In order to improve the access to credit and expand the coverage of Peruvian microentrepreneurs,

this program integrated this sector into the formal financial system providing better and effective services. This project benefited the financial system because it helped to expand and diversify the range of financial services.

22.8. MULTISECTOR CREDIT PROGRAM

PE-0191, PR-2337, \$200,000,000, 1998

The program was intended to promote the deepening of financial markets by supplying of medium- and long-term financing to intermediaries to encourage and enable them to develop new lending programs and meet the investment needs of private enterprises, particularly the needs of SMEs. The program included technical assistance for a feasibility study of how the Financial Development Corporation (COFIDE) could best raise and place medium- and long-term resources in domestic financial markets. The study was combined with an analysis of how the floor interest rate on COFIDE loans to financial intermediaries could be more closely linked to medium- and long-term rates in the bond markets.

22.9. SUPPORT PROGRAM FOR INSTITUTO DE FORMACIÓN BANCARIA

ATN/ME-5879-PE, MIF/AT-158, \$1,300,000, 1998

This grant assisted the Institute (Instituto de Formación Bancaria) in conceptualizing and delivering a range of banking and financial training services, especially in the area of small business. As many as 22,000 persons were expected to receive indirect benefits of the institute's training programs, including employees in the banking sector, finance officers in the nonbanking sector, and graduate and post-graduate students.

22.10. FINANCIAL SECTOR REFORM PROGRAM

PE-0202, PR-2415, \$310,900,000, 1999

IDB financing helped strengthen the Peruvian financial system and assist the development of capital markets, mortgage markets, and greater access of low-income groups to financial services. The program was supported by two IDB loans, a \$300 million sector loan to strengthen the capacity of the financial system to withstand external and internal shocks, and a \$10.9 million technical assistance loan to complete financial sector reforms. The larger loan provided financial support to Peru while the country continued to deepen the financial reform, expanding access to housing finance and increasing the access of financial services to low-income sectors. In conjunction with the program, the Japan Special Fund contributed \$543,100 for project preparation, and the Multilateral Investment Fund provided \$3.5 million in grants to strengthen the Superintendency of Banks and Insurance in its on-site supervision of microfinance institutions, as well as to assist the reform and privatization of rural and municipal credit unions and to strengthen the on-site supervision of the national federation of credit unions.

22.11. GRAÑA Y MONTERO BOND GUARANTEE

PE-0216, PR-2754, \$10,000,000, 2003

The G&M Bond Guarantee transaction is a partial credit guarantee for a whole business securitization bond for certain subsidiaries of Graña y Montero S.A. The bond will be issued through a securitization trust formed under applicable Peruvian Law. The guarantee is provided by the IDB for up to US\$10 million for a bond issuance of US\$50 million with a tenor of 8 years to be placed in the Peruvian capital markets. The transaction will allow G&M Group to carry out its

capital expenditure program. This bond will be the first transaction with a partial credit guarantee from an international AAA-rated multilateral institution that will be issued in the Peruvian capital markets.

22.12. SUPPORT FOR CAPITAL MARKET DEVELOPMENT IN PERU WITH AN EMPHASIS ON VENTURE CAPITAL

ATN/MT-8244-PE, MIF/AT-526-1, \$1,145,500, 2003

With the goal of developing venture capital, the program objective is to help promote an enabling regulatory framework for the capital market, and expansion and enhancement of the financing opportunities for small and medium enterprises (SMEs). The main components of the project are: (i) support for enable regulatory and legal framework for capital market development, (ii) customized training and advisory services for SMEs to obtain direct investments through diversification of capital ownership, and (iii) strengthening of venture capital fund administration capacity in Peru.

23. Suriname

23.1. ADVISORY SERVICES TO THE CENTRAL BANK OF SURINAME

ATN/SF-7914-SU, \$100,700, 2002

This program supported government efforts to create an environment of macroeconomic stability with particular emphasis on fiscal and monetary policy, as a basis for the implementation of sector reform programs that are being undertaken with the assistance of the IDB in the areas of trade, agriculture and finance. More specifically, the objective was to continue to assist in building the institutional capacity of the Central Bank of Suriname in order to transform it into an efficient agent in the development and management of monetary and foreign exchange policy, as well as a capable executor and monitor of the process of rationalization of the state banks.

23.2. FINANCIAL SECTOR STRENGTHENING AND RATIONALIZATION PROGRAM

ATN/SF-8311-SU, AT-1283, \$500,000, 2003

This program consists on a first stage that would provide Surinamese authorities the data and analysis necessary to make a fully informed decision regarding a reform strategy for its public banks; and a second stage that would finance the development of a detailed plan for the implementation of the selected strategy. The results of this project will facilitate the development of a state bank reform strategy and implementation plan for Surinamese authorities bringing a more efficient provision of financial services.

24. Trinidad and Tobago

24.1. INVESTMENT SECTOR REFORM PROGRAM

TT-0012, PR-1914, \$80,000,000, 1993

One of the five components of the program called for improving financial intermediation and increasing the resources available for investment, restructuring the Agricultural Development Bank, and strengthening the regulatory framework for capital markets. The program considered

the adoption of new legislation to improve the regulation of securities trading through the establishment of an independent supervisory agency to oversee the market. It also promoted the creation of other securities markets, such as commodities and futures exchanges. The component included preparation of a Draft Companies Act, its presentation to the Cabinet subcommittee, and the preparation of an implementation action plan in terms of issues disclosure requirements and insider trading. In addition, it included preparation of a new Securities Industry Act, approval of the Act by the Cabinet, and making the oversight agency operational.

24.2. TECHNICAL COOPERATION TO STRENGTHEN BANK SUPERVISION

ATN/MT-6025-TT, MIF/AT-181, \$720,000, 1998

This technical cooperation helped to strengthen the supervisory capacity of the Department of Bank Supervision (DBS) within the Central Bank of Trinidad and Tobago and provided analytical support to the Central Bank as it spearheaded efforts to formulate strategies to achieve stronger and more coherent supervision across the entire financial sector. The TC complemented legislative reform efforts through: (i) training in emerging areas of bank supervision, including organization and performance of the financial system, consolidated supervision, internal controls, and risk management; (ii) improved information technology; and (iii) strategy formulation to enable the DBS to more quickly adapt to changes occurring in financial markets, including the areas of crossborder trade and the development of modern financial instruments, such as derivatives.

24.3. INTEGRATED FINANCIAL SECTOR SUPERVISION PROGRAM

ATN/MT-6983-TT, MIF/AT-327, \$1,186,000, 2000

The overall objective of this program was to promote a sound and stable financial market by integrating the supervision of insurance companies and pension plans with that of banking institutions. This program focused on supporting the modernization of the legal and regulatory framework for the creation of a new integrated supervisory entity for banking, insurance and pensions, as well as developing and implementing an efficient organizational structure of the new supervisory entity which is supported by a sound strategy and trained personnel. In addition, the program helped to strengthen the operational framework, particularly for insurance companies and pension funds. Diagnosis of the insurance and pension industry were conducted to determine where weaknesses lay.

24.4. PROGRAM TO IMPROVE THE SECURED TRANSACTIONS FRAMEWORK

ATN/MT-7064-TT, MIF/AT-339, \$650,000, 2000

The main objective of this nonreimbursable technical cooperation was to assist the government of Trinidad and Tobago in establishing an efficient legal and institutional framework for secured transactions that improve the conditions for access to credit services for small and medium businesses. The specific objectives were to modernize legislation for secured transactions by replacing the current structure with a single “code” of law that would regulate all transactions that involved security interests in movable property; update the registry systems and allow for registration of these transactions in a single, centralized registry; and support the continuing education for judges and lawyers in key elements of commercial law with particular emphasis on secured transactions.

24.5. SUPPORTING THE IMPROVEMENT OF THE ACCOUNTING PROFESSION

ATN/MT-8114-TT, MIF/AT-513, \$665,000, 2002

The overall objective of the program was to strengthen the accounting profession in Trinidad and Tobago, and improve annual financial statements of business entities by providing transparency, reliability and comparability. The program components included: (i) conducting an independent assessment of accounting and auditing in accordance with the Reports on the Observance of Standards and Codes (ROSC) program and developing a Country Action Plan; (ii) assisting in the implementation and application of International Accounting Standards (IAS); (iii) building adequate mechanisms for the enforcement of IAS and International Standards on Auditing (ISA); and (iv) establishing systems and processes that sustain the implementation of IAS and ISA.

25. Uruguay

25.1. GLOBAL SMALL AND MICROENTERPRISE CREDIT PROGRAM

UR-0033, PR-1750, \$9,200,000, 1990

To improve the access to credit and expand the coverage of small business sector and microentrepreneurs, this program integrated this sector into the formal financial system providing better and effective services. This program financed purchase of fixed assets, working capital and technical advisory services. The idea of this project was to cooperate with the global program for small businesses in helping them to gain access to credit and strengthen their technical capacity. Because in Uruguay there were not institutions settled, this financing was channeled through financial intermediaries belonging to the credit union systems and through technical assistance institutions.

25.2. FINANCIAL SECTOR PROGRAM

UR-0031, PR-1784, \$151,700,000, 1991

This sector loan and technical cooperation program was designed to complement the finance sector reform called for under a World Bank program (SAL II). Program objectives included making financial intermediaries more efficient and strengthen the oversight institutions to keep the system solvent. The program included financial legislation, regulation and supervision activities. In the area of legislation, it supported enactment of the Financial Intermediation Law (FIL) amendment to extend and strengthen the autonomy and authority of the Central Bank of Uruguay (BCU). In addition, the technical cooperation financed a study to determine the advisability of instituting an explicit deposit insurance system to replace the existing “implicit guarantee” arrangement. With respect to financial regulation, the program supported regulatory changes to enhance the solvency and competitiveness of financial intermediation institutions. Measures to improve financial supervision included support to enhance the authority of banking supervision and strengthen supervisory standards and procedures, among others.

25.3. INVESTMENT SECTOR REFORM PROGRAM

UR-0057, PR-1876, \$68,800,000, 1992

This program allowed the Government of Uruguay to implement a series of major policy changes to attract private investment. The policies were grouped around four principal strategies. The first

was the development of institutional savers through social security reform, the implementation of measures to develop private insurance and to strengthen regulatory functions. Secondly, the program promoted the institutional structure of equity, bond, money and long-term credit markets through the issuance of normative and operational instruments for the establishment and functioning of investment companies, and the development and implementation of tax treatment equalization measures. In addition, it included legislation allowing the establishment and functioning of investment companies (mutual funds) and the creation of Superintendency of Securities within the central bank. The reform program also included financing to build a regulatory framework for the securities and long-term credit markets, including implementation of stock exchange regulatory mechanisms, a review of legislation governing businesses and implementation of accounting standards for publicly traded corporations and new securities trading regulations. Lastly, the program supported the expansion of the securities market by submitting a legislative proposal to allow sales to the public of government shares in two state companies (ANTEL and PLUNA), modernize the operation, information, clearing and settlement of the stock exchange transactions, strengthen the regulation of stock and commerce exchange; reach a consensus on a tax equalization proposal; develop legislation to demonopolize the insurance industry; reach a consensus on social security reform and develop an action plan to promote private sector participation in the insurance business.

25.4. MULTISECTOR GLOBAL CREDIT PROGRAM

UR-0063, PR-1877, \$90,000,000, 1992

The program's objectives were to make the necessary medium- and long-term resources available for financing economically profitable investment projects undertaken by the private sector; contribute to the development of long-term financial markets in general, and introduce policies and procedures for regulating and supervising medium- and long-term credit operations. The program set up a liquidity discount window in the Central Bank of Uruguay (BCU) to primarily finance the acquisition of fixed assets for implementation, expansion, improvement and adaptation of economically profitable activities, in the different economic sectors. The program resources were channeled through financial intermediary institutions that met the eligibility requirements.

25.5. LOAN OPERATION TO ASSIST THE GOVERNMENT WITH SOCIAL SECURITY REFORM

UR-0108, PR-2114, \$150,000,000, 1996

The specific objectives of this program were to: (i) establish a regulatory framework to allow full implementation of the law; (ii) improve the administrative efficiency of the Social Security Bank and the quality of its services; (iii) continue to support development of the capital market; and (iv) adapt pension plans that cover certain occupation groups (specifically professionals, bank employees, and notaries) to the new system. Capital markets development support reinforced a previously approved investment sector program.

25.6. GLOBAL MULTISECTOR FINANCING PROGRAM II

UR-0021, PR-2360, \$155,000,000, 1998

The objectives of this program were to expand medium- and long-term credit; to support the development of new products, such as securitization and private debt issues to develop a cap-

ital market; and to reinforce regulation and security mechanisms, especially for new activities. In particular, the program was intended to continue support for expanding the liquidity discount facility for financial intermediaries, created under Multisector Loan I. This follow-on program also included an institutional strengthening component for the Superintendency of Financial Intermediation Institutions (SIIF); the mortgage lending bank; and the financial intermediaries participating in the program. Activities were targeted toward modernizing and expanding the capacity of the SIIF to supervise and regulate activities related to the introduction of new products as well as developing the capacity of domestic financial entities to meet eligibility requirements and gain access to the program. In addition, the program called for the introduction of new instruments such as lines of credit to financial intermediaries to cover maturity mismatch risk and support for leasing operations.

25.7. CAPITAL MARKETS DEVELOPMENT PROGRAM

ATN/MT-6098-UR, MIF/AT-194, \$1,336,000, 1998

The objective of the program was to contribute to consolidating and deepening Uruguayan capital markets by supporting the development of the regulatory and supervisory capacity of the Central Bank of Uruguay (BCU) over the securities and insurance markets. This was achieved through actions to strengthen the supervisory and regulatory capacity of the BCU's Superintendency of Insurance and Reinsurance; promote diversification in the supply of products and increase competitiveness in the insurance and reinsurance markets; strengthen the regulatory and supervisory capacity of the BCU's securities market control department; and promote an expanded number of companies trading securities on the country's stock exchanges and diversify the range of negotiable instruments traded on those exchanges.

25.8. MULTISECTOR GLOBAL FINANCING PROGRAM III

UR-0136, PR-2674, \$180,000,000, 2002

This program was designed to meet the medium- and long-term credit needs of private enterprises by expanding and consolidating the supply of medium- and long-term credit for private sector investment projects and providing the liquidity needed to spur the use of financial products already available. The program also provided funds to enlarge the Central Bank's medium- and long-term discount window. Funding enabled the Central Bank to provide intermediary financial institutions (IFIs) with lines of credit to discount subloans made by the IFIs. Financing also supported (i) capital investments of companies of any size and operating in any sector of private enterprise; (ii) term-mismatch insurance cover for IFI's medium- and long-term lending portfolios; (iii) medium-term financial and operating leasing; (iv) securitization of bank loans to support private sector productive investments; and (v) medium- and long-term export credit operations. This program helped make up the shortfall in the domestic financial market, which is not mobilizing sufficient medium- and long-term savings to fund private sector productive investments.

25.9. INTERNATIONAL FINANCIAL REPORTING AND AUDITING STANDARDS

ATN/MT-8476-UR, MIF/AT-553, \$420,000, 2003

The objective of this program is to contribute to the supply of transparent, reliable and objective financial information on the financial performance of businesses in Uruguay. The project aims to adopt the international financial reporting standards (IFRS) and the international

accounting standards (IAS) by developing processes for their proper application. For its implementation, the program includes a study on the convergence with IFRS and IAS, dissemination and training, and optimization of the quality of professional practices and legal framework.

25.10. SECTOR PROGRAM TO STRENGTHEN THE BANKING SYSTEM

UR-0150, PR-2792, \$ 200,000,000, 2003

This program aims to assist in implementing reforms launched by the Uruguayan government to stabilize bank liquidity and solvency and rebuild depositor confidence in the country's banking system. It will assist preserving a macroeconomic environment consistent with achieving the objectives of the proposed program, stabilizing bank's financial condition and, strengthening of bank regulation and supervision. The expected benefits that will result from the project includes solidifying bank liquidity and solvency and bolstering bank system regulation and supervision capacity.

25.11. ABN AMRO URUGUAY TRADE FINANCE FACILITY

UR-0152, PR-2913, \$22,500,000, 2004

The IDB and Exporters Insurance Company, a private insurance company, provided a partial risk guarantee for an amount of up to US\$22.5 million each, to support the ABN Amro's trade finance portfolio of up to US\$50 million. This guarantee will have a term of five years. The objective of this facility is to address the shortfalls in the availability of short-term trade financing to support Uruguayan exporters, particularly exporters of agricultural commodities. The Bank's support will provide Uruguayan exporters access to trade finance lending, through a credit enhancement that allows ABN Amro to grow its trade finance operations. This operation represents an innovative way of increasing the domestic lending capacity of commercial banks in the region by inducing private credit insurers to offer risk allocation capacity in countries they would not normally be attracted to.

26. Venezuela

26.1. FINANCIAL SECTOR REFORM PROGRAM

VE-0071, PR-1726, \$300,000,000, 1990

The program was designed to redefine the regulatory functions and strengthen the financial autonomy of the following institutions: the Central Bank (BCV), Ministry of Finance, the Superintendency of Banks and Financial Institutions, and the Deposit Insurance Fund (FOGADE). Also, the operation was dedicated to strengthening prudential regulation, auditing and information disclosure. As a condition for disbursement, the government had to submit to the Congress revisions to the BCV Act to make it consistent with the proposal for the SBIF.

26.2. PROGRAM TO STRENGTHEN THE FINANCIAL SYSTEM

VE-0101, AT-1056, \$14,000,000, 1995

This program included short-term immediate actions as well as institutional strengthening actions. Immediate actions were aimed at supporting the banking sector stabilization process by establishing a short-term supervision and regulatory framework, among other measures.

Institutional actions aimed at strengthening the banking system in the medium-term, included: strengthening financial supervision and regulation, strengthening the deposit guarantee fund and banking protection, strengthening the Insurance Superintendency and strengthening of the National Securities Commission.

26.3. SOCIAL SECURITY REFORM PROGRAM

VE-0100, PR-2272, \$395,000,000, 1998

The overall program was designed to support the government of Venezuela's efforts to reform the social security in order to transform it into a comprehensive system with an appropriate regulatory framework and increased private sector participation. The new comprehensive system consisted of three administratively and financially independent subsystems for pensions, unemployment, and health. The pension system reform component called for mandatory contributions to a new compulsory subsystem, based on combined principles of intergenerational transfers (or "solidarity") and individually funded accounts, with the State guaranteeing a minimum pension financed by general revenues. A parallel technical cooperation supported this reform operation by funding consulting services and studies associated with the policy and institutional reform efforts. Specifically, it was used to finance the technical preparatory work required to design the system, supply any assistance needed to prepare the legal and regulatory framework, ensure the institutional strengthening of new entities (including the superintendency and solidarity funds), and conduct the public information campaign.

26.4. STRENGTHENING OF THE VENEZUELAN AGRICULTURAL COMMODITIES EXCHANGE (BOLPRIAVEN)

ATN/MT-6872-VE, MIF/AT-311, \$485,000, 2000

The main objective of this program was to establish transparent marketing channels for agricultural commodities in Venezuela. The project included four components: (i) review of the regulatory and operating framework governing BOLPRIAVEN; (ii) development of negotiable exchange instruments; (iii) implementation of a price reporting and market information system; and (iv) strengthening of the institutional capacity of BOLPRIAVEN.

27. Regional

27.1. FINANCIAL AND SECURITIES MARKETS DEVELOPMENT PROGRAM

ATN/SF-5274-RG, AT-1090, \$850,000, 1996

The objective of this program was to strengthen the development of domestic financial and securities markets and support regional integration by assisting with financial sector reform and modernization in borrowing countries. The program financed research on financial and securities markets in Latin America and the Caribbean. Research topics included the institutional requirements for financial development and innovation, with particular attention given to the regulatory and supervisory aspects of these markets, focusing on the lessons for the region. The program was divided into five subprograms: (i) Risk Management Program; (ii) Survey of Financial Systems; (iii) Best Practices in Accounting and Auditing Standards and Information Disclosure for Commercial Banks and Public Listings; (iv) Training Programs for Bank Supervision; and (v) Investor Education.

27.2. BANK AND SECURITIES MARKETS SUPERVISION REGIONAL TRAINING PROGRAM ATN/MT-5855-RG, MIF/AT-140, \$1,300,000, 1997

This program was designed to enhance regional and subregional training of bank and securities markets regulators. Funding was limited to programs with a regional focus in order to help develop a consistent supervisory approach and common minimum standards. The demand for funds from the Multilateral Investment Fund program covered several training programs for banking supervisors and securities markets regulators.

27.3. INTEGRITY OF FINANCIAL MARKETS ATN/MT-5909, MIF/AT-165, \$480,000, 1998

The objective of this project was to implement a pilot program to train financial regulators, principally, officials of banking supervisory institutions, and the regulated (e.g. bank employees) in borrowing member countries in best practices for the detection and prevention of money laundering. The regional training program was also directed to support the integration of the region's financial markets, the harmonization of supervisory standards and promote best practices and cooperation in surveillance activity and exchange of information among banking regulators in fight against money laundering.

27.4. IMPLEMENTATION OF BASLE CORE PRINCIPLES ATN/SF-6169-RG, \$100,000, 1998

The general objective of this technical cooperation was to support the countries of the region in the process of implementing the Basle Committee's Core Principles of Banking Supervision and creating financial systems that are more solid, efficient, and solvent. The project consisted of three activities: (i) preparation of a survey to determine the degree to which the countries were complying with the Basle principles; (ii) tabulation of the results and preparation of a draft for dissemination; (iii) preparation of the final report which would include the degree of compliance on a country-by-country as well as regional basis. In addition, the final report included a plan of action, outlining specific recommendations for compliance for each country.

27.5. FINANCIAL SECTOR ACTIVITIES AND POVERTY REDUCTION ATN/SF-7297-RG, \$115,000, 2000

The project investigated the links and transmission mechanisms between financial sector activities and instruments and poverty reduction, and identify areas of reforms and market development that, although not necessarily targeted to low-income people, may strongly impact their asset accumulation and income generation capacity, and their ability to manage risks. The project addressed financial policies, financial infrastructure, and financial products and services that might have a significant impact on income distribution and poverty reduction.

27.6. REGIONAL FINANCIAL SECTOR POLICY FRAMEWORK ATN/SF-7464-RG, \$150,000, 2001

The purpose of the project was to develop a regional forum of regulators and financial sector regulators to work together on a regular basis over the life of this project. As part of the work of the forum, the project proposed research on key policy issues and publication and dissemination of results. The research activities were structured to support the activities of the regional

forum and were tied directly to the issues relating to international standards for financial market activities. The main objective of this project was to develop a regional focus in Latin America and the Caribbean on the key issues for supporting financial sector development. It promoted activities directed at ensuring best practices and standards in the operations of financial sector in the region.

27.7. SUPPORT FOR THE EXCHANGE OF KNOW-HOW AND EXPERIENCE AMONG DEVELOPMENT BANKS IN LATIN AMERICA AND THE CARIBBEAN

ATN/MT-7872-RG, MIF/AT-470, \$275,000, 2002

This program was funded with MIF resources and was implemented by ALIDE (Asociación Latinoamericana de Instituciones Financieras para el Desarrollo). The general objective of the program was to promote and consolidate the process of reform, modernization and restructuring undertaken by development banks in Latin America and the Caribbean to make them effective instruments for financing development. The specific objective of this program was to support the exchange of experiences and the transfer of know-how on specialized banking techniques and financial approaches among development banks in Latin America and the Caribbean. The program consisted on two components: (i) fostering interinstitutional exchange and dialogue on successful experiences in development banking, through a program of seminar and workshops, on-the-job training (internships) and reciprocal advisory services, of international scope; and (ii) outreach and dissemination of results.

27.8. MOBILIZATION OF REMITTANCES THROUGH MICROFINANCE INSTITUTIONS

ATN/ME-8695-RG, MIF/AT-591, \$824,770, 2004

This program consists on two phases: a Business Plan Development to gain a better understanding of the local remittance markets and identify a profitable strategy for Microfinance Institutions to handle remittance flows; and a Business Plan Implementation that includes an improvement of the MFI's technology infrastructure, development of microfinance products, agreements in the remittance generating markets and, the dissemination of the remittance transfer model and outreach. The general objective is to improve the socioeconomic status of clients of five MFIs in Bolivia, Colombia, Peru, Haiti, and Nicaragua through the productive use of remittances they receive from abroad.

27.9. ECONOMIC INTEGRATION, REMITTANCES AND DEVELOPMENT

ATN/SF-8770-RG, RG-T1054, \$150,000, 2004

The objective of this program is to document how remittances affect development in Latin America and the Caribbean and understand how policies at the national level may affect the volume of remittances flowing to LAC. The components of the project are: (i) finance the preparation of up to ten studies on the development impact of remittances and (ii) disseminate the findings of the project via publication of the studies financed by the technical cooperation.

27.10. CRECERA REGIONAL TRADE FINANCE FACILITY

RG-L1002, PR-2865, \$15,000,000, 2004

Under this facility, the Bank provided a loan of up to US\$15 million to support the establishment of a US\$60 million trade finance fund for export financing to small- and medium-sized exporters

in Argentina and Brazil, and subsequently in other countries in Latin America. The Crecera fund is an innovative approach to mobilize equity investors for short-term trade finance in the region and fill an increasingly important market niche. Crecera will focus on medium-sized exporters that do not have direct access to the local banking system. Given the nature and investment objectives of the Crecera equity partners, it is expected that this facility will grow across the region over time and establish a stable and reliable source of short-term trade finance.

27.11. TRADE FINANCE FACILITATION PROGRAM

RG-L1003, PR-2871, \$400,000,000, 2004

This Program is part of implementing the IDB International Trade Finance Reactivation Program. The objective of this operation is to support economic reactivation and growth through the expansion of international trade financing to Latin American and Caribbean companies. The Program involves the establishment of a five-year revolving partial credit guarantee facility of US\$400 million to support short-term trade-related transactions with tenors not exceeding one year. Under the Program, the Bank will partially guarantee documentary credit and documentary collection instruments issued by banks in borrowing member countries (issuing banks) and confirmed by leading banks active in international trade finance (confirming banks), and (ii) pre-export financing provided to the issuing banks by the confirming banks.

28. Andean Region

28.1. ANDEAN DEVELOPMENT CORPORATION MULTISECTOR INSTITUTIONAL SUPPORT PROGRAM

RG-0010, PR-1951, \$200,000,000, 1993

This loan marked a departure in the Bank's policy with regard to supporting subregional lending agencies. Past loans generally provided resources to finance specific projects on a case-by-case basis, usually in physical infrastructure. This operation, by contrast, was designed to provide broad-based institutional support, enabling the CAF to apply the loan resources to any of its projects, without separate accounting, so long as they were found to be consistent with and complementary to the Inter-American Development Bank's own development activities in the subregion. The Andean Corporation Fund (CAF) increased its emphasis on private sector lending, and also encouraged efforts to modernize the productive sectors of its member countries' economies, as well as the development and diversification of capital markets, assistance for small businesses and microenterprise. The Inter-American Development Bank's support for the CAF was part of a broader financial plan designed to accommodate a lending program of approximately \$1.7 billion over the next four years. To complement the IDB's share in financing such a program, the CAF planned to expand its borrowing on international capital markets over the next three years.

28.2. FINANCIAL DEPOSITS REINSURANCE PROGRAM

ATN/SF-7018-RG, \$78,000, 2000

The program contemplated performing a comparative study of banking deposit protection systems of member states from the Andean Community. The study consisted of a direct research of

the financial deposits insurance funds and the national financial systems. It also engaged in research based on international experiences related to the subject. The program also financed the development of a proposal to create a community mechanism of financial deposit reinsurance for each member country that may require it. The main objective was to support the Andean Community in the process of deepening its economic integration.

29. Central America

29.1. CENTRAL AMERICAN HARMONIZATION OF CAPITAL MARKETS

ATN/MT-4532-RG, MIF/AT-11, \$2,900,000, 1994

This program was devoted to support the creation of an appropriate self-regulation framework for Central America exchanges. As a first step toward integrated regional exchanges, the program included designing and implementing central securities depository (CSD) for each country; and automating trading and clearance and settlement functions within each exchange.

29.2. THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI) INSTITUTIONAL SUPPORT AND MULTISECTORAL CREDIT PROGRAM

CA-0008, PR-2196, \$100,000,000, 1997

This multisector credit program channeled resources to the private sector and supported reforms of the Central American Bank for Economic Integration (BCIE) that would improve its access to international capital markets. As the Central American economies improved, growing private sector demand for medium- and long-term financing could not be met solely by central banks or official development institutions, or through short-term commercial bank financing. By providing credit through financial intermediaries and supporting a revamped BCIE geared more toward private sector finance, this program looked to strengthen access to financing for businesses throughout Central America. BCIE is a multilateral financing institution established in 1960 to foster economic integration and balanced economic and social development in Central America.

29.3. PROGRAM FOR HARMONIZATION OF PUBLIC DEBT MARKETS IN CENTRAL AMERICA AND PANAMA

ATN/MT-7357-RG, MIF/AT-397, \$600,000, 2001

The objective of the program was to promote harmonization of public debt markets in Central America and Panama. To this end, the project provided national authorities in the region with technical guidance and the means of disseminating the necessary information on establishing and implementing regionally oriented modernization programs of their own. The program intended to: (i) establish regional standards for organizing the markets and disseminating information; (ii) set up a regional market information system; and (iii) provide major players in the private and public sectors with a theoretical and practical basis for organizing the essential features of standardized public debt markets with a regional focus.

29.4. STRENGTHENING AND HARMONIZATION OF PAYMENT SYSTEMS

ATN/MT-8544-RG, MIF/AT-569, \$900,000, 2003

Including Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua, this program aims to strengthen payment systems as a means of preventing systemic financial crises in the region. It will create proper conditions for a platform of basic standards for development of a regional payments system. It is important that the program will allow Central American Monetary Council establish a Framework Law to regulate the regional payment system, identifying operating standards keeping the Basel principles, establishing a separate system for large-value payments and adopting a risk management method, a common technology platforms and a training plan.

30. Caribbean

30.1. CARIBBEAN HARMONIZATION OF CAPITAL MARKETS

ATN/MT-4691-RG, MIF/AT-16, \$2,204,000, 1994

This program was designed to create the appropriate self-regulation framework for each exchange; design and implement a central securities depository (CSD) for each country; and automate the trading and clearance and settlement functions with each exchange. It also included stock exchange development for Barbados, Dominican Republic, Jamaica and Trinidad and Tobago, and the prospective exchange for Bahamas as well. Harmonization of the capital markets is a first step toward integrated regional exchanges and opens possibilities for future integration between Central America and the Caribbean.

30.2. CREDIT PROGRAM FOR SMALL CARIBBEAN STATES

RG-0037, PR-2120, \$37,000,000, 1996

The program's objective was to support the Caribbean Development Bank's (CDB) overall lending and technical assistance programs. The project consisted of a loan and a nonreimbursable technical cooperation facility. The loan was used to support subloans to eligible Caribbean countries. The objectives of the technical cooperation were to: (i) strengthen the CDB's capacity to support its borrowing member countries in their efforts to improve the environmental control and natural resources management capabilities of agencies in the target countries; and (ii) improve the delivery of social sector services. This program focused on increasing the ability of the borrowers to prepare environmental feasibility studies for project preparation and monitor environmental performance of operations in execution; strengthening the capacity of the environmental and development units to provide environmental control and manage natural resources; improving environmental legislative and regulatory frameworks; identifying, preparing and administering projects; and providing training to professionals in eligible countries by offsetting some of the expenses of attending IDB-sponsored conferences and seminars.

30.3. EASTERN CARIBBEAN STATES CAPITAL MARKETS DEVELOPMENT PROGRAM

ATN/MT-5353-RG, MIF/AT-90, \$1,223,000, 1996

The main objective of this program was to promote the private sector-led development of the member countries of the Organization of Eastern Caribbean States (OECS). The technical cooper-

ation had a specific subprogram devoted to establishing an over-the-counter electronic stock exchange that included: preparation of the legislation to allow the exchange to become operational throughout the OECS, development of the rules and regulations for the operation of the exchange, and development of electronic formats to make financial information available throughout the islands (stock registration system). The second subprogram was intended to change the legal framework for establishing the ownership of fixed and moveable property, enabling collateral to be used for credit.

30.4. GLOBAL CREDIT PROGRAM FOR SMALL CARIBBEAN STATES

RG-0056, PR-2680, \$20,000,000, 2002

The loan was used to finance no less than four Caribbean Development Bank (CDB) operations in Fund for Special Operation (FSO) eligible countries that were not members of the Inter-American Development Bank. Loan resources were used to support programs in the social and infrastructure areas, for poverty reduction and natural disaster and mitigation measures, as well as to finance specific project expenses related to the implementation of economic policy and institutional strengthening measures. The objective of the program was to assist in the financing of projects that effectively address the development priorities of the FSO eligible members of the CDB, which were not members of the Bank.

30.5. PROGRAM TO ESTABLISH A CARIBBEAN CREDIT RATING SERVICE

RG-M1023, MIF/AT-564, \$325,000, 2004

This MIF technical cooperation program supports the establishment of a Caribbean credit rating services agency. This new, regional agency will facilitate private firms' access to domestic and cross border issuance of notes and bonds and thereby lower their cost of funds; provide investors with high quality information to compare debt instruments in the Caribbean region; enable the capital markets in the region to become deeper and more liquid as more debt instruments are issued, and foster greater regional integration of capital markets.

31. Mercosur

31.1. FINANCIAL SYSTEMS INTEGRATION

ATN/SF-7032-RG, \$150,000, 2000

The program supported the financial integration process of MERCOSUR nations. Technical cooperation finances consulting financial services to create comparative studies between legislation, procedures, and plans of consolidated supervision adopted by MERCOSUR states. An end product of the program was the development of recommendations to improve the countries' national legislations and their supervision procedures.

32. South America

32.1. SUPPORT FOR THE CREATION AND DEVELOPMENT OF FINANCIAL INTELLIGENCE UNITS IN SOUTH AMERICA

ATN/MT-7884-RG, MIF/AT-468, \$1,320,000, 2002

The general objective of the program was to help reduce money laundering in the South American region. The specific objective was to support the process of establishing new financial intelligence units (FIU) and to consolidate, for purposes of efficiency, those now in place in South America. The program qualified the countries for a variety of offers of technical cooperation, depending on the phase of institutionalization of their individual FIUs. This program financed technical assistance in the following four areas: (i) development of legal frameworks; (ii) institutional development; (iii) personnel training; (iv) information and communications technology.

32.2. TRAINING FOR MUTUAL EVALUATIONS OF THE FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING IN SOUTH AMERICA

ATN/MT-7968-RG, MIF/AT-489, \$120,000, 2002

The main objective of this program was to help minimize money-laundering practices through support for conducting of money laundering controls in the member countries of the Financial Action Task Force on Money Laundering in South America (GAFISUD). The program had the following three components: (i) training for the 27 specialists who conducted the mutual evaluations in the countries of GAFISUD; (ii) preparation and publication of training materials emanating from the workshops, for use in training future evaluators; and (iii) creation of a database for storage and monitoring of evaluation results.

Nonlending activities are effective instruments to disseminate information, promote good practices, and create the proper environment for financial sector development. They can also become the foundation for future IDB group operations by providing insights as to where projects must focus in order to enhance efficiency.



5

IDB Nonlending Activities

5. IDB NONLENDING ACTIVITIES

In addition to lending and technical assistance operations, the IDB supports other activities that do not involve direct financing. Nonlending activities are effective instruments to provide policy advice to governments, disseminate information, promote best practices and create the proper environment for financial sector development. Technical studies and best practice papers, conferences, seminar and forums are some of the instruments that the IDB uses to disseminate information and create awareness of the importance of key issues. These activities create the knowledge base required to align the interests of different counterparts, both in the private and public sectors and implement changes in policies and regulatory frameworks or encourage local contribution and participation in recommended activities. The dissemination of state-of-the-art knowledge to promote development diminishes barriers and increases the potential for success of the lending operations.

Conferences, Seminars and Workshops

Banking Crises in Latin America September 1995, Washington, D.C.

This conference brought together distinguished policymakers, academics and bankers to examine the main causes of banking crises, how government can manage them more effectively, and how they can be prevented.

Latin American Derivatives Conference November 9-10, 1995 - Washington, D.C.

The IDB organized a conference on the use of derivative securities in Latin America and the Caribbean and how the appropriate use of these securities could help manage risk in the region. This conference, co-sponsored by the International Swaps and Derivatives Association, Inc., was held at IDB headquarters. A variety of topics was discussed, including the uses and benefits of derivatives, using derivatives to manage balance sheet risk, hedging financial risk (highlighting The complete strategy documents are available at a Brazilian case), practices and principles for managing derivatives risk, oversight of derivative activities, and the legal risks associated with derivative activities.

Policy-Based Finance and Alternatives to Financial Market Development: East Asian Lessons for Latin America and the Caribbean February 1-2, 1996 - Rio de Janeiro, Brazil

This conference addressed the lessons for Latin America and the Caribbean that could be gained from both the East Asian experiments with policy-based finance and the alternative of developing private financial markets to meet the financial needs of investors. The IDB organized the conference, which was co-sponsored by the Japan Development Bank (JDB) and the Banco Nacional de Desenvolvimento Econômico e Social of Brazil (BNDES).

Credit Guarantee Systems: International Experiences and Lessons for Latin America and the Caribbean June 27-28, 1996 - Washington, D.C.

This workshop reviewed best practices for the design of effective guarantee schemes, analyzing the potential distortions they can introduce into the financial markets. Cases analyzed covered the experiences of countries in Asia, Europe and Latin America.

Seminar on Municipal Development Finance July 9 -10, 1996 - Washington, D.C.

As a result of the increasing emphasis being placed on decentralization in the region, this workshop was organized as a means to explore the issues surrounding municipal finance. In addition to a general discussion of decentralization and financing infrastructure at the local level, the workshop presented the benefits, risks and prerequisites for municipal access to capital markets. This included the key characteristics for access to capital markets and development of local credit markets; ratings agencies and their role in municipal access to capital markets; the role of credit enhancement, including bond insurance and bond banks; and public-private partnerships in financing municipal activities.

Building Modern and Effective Banking Systems in Latin America and the Caribbean

August 7-8, 1997 - Buenos Aires, Argentina

This conference provided a forum for senior policymakers, bank supervisors and regulators, economists, and market practitioners to exchange views on the strategic design, operation and importance of banking sectors in Latin America and the Caribbean. Based on the experience gained in the region and elsewhere, conference participants focused their discussion on three main issues, the interaction between the banking sector and the macroeconomy, current pressing issues in the banking system (such as wide interest rate spreads and entry-exit rules for the banking industry), and effective regulatory and economic environments for financial institutions in the region. The conference was jointly organized by the Central Bank of Argentina and the IDB.

Safe and Sound Financial Systems: What Works for Latin America? September 27-28, 1996, Washington, D.C.

This conference addressed the question of whether Latin American countries should adopt the same financial framework—the same regulatory and supervisory procedures, the same market structures—now in place in the industrial countries or whether they should consider alternative frameworks that may be better suited to their economies. Among the central topics discussed were the appropriate financial regulatory and supervisory standards, the design of financial market institutions, and the construction of efficient safety nets for banks and other financial institutions.

Financial Disclosure and the Development of Financial Markets in Latin America and the Caribbean September 29-30, 1997 - Washington, D.C.

The IDB organized a conference on the role of disclosure and the development of a transparent information environment as a prerequisite to the development of financial markets. The conference was co-sponsored by the International Accounting Standards Board and the Inter-

American Accounting Association. Participants included senior level officials from securities and exchange commissions, bank superintendencies, auditing firms, standard-setting boards, and the investment community. Speakers examined the movement toward improved standards on an international basis and the opportunity for the countries of Latin America and the Caribbean to participate in this effort. Two case studies on the changes in accounting standards (Mexico and Venezuela) were examined for information regarding the need for change and the need for developing a consensus on how to improve accounting and auditing standards.

The Development of Securities Markets in Emerging Markets: Obstacles and Preconditions for Success October 28-29, 1997 - Washington, D.C.

The IDB organized a conference for senior policymakers, regulators, economists and market participants to exchange views on the strategic design, operation and importance of securities markets in Latin America and the Caribbean. The conference was focused on approaches to the regulation of securities markets, the development of domestic equity markets, public debt management, and effective ways to promote the development of institutional investors.

Financial Market Integration and Harmonization in the Americas December 1, 1997

This conference was jointly sponsored by the IDB and the Ministry of Finance of Chile. The conference created a forum to discuss strategies to achieve integration of financial markets in Latin America and the Caribbean. The three main issues for discussion included (i) dealing with the challenges imposed by the globalization of financial markets; (ii) lessons from other regions' efforts to achieve financial integration; and (iii) the policy agenda for regional financial market integration in the Americas.

Payments and Clearance and Settlement Systems in Latin America and the Caribbean.

October 23, 1998 - Washington, D.C.

This conference was co-sponsored by The Depository Trust Company. Speakers presented issues associated with the risks in such systems as well as the challenges resulting from increasing globalization and regionalization. In particular, the presentations focused on (i) the risks in payments, clearance and settlement and custody; (ii) the current reality of regionalization, possibilities for harmonization, and lessons learned from the European experience; (iii) the challenges resulting from an increasingly global market place; and (iv) ways in which multilateral institutions can support the development and effective functioning of payments and clearance and settlements systems. A special report, sponsored by Deutsche Bank, provided excerpts from many of the presentations and was featured in the Winter 1998/99 edition of the *Global Custodian*.

The Development of Mortgage Securitization in Latin America and the Caribbean

November 2-3, 1998 - Washington, D.C.

During the conference, representatives from institutions working in the areas of housing finance and securitization, notably Fannie Mae and Freddie Mac, explored the role of mortgage securitization in promoting economic development as well as some regional experiences with secondary mortgage markets. More specifically, discussion centered around the role of securitiza-

tion in promoting economic development; the prerequisites for successful secondary mortgage markets (including the role of primary markets, mortgage insurance, legal/regulatory environments and the domestic capital markets); regional experiences, or case studies, with secondary mortgage markets; and business strategies to promote mortgage securitization, including the use of such instruments as mortgage bonds. In addition, Fannie Mae sponsored a workshop concerning the methodology for analyzing and managing markets, instruments and institutional relationships.

Financial Risk Management in Emerging Markets February 8-9, 1999 - Washington, D.C.

This conference was jointly organized by the Inter-American Development Bank and Banco Santander of Spain. The purpose of the conference was to present general guidelines for risk management, based on the risk management model developed as part of the Financial and Securities Market Development Program. In addition, Banco Santander presented a review of their experiences in implementing comprehensive risk management systems in Chile and Peru as well as information on recent developments in both investor perceptions and regulatory environments as related to risk management activities and how these will likely affect financial institutions in emerging markets.

Symposium on Risk Management February 21-22, 2000 - Trinidad and Tobago

Much of the conference was based on the book *A Model for Financial Risk Management. A Practical Approach for Emerging Markets* jointly produced by the Inter-American Development Bank and the Banco Santander Group and published by the IDB. Two concurrent workshops for regulators and officials from financial institutions were also held.

Securitization and Structured Finance in Emerging Economies

May 17, 2000 - Washington, D.C.

The main purpose of this seminar was to present the fundamental issues pertaining to credit securitization and explore opportunities relevant for the work of the Inter-American Development Bank, in terms of its activities within Latin America and the Caribbean.

Financial Market Regulation and Supervision Practices June 2000 - Washington, D.C.

With funding from the MIF, the IDB supported the consolidation of several financial intermediaries for small and microenterprises throughout Latin America and the Caribbean. In addition, the IDB recognized the growing importance of facilitating the application of BIS Core Principles among bank supervisory bodies. These two issues were the focus of this workshop. Bank superintendents from the region attended the event.

Housing Finance Template June 8, 2000 - Washington, D.C.

The IDB hosted a one-day seminar to present a housing finance template. The seminar demonstrated the usefulness of the tool to evaluate the relevant components of the housing market and suggested means to improve the efficiency of each component.

Capital Markets Roundtable “A New Focus for Capital Market Development in Latin America and the Caribbean.” February 5-6, 2001 - Washington, D.C.

This roundtable was organized by the IDB group and was a direct response to the growing focus on the decline in many capital markets of the region and the on-going debate regarding the approaches to promote the development of capital markets in LAC. The roundtable discussion focused on second generation issues pertinent to the development of capital markets in Latin America and the Caribbean, including: (i) the role of market institutions; (ii) development of domestic bond markets; (iii) the role of institutional investor in developing capital markets; and (iv) the importance of regional market integration. In addition, during the second day of meetings the Multilateral Investment Fund organized a separate workshop to discuss lessons and strategies to increase SME access to capital markets.

Implementation of International Standards for Accounting and Auditing April 2, 2001 - Washington, D.C.

Improving accounting and financial disclosure through the development and implementation of standards for accounting and auditing is viewed as a key instrument to support the development of a stable global financial environment. This seminar presented a vision for improving financial reporting and auditing practices through the implementation of international standards.

Managing Economic Exposures of Natural Disasters: Exploring Alternative Financial Risk Management Opportunities and Instruments May 16, 2001 - Washington, D.C.

This workshop addressed current issues in financial risk management of catastrophe exposures. Participants engaged in the exploration and discussion of alternative financial risk transfer markets, techniques and instruments.

Financial Crises: Japan’s Experience and Implications for Latin America and the Caribbean

June 11-12, 2001 - Washington, D.C.

This workshop focused on examining the experience of Japan regarding financial crises and its implications for LAC. Experts from Japan, Latin America and the Caribbean, other countries, and multilateral organizations discussed the causes, policy actions, market discipline, preemptive strategies and other issues related to financial crises.

Developing Bond Markets in Latin America and the Caribbean: Analytical Framework and Issues for the Region August 9, 2002 - Washington, D.C.

The main purpose of this workshop was to provide training and orientation for a selected group of IDB staff members to prepare them for a potentially more active role in the area of bond markets development and to strengthen the relationship with and among policymakers interested in bond market development in the countries of the region.

Helping Small and Medium Enterprises Access Finance and Capital in Emerging Economies

October 21, 2002 - Washington, D.C.

The overall objective of this meeting was to increase awareness and understanding of the types of strategies that could be utilized to help increase access to finance for small and medium

enterprises. The specific objective was to convene a dialogue among researchers and technicians on the key constraints that have an impact on the capacity to increase access to finance and also to survey the experiences in various countries. In that context, the meeting also addressed the topic of financial sector development and SMEs financing.

Seminar “The New Basel Capital Accord. Work Progress” January 24, 2003 - Washington, D.C. This seminar was focused on the current situation of the works of the New Capital Accord, the preparation status at the regional level from the perspective of both the regulators and the industry, and the challenges for its successful implementation. The Seminar was hosted by the Inter-American Development Bank, the Association of Supervisors of Banks of the Americas (ASBA), and the Latin American Banking Federation (FELABAN).

Workshop “Developing Bond Markets in Latin America and the Caribbean: Public Debt Markets” April 4, 2003 - Washington, D.C.

This Workshop was the second event of a series of workshops of a continuing initiative to exchange ideas and learn from IDB staff members and experts from the Region. The presentations included conceptual aspects of the Public Debt Markets and experiences of developed countries and the region. The main topics discussed during the event were (i) the issues in developing public debt markets in LAC; (ii) implementing debt management guidelines in practice; and (iii) lessons from emerging economies, (Brazil, Colombia, and Mexico) and (iv) lessons from developed economies (Sweden and Italy).

Symposium “Pension Reform in the English-Speaking Caribbean” June 4-6, 2003 - Barbados

The main objective of the Symposium will be to highlight and raise awareness on key policy and technical considerations for designing, implementing, reforming, managing, operating, and supervising pension schemes. Most of the discussion will focus on issues that are relevant to the countries of the English-speaking Caribbean. Some of the main issues that will be covered include: The state of pension systems in the Caribbean; Best practices in reforming pension systems in emerging economies (with a special emphasis for small emerging economies); Understanding the role of private and public pension fund managers; Relationship between financial and capital market development and pension systems; and Review of the experiences of other countries.

Financing Private Sector Development: An integral approach March 20, 2003 - Distretto della Brianza

This seminar explored ways to enhance the access of the private sector to financial and capital markets, discussing the obstacles and providing alternatives to overcome them. It included discussion of experiences from developed markets, in particular in the development of support systems for the creation and expansion of those enterprises. It will also cover specific issues related to the business environment, access to equity and long-term finance, the special problems faced by the smallest of firms, and the use of structured finance for the access of the larger firms. It also include a field visit to an Italian industrial district to assess first-hand the experience of a well-developed support system.

Second Regional Conference Public Sector-Private Sector “The New Basel Capital Accord. Work Progress: The use of the External Credit Assessment Institutions - Policy Options”

January 30, 2004 - Washington, D.C.

The IDB, the Association of Supervisors of Banks of the Americas (ASBA), and the Latin American Banking Federation (FELABAN) organized this Second Regional Conference. The objective of this meeting was to discuss the implementation of the New Basel Capital Accord (NBCA) in the region. In particular, the discussion was focused on the use of external credit assessment institutions. Some of the conference sessions analyzed the impact of the NBCA in the region and the preparation at country level for its implementation; the regulators and the private sector perspectives and plans to face the change, and regulatory alternatives to the use of external credit institutions.

Governments and Banks: Responsibilities and Limits March 28, 2004 - Peru

The purpose of this meeting was to discuss the implications of key interactions between the banking system and the public sector. A panel of current and former Ministers of Finance and Central Bank Governors of Latin American countries discussed the main issues pertaining the critical relationship between governments and banks. Among the issues discussed were direct government interventions in banking, dealing with crisis and fiscal role of banks.

Workshop “Developing Bond Markets In Latin America And The Caribbean: Broadening Government And Corporate Debt Markets” August 5-6, 2004 - Washington, D.C.

The main objective of this meeting was the discussion of an initiative presented by a few government debt managers from LAC: the creation of the regional group of public debt managers. The proposal was enthusiastically supported by all the countries’ representatives that pledged to immediately start working in the implementation of the group’s objectives. Senior officials from the Debt Management Offices (DMOs) and Central Banks of thirteen LAC countries participated in this Workshop, as well as experts from the United States Treasury Department, the Central American Monetary Council and the Spanish Treasury. A special session was organized around the views from the private sector, with presentations from a major rating agency, a head of capital markets and an analyst dedicated to domestic markets research in well known Wall Street institutions. Staff from different areas of the Bank also attended the presentations and discussions along the day and a half duration of the Workshop.

Workshop “Managing Natural Hazards through Risk Financing - Case studies from Latin America” September 9, 2004 - Washington, D.C.

This workshop was intended to discuss the possible financing strategies and applications of risk financing, on the basis of three countries (Chile, El Salvador and Peru) at different stages of development of their financial markets, to manage natural disaster risks in Latin America and the Caribbean. Participants were engaged in the analysis and discussion on how to develop financial protection, both for public and private sectors financing and market mechanisms. The Bank was identifying and analyzing various financial instruments and techniques in order to explore opportunities for their implementation in select countries of the region. As part of these efforts, the Bank commissioned the preparation of two documents to explore the variety of

financial instruments and techniques that could be incorporated into the overall Bank strategy for managing risks associated with natural disasters

Conference “Financial Products and Poverty Reduction in Latin America and the Caribbean”

September 30 - October 1, 2004 - Washington, D.C.

This conference was the culmination of the “Financial Activities and Products and Poverty Reduction” program developed over the past two years with the objective of enhancing the understanding of the relationship between financial markets and the reduction of poverty in the region providing discussion in policy guidelines and priorities for future research based policy and policy based research. The main topics covered in the conference were: debtor enhancement policies, deposit insurance, entrepreneurship, savings, insurance and macro-economic stability.

Pension Reform Forum “Transition Issues and Deepening Reforms” December 6, 2004 - Washington, D.C.

The meeting took place within the framework of the Bank’s Regional Financial Sector Forum, an IDB initiative that brings together policy makers, financial practitioners and regulators, pension fund managers and international institutions to deepen the dialogue on financial sector issues and promote financial stability and sound policies in the Latin America and Caribbean region. Based in previous analysis and discussions of the pension systems reforms and lessons learned from countries in the region, this meeting focused on particular aspects of the transition and how they have been redressed based on four country experiences (Argentina, Bolivia, Chile, and Mexico) and drawing upon the expertise of the public and private sectors, as well as the academic community.

Publications

Books

Volatile Capital Flows: Taming Their Impact on Latin America

Edited by Ricardo Hausmann and Liliana Rojas-Suárez, June 1996

This book is based on a conference organized by the IDB on the topic of international capital flows that took place in Jerusalem in April 1995. The book is divided into two sections: (i) the macroeconomics of capital flows to Latin America, and (ii) achieving stability in Latin American financial markets in the presence of volatile capital flows. Some of the issues presented in the book relate to the appropriate response from Latin American governments to volatile capital flows, how to ensure that economies adjust, and what has been the impact of the crises on domestic banking and financial systems.

Banking Crises in Latin America

Edited by Ricardo Hausmann and Liliana Rojas-Suárez, October 1996

This book gives an overview of the major aspects of the financial crises in Latin America. It focuses on four key questions about the crises: what are the features, the causes, management

issues and prevention techniques of banking crises. It offers policy recommendations on both the macro- and the microeconomic level.

Small and Medium Enterprises Credit Guarantee Systems

Edited by Juan J. Llisterri, November 1996

This book presents proceedings from the workshop *Credit Guarantee Systems: International Experiences and Lessons for LAC*. It contains twelve articles on the conceptual issues and country experiences and a summary of the lessons learned from credit guarantee systems established around the world. It was published as a special issue of *The Financier* (Vol. 4, Nos. 1 and 2, February/May 1997). It was also published in Spanish by the Inter-American Development Bank as *Sistemas de garantía de crédito: experiencias internacionales y lecciones para América Latina y el Caribe*.

Safe and Sound Financial Systems: What Works for Latin America?

Edited by Lilia Rojas-Suárez, October 1997

This book presents the proceedings of the conference with the same title held at the Inter-American Development Bank headquarters in September 1996. The book addresses three main questions: (i) what kind of regulatory system is appropriate for the Latin American economies today; (ii) what kind of structure is needed to ensure that the region has a sound, efficient and creative financial system capable of responding to changing conditions; and (iii) what kind of financial safety net is appropriate for a region undergoing the kind of transformation that Latin America is expecting? The book addresses these questions with reference to the issues of supervision and regulation, financial markets structures and other policy related issues.

Policy-Based Finance and Market Alternatives: East Asian Lessons for Latin America and the Caribbean

Edited by Kim B. Staking, 1997

Policy-based finance refers to the active involvement of government policymakers in the allocation of credit, widely used in East Asia as a tool for supporting exporters and other sectors of the economy considered key to economic development. To understand the applicability of the East Asian experience to other emerging markets, a conference on “Policy-Based Finance and Alternatives for Financial Market Development” was held in Rio de Janeiro, Brazil in early 1996. This book contains a selection of the major presentations from that conference. It explores the East Asian experiences with policy-based finance and contrasts these with the less successful, directed credit programs undertaken by Latin American and Caribbean governments in their attempts to support specific economic sectors. The volume extracts the lessons that are applicable to emerging markets and applies them to the market approach under way in most of the countries of Latin America and the Caribbean.

Financial Disclosure: A First Step to Financial Market Development

Edited by Kim B. Staking and Alison Schulz, 1999

Recognizing the importance of high quality accounting and auditing standards, the IDB, in association with the International Accounting Standards Committee and the Inter-American

Accounting Association organized a conference entitled “Financial Disclosure and Development of Financial Markets in Latin America and the Caribbean.” This book, published in both English and Spanish, collects five papers presented at the conference, which make a strong case for improved disclosure and international standards, presents case studies on the transition taking place in Mexico and Venezuela, and includes guidelines for ensuring an effective transition.

Accounting for Saving Financial Liberalization, Capital Flows and Growth in Latin America and Europe

By Carmen M. Reinhart, September, 1999

Which comes first, saving or growth? Does financial liberalization help or hinder saving? How do terms of trade shocks affect saving? These are only a few of the questions explored in *Accounting for Saving*, a book that looks beyond the traditional determinants of saving and winds up challenging conventional wisdom on a number of controversial issues.

Financial Risk Management: A Practical Approach for Emerging Markets

By José A. Soler Ramos, Kim B. Staking, Alfonso Ayuso Calle, Paulina Beato, Emilio Botín O’Shea, Miguel Escrig Meliá and Bernardo Falero Carrasco, 2000

This publication is a comprehensive guide designed to help businesses and financial institutions operating in emerging markets to incorporate modern risk management techniques in their decision making. It looks at market, credit, operational and legal risks and proposes solutions to risk management issues as they apply specifically to emerging markets. Based on a value-at-risk approach, the book examines the role of senior management in setting risk guidelines, the use of information systems for monitoring and communication risk, and the tools for measuring and managing risk. Drawing on practical methods used by successful risk managers throughout the world, the book provides specific guidance on establishing a modern risk management framework and on efficient approaches to increasing the profitability of risk management activities in emerging market settings.

Global Finance from a Latin American Viewpoint

By Ricardo Hausmann and Ulrich Hiemenz, April 2000

This book contains contributions from the tenth meeting of the International Forum on Latin American Perspectives held in Paris in 1999. Its broad conclusion is that reform of the international financial system must take place in the context of partnership between the private and the public international sectors in order to provide the conditions for stability and growth. The Forum debated whether the current reforms of the global financial markets were succeeding in identifying and addressing major distortions to international capital flows between developed and developing countries—essentially, the moral hazard versus sovereign risk question. Particular attention was devoted to the following issues: bailing the private sector into crisis prevention and resolution, including under Paris Club framework; recently proposed revisions to the Basel Accord on bank capital requirements; and the appropriate exchange rate regime in Latin America.

Defusing Default: Incentives and Institutions

Edited by Marco Pagano, 2001

Access to capital is crucial for economic development. In many developing nations, however, high default rates present serious obstacles to the creation of effective capital markets. *Defusing Default* examines the problem of default in various countries throughout the Americas as well as public and private means of encouraging repayment of debts. Encompassing theoretical approaches and empirical data, with both contemporary and historical examples, the studies in this volume discuss how factors such as legal systems, judicial enforcement, and contractual arrangements affect the likelihood of repayment and how they can be improved.

Financial Crises in Japan and Latin America

Edited by Edgardo Demaestri and Pietro Masci, 2003

The aim of this book is to promote a discussion of the complex issues involved in financial crises and to explore different ways by which Latin American countries can deal with such crises in order to minimize the often high costs incurred. The book provides a comparative review of the Japanese experience in dealing with its financial crisis as a means of facilitating a better understanding of the similarities and differences with the Latin American cases analyzed, and to identify some of the lessons learned and how they can be applied. The book concentrates on policy analysis and assessment, and in that vein some of the more theoretical contributions are examined from a comparative viewpoint.

Focus on Capital: New Approaches to Developing Latin American Capital Markets

Edited by Kenroy Dowers and Pietro Masci, 2003

The book analyzes the status of the markets in the region and identifies the technical and political challenges to making capital markets functioning and efficient. Among the main topics discussed in the book are the development of a strategy for reforming LAC capital markets; the review of the key factors underlying the development of capital markets; regional integration; the bond and derivatives markets; international trends in clearance and settlement systems, and corporate governance. In addition it discusses the human capacity development for capital market professionals.

Credit Constraints and Investment in Latin America

Edited by Arturo Galindo and Fabio Schiantarelli, September 2003

Researchers have devoted much attention to the macroeconomic effects of financial crises and financial policies, yet there has been little research on the microeconomic implications of such events. This book attempts to fill this gap. This book presents new evidence on the nature, extent, evolution and consequences of financing constraints. It analyzes firms' investment behavior under conditions of severe market failure. The ability of the banking sector to pool resources and channel them efficiently to firms is an important determinant of the process of economic development and growth. The chapters in this volume use micro data to study credit supply restrictions at the firm level in Argentina, Colombia, Costa Rica, Ecuador, Mexico and Uruguay.

Reforming Latin American Housing Markets: A Guide for Policy Analysis

By Inter-American Development Bank, 2004

This book examines the links between housing and various other sectors of the economy from a public policy perspective, and provides a framework to assess the status of the housing market in the countries in Latin America and the Caribbean. It provides a holistic view of the reforms needed and the links with other sectors of the economy that have to be considered when a reform process is started. In addition, it analyzes the main aspects of secondary mortgage markets, mortgage-backed securities and methods of mitigating risk in mortgage finance. This book is part of an ongoing collaboration between the Inter-American Development Bank and the U.S. Department of Housing and Urban Development.

International Accounting Standards: Transparency, Disclosure and Valuation for Latin America and the Caribbean

By José Antonio Laínez, Pietro Masci and Juan J. Durante, 2004

The book analyzes the role of international accounting standards for financial market development. The impact of disclosure on financial market developments, the role of accounting and auditing standards in capital market developments, accounting rules for valuation and mergers and acquisitions, and accounting harmonization in the European Union are some of the main topics discussed in this publication. Also, the book analyzes the efforts carried out by Latin American countries to converge national accounting standards with international financial reporting standards.

IPES 2005: Unlocking Credit. The Quest for Deep and Stable Bank Lending

By Inter-American Development Bank, 2004

The 2005 edition of Economic and Social Progress in Latin America Report contributes to the identification of Latin America and the Caribbean's main challenges in the banking sector, and to the analysis, understanding, and design of prescriptions for financial sector policies that promote deeper, more stable, and accessible credit. The Report analyzes several issues regarding the size, cost, and stability of bank credit, and relates them to the underlying risks that characterize banking. The Report includes thorough analyses of the determinants of the cost and amount of credit available to societies, as well as the determinants of the volatility of credit and fragility of the banking sector. It stresses policy issues that have been and currently remain at the center of the ongoing financial debate throughout Latin America and the Caribbean.

Best Practices and Technical Studies**PUBLISHED BY THE INFRASTRUCTURE AND FINANCIAL MARKETS DIVISION****Issues Surrounding Security Regulation in Latin America and the Caribbean**

By Hugo Nemirowsky and Jesse Wright. Best Practice Study, IFM-101, February 1996

A Primer on Risk Management: Applications to Latin America and the Caribbean

By Jesse Wright. Technical Study, IFM-106, 1997

Building Effective Banking Systems in Latin America and the Caribbean: Tactics and Strategies

By E. Gerald Corrigan. Best Practice Study, IFM-107, April 1997

Financial Intermediation and Policy-Based Lending: Policy Recommendations for Latin America and the Caribbean

By Antonio Vives and Kim B. Staking. Best Practice Study, IFM-108, June 1997

Liberalization and Integration of Financial Markets in the Western Hemisphere

By Paul R. Knapp and Andrés Velasco. Working Paper, IFM97-103, November 1997

Developing Government Bond Markets

By Jorge Castellanos. Technical Study, IFM-111, March 1998

Essays on Municipal Development Finance

Edited by Kenroy A. Dowers and Federico Basaños. Working Paper, October 1999

The Role of the Primary Mortgage Market in the Development of a Successful Secondary Mortgage Market

By Michael Lea. Technical Study, IFM-121, January 2000

Housing Finance in Chile. The Experience in Primary and Secondary Mortgage Financing

By Claudio A. Pardo. Best Practice Study, IFM-123, March 2000

Reseña del desarrollo de sistemas nacionales contra la legitimación de recursos de procedencia ilícita en el sistema financiero y en los mercados de capitales de algunos países de América Latina

By Pedro Luis Echeverría. Working Paper, November 2001

Pension Reform in Small Emerging Economies: Issues and Challenges

By Kenroy A. Dowers, Stefano Fassina, and Stefano Pettinato. Technical Study, IFM-130, December 2001

El Nuevo Acuerdo de Capital de Basilea: El enfoque estándar versus el enfoque basado en calificaciones internas

By Luis Giorgio, and Carlos Rivas. Working Paper, November 2002

Implementación de los estándares internacionales de contabilidad y auditoría en El Salvador

By Interdin & Ahead Advisory Group S.A. Working Paper, November 2002

Implementación de los estándares internacionales de contabilidad y auditoría en Panamá

By Interdin & Ahead Advisory Group S.A. Working Paper, November 2002

Innovative Financial Instruments for Natural Disaster Risk Management

By Torben J. Andersen. Technical Study, IFM-133, December 2002

The Rationale for Integrating Financial Supervision in Latin America and the Caribbean

By Edgardo Demaestri and Federico Guerrero. Technical Study, July 2003

El Nuevo Acuerdo de Capital de Basilea: Efectos en los sistemas financieros de América Latina y el Caribe

By Luis Giorgio and Carlos Rivas. Technical Study, August 2003

Integrated Financial Supervision: Experiences in Selected Countries

By Edgardo Demaestri and Diego Sorrouille. Technical Study, December 2003

El desarrollo de la pequeña y mediana empresas en Bolivia y las perspectivas para mejorar su acceso a la financiación

By Miguel Terrazas, Raúl Guzman and Marcelo Cuadros. Technical Paper, 2003

Bond Market Development: Analytical Framework and Issues for Latin America and the Caribbean

By Edgardo de Damestri and Facundo Martin. Technical Study, August 2004

PUBLISHED BY THE RESEARCH DEPARTMENT

Achieving Stability in Latin American Financial Markets in the Presence of Volatile Capital Flows

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #304, April 1995

The Roots of Banking Crises: The Macroeconomic Context

By Michael Gavin and Ricardo Hausmann. Working Paper #318, January 1996

Managing Banking Crises in Latin America: The Do's and Don'ts of Successful Bank Restructuring Programs

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #319, February 1996

Building Stability in Latin American Financial Markets

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #320, February 1996

Banking Crises in Latin America: Experiences and Issues

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #321, February 1996

Towards an Effective Regulatory and Supervisory Framework for Latin America

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #336, February 1997

Make or Buy? Approaches to Financial Market Integration

By Michael Gavin and Ricardo Hausmann. Working Paper #337, February 1997

How Should Financial Market Institutions and Market Be Structured? Analysis and Options for Financial System Design

By George G. Kaufman and Randall S. Kroszner. Working Paper #338, February 1997

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By Peter M. Garber. Working Paper #339, February 1997

Financial Markets and the Behavior of Private Savings in Latin America

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #340, February 1997

Capital Requirements for Latin American Banks in Relation to their Market Risks: The Relevance of the Basle 1996 Amendment to Latin America

By Antonio Powell and Verónica Balzarotti. Working Paper #347, May 1997

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By George J. Benston. Working Paper #361, August 1997

Debt Management: Some Reflections Based on Argentina

By Miguel A. Kiguel. Working Paper #364, October 1997

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By Hans J. Blommestein. Working Paper #359, November 1997

Integración financiera en América Latina (Financial Integration in Latin America)

By Vittorio Corbo. Working Paper #360, December 1997

Regional Financial Market Integration: Learning from the European Experience

By Benn Steil. Working Paper #362, December 1997

Financial Liberalization and Policy Challenges

By Michael P. Dooley. Working Paper #363, December 1997

Wholesale Payments Systems and Financial Discipline, Efficiency, and Liquidity

By David Folkerts-Landau. Working Paper #370, January 1998

El margen de intermediación bancaria en Colombia

By Roberto Steiner, Adolfo Barajas and Natalia Salazar. Research Network Working Paper #325, January 1998

Determinantes de los spreads bancarios: El caso de Chile

By Rodrigo Fuentes and Miguel Basch. Research Network Working Paper #329, March 1998

Determinantes del spread en las tasas de interés bancarias en el Perú: 1991-1996

By Jorge Rojas. Research Network Working Paper #330, July 1998

Determinantes del spread en las tasas de interés bancarias en Bolivia

By UDAPE. Research Network Working Paper #336, August 1998

Los spreads de tasas de interés en Argentina

By Universidad Torcuato Di Tella and Banco Central de la República Argentina.

Research Network Working Paper #343, October 1998

Financial Turmoil and Choice of Exchange Rate Regime.

By Ernesto H. Stein, Ricardo Hausmann, Michael Gavin and Carmen Pagés-Serra

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Determinantes del spread en las tasas de interés bancarias en el Uruguay

By Adolfo Díaz Solsona and Carlo Graziani. Research Network Working Paper #369, February 1999

Preventing Crisis and Contagion: Fiscal and Financial Dimensions

By Michael Gavin and Ricardo Hausmann. Working Paper #401, March 1999

International Initiatives to Bring Stability to Financial Integration

By Eduardo Fernández-Arias and Ricardo Hausmann. Working Paper #402, March 1999

The New Wave of Capital Inflows: Sea Change or Tide?

By Eduardo Fernández-Arias. Working Paper #415, March 2000

Is FDI a Safer Form of Financing?

By Eduardo Fernández-Arias and Ricardo Hausmann. Working Paper #416, April 2000

Foreign Direct Investment: Good Cholesterol?

By Ricardo Hausmann and Eduardo Fernández-Arias. Working Paper #417, April 2000

Getting it Right: What to Reform in International Financial Markets

By Ricardo Hausmann and Eduardo Fernández-Arias. Working Paper #428, August 2000

What's Wrong with International Financial Markets?

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By Jorge M. Streb, Javier Bolzico, Pablo Druck, Alejandro Henke, José Rutman, and Walter Sosa Escudero. Research Network Working paper #444, May 2002

Determinants and Consequences of Financial Constraints Facing Firms in Argentina

By Jose Maria Fanelli, Ricardo N. Bebczuk, and Juan J. Pradelli. Research Network Working Paper #453, July 2002

Access to Long Term Debt and Effects on Firms' Performance: Lessons from Ecuador

By Fidel Jaramillo and Fabio Schiantarelli. Research Network Working Paper #460, July 2002

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By Eduardo Barbieri, Julio de Brun, and Nestor Gandelman. Research Network Working Paper #462, July 2002

Credit, Financial Liberalization and Manufacturing Investment in Colombia

By María Angélica Arbeláez, and Juan José Echavarría. Research Network Working Paper #450, August 2002

Internal Capital Markets and Financing Choices of Mexican Firms Before and During the Financial Paralysis of 1995-2000

By Gonzalo Castaneda. Research Network Working Paper #451, August 2002

Credit Constraints in Latin America: An Overview of the Micro Evidence

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By Cristina Arellano, and Enrique G. Mendoza. Working Paper #473, September 2002

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Sudden Stops and Exchange Rate Strategies in Latin America

By Arturo Galindo and Alejandro Izquierdo. Working Paper # 484, February 2003

Do State-Owned Banks Promote Growth? Cross-Country Evidence for Manufacturing Industries

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La crisis de financiamiento hipotecario en Colombia: Causas y Consecuencias

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By Hugo Eyzaguirre and Carlos Calderón. Working Paper # 497, October 2003

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By Rolando Morales. Working Paper # 501, November 2003

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By Alejandro Micco and Eduardo Levy Yeyati. Working Paper # 499, November 2003

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By Eduardo Gandelman and Nestor Gandelman. Working Paper #503, January 2004

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By Marcela Cristini and Ramiro Moya. Working Paper # 498, January 2004

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By Carlos García and Felipe G. Morandé. Working Paper # 502, January 2004

Should the Government Be in the Banking Business? The Role of State-Owned and Development Banks

By Ugo Panizza, Eduardo Levy Yeyati and Alejandro Micco. Working Paper #517, November 2004

Bank Ownership and Performance

By Alejandro Micco, Mónica Yañez and Ugo Panizza. Working Paper # 518, November 2004

Bank Ownership and Lending Behavior

By Alejandro Micco and Ugo Panizza. Working Paper # 520, November 2004

Newsletters and Other Publications

Infrastructure and Financial Markets Review

The Infrastructure and Financial Markets Division publishes a quarterly review that highlights research activities and topics of current interest. It also provides information on resources on infrastructure and financial markets, such as reviews of recently released books and journals as well as interesting Internet sites. In addition, the Review lists upcoming seminars and the IDB's working papers. The following articles were published:

Clearance and Settlement...Don't Mail Your Check Without It!

By Jesse Wright. Vol. 1 No. 1, May 1995

Venture Capital: Equity for Capital-Starved Firms

By Nathaniel Jackson. Vol. 1 No. 2, July 1995

Global Systemic Risk: Insuring Against Meltdowns

By Jesse Wright. Vol. 1 No. 3, September 1995

Is it Liquidity or is it Solvency? Risks in Banking

By Roberto Vellutini, and Kim B. Staking. Vol.1 No. 3, September 1995

Policy-Based Finance: Is There a Role for Government Intervention in Financial Markets?

By Antonio Vives, and Kim B. Staking. Vol. 3 No. 2, June 1997

Secondary Mortgage Markets in Developing Countries: Benefits, Risks and Challenges

By Kenroy A. Dowers. Vol. 3 No. 2, June 1997

Improving Financial Disclosure: A Virtuous Cycle for Promoting Investment

By Kim B. Staking. Vol. 3 No. 3, September 1997

Improving Financial Disclosure Through Globally Acceptable Accounting Principles

By Alison L. Schulz. Vol. 3 No. 3, September 1997

Accounting Principles: Towards an International Approach, the Mexican Case

By Armando Murguía O'Keefe. Vol. 3 No. 3, September 1997

Survey Results on Western Hemisphere Financial Markets Now Available

By Alison L. Schulz. Vol. 3 No. 4, December 1997

Financial Market Development: Issues and Strategies

By Kenroy A. Dowers. Vol. 4 No. 1, April 1998

Local Government Ratings in Emerging Market

By Jane Eddy, and Fred Haddard. Vol. 4 No. 2, August 1998

Strengthening Clearance and Settlement Systems in Latin America and the Caribbean

By Jesse Wright, and Kenroy A. Dowers. Vol. 4 No. 3, September 1998

To Hedge or Not to Hedge? Is that the Question?

By Kim B. Staking. Vol. 4 No. 4, December 1998

Whither Risk Management

By Kim B. Staking. Vol. 5 No. 1, May 1999

The Use of Guarantees: the Perspective of Borrowing Governments

By Pietro Masci. Vol. 5 No. 3, November 1999

Social Security Reform in Small Emerging Economies

By Kenroy Dowers and Stefano Fassina. Vol. 5 No. 3, November 1999

Editor's Desk: Evolution of US Banking Regulation-Death of Glass-Steagall?

Vol. 5 No. 3, November 1999

Key Components of Global Stock Exchange Markets. Market Structure and Liquidity

By Felipe Gomez-Acebo. Vol. 5 No. 4, December 1999

Reform of the Financial Disclosure Framework

By Charles Heeter. Vol. 6 No. 1, June 2000

Bankable Property Rights

By William Armstrong. Vol. 6 No. 1, June 2000

Development Principles for the Regulation of Securities Markets

By Brian Gelfand. Vol. 6 No. 2, September 2000

Project Review: Capital Markets and Low Cost Home Ownership in Chile

By Leonor Demori. Vol. 6 No. 2, September 2000

Making Capital Markets Viable in Latin America and the Caribbean

By Kenroy Dowers, Felipe Gomez-Acebo, and Pietro Masci. Vol. 6 No. 3, December 2000

Strategic Alliances Among Securities Exchanges

By Antonio Zoido. Vol. 6 No. 4

The Role of the Private Sector Department in the IDB's Capital Market Development Activities

Vol. 7 No. 1, March 2001

Financial Market Development in Latin America and the Caribbean. Support from the IDB group (1990-2000)

By Edgardo Demaestri, and Paul Moreno. Vol. 7 No. 1, March 2001

The New Basel Capital Accord Proposals

By Gabriela Basurto, and Luis Alberto Giorgio. Vol. 7 No. 2, June 2001

Guidance for Developing Deposit Insurance Systems

By Edgardo Demaestri. Vol. 7 No. 3, September 2001

Economic Exposures to Natural Disasters Public Policy and Alternative Risk Management Approaches.

By Torben Andersen, and Pietro Masci. Vol. 7 No. 4, December 2001

Conflicts of Interest Facing Securities Research Analysts: Implications for Capital Markets

By Leslie Boni, Luis Alberto Giorgio, and Pietro Masci. Vol. 8 No. 1, March 2002

International Accounting Standards or United States Generally Accepted Accounting Principles for Latin America and the Caribbean?

By Ivan Sotomayor, and Pietro Masci. Vol. 8 No. 2, June 2002

The United Kingdom's Experience of Creating an Integrated Financial Services Regulator

By Phillip Thorpe. Vol. 8 No. 3, September 2002

Can Capital Markets Meet the Financing Needs of SMEs?

By Kinga Korcsmaros. Vol. 8 No. 4, December 2002

Developing an International Consensus to Combat Money Laundering and Terrorism Financing

By Kenroy Dowers and Sabine Almreuther., Vol. 9 No.1, March 2003

Developing Bond Markets in Latin America and the Caribbean

By Pietro Masci and Benjamin M. Rowland. Vol. 9 No.2, June 2003

What Does Pillar 2 of the New Basel Capital Accord Require for Implementation?

By Antonio Pancorbo. Vol. 9 No.3, September 2003

Secured Transactions and Financial Markets in Latin America and the Caribbean

By Arturo Galindo and Rogério Studart. Vol. 9 No.4, December 2003

Capital Market Development: IDB's Financial Guarantee Program

By Kelle Bevine, Juan Mario Laserna, and Ellis J. Juan. Vol. 10 No.1, March 2004

Financial Infrastructures and Capital Markets Integration

By Felipe Gómez-Acebo and Juan A. Ketterer. Vol. 10 No.2, June 2004

Developing Colombian Capital Markets

By María and Clemente del Valle Borráz. Vol. 10 No.3, September 2004

Highlights from the Pension Reform Experience in Latin America and the Caribbean

By Carolin A. Crabbe and Juan Giral. Vol. 10 No.4, December 2004

Other Publications**Infrastructure Finance. The Financier: Analyses of Capital and Money Market Transactions Vol. 3, No. 1, February 1996. Journal**

This special issue of The Financier was published by the Inter-American Development Bank. It consists of papers presented at a roundtable on "Innovative Financing for Infrastructure" held in October 1995. The objective of the meeting was to examine financing issues with project sponsors and advisors, government agencies, commercial banks, law firms, rating agencies, multi-lateral institutions, and independent analysts

Economic and Social Progress in Latin America, 1996 Report

Chapter IV, Part II, of this publication describes and analyzes the major financial reforms undertaken since 1988 in Latin America and the Caribbean. It discusses the advantages and draw-

backs of each of the financial reforms, and examines the issue of the sequencing of liberalization measures versus prudential safeguards. It also includes data on the reforms, examines the current status indicators and analyzes the relationship between the reforms and the banking crises. Finally, it takes a brief look at the trends and possible future directions for enhancing the development of financial systems in the region.

Latin American Derivatives: Treading a Fine Line Promoting and Regulating Derivatives in Latin America

Edited by Jesse Wright

In April 1996, Risk and Emerging Markets Investor magazines published a special report on the Inter-American Development Bank/International Swap Dealers Association Latin American Derivatives Conference. This special issue included most of the presentations made at the conference.

Financial Market Development: Critical Issues and Strategies

By Kim Staking, Kenroy Dowers, Alison Schulz, and Silvia Sagari. Special Report, February 1998
This report assesses the status of financial systems of countries in the region. It identifies the key issues for consolidating the first generation of reforms and for launching a second generation reform agenda. It also presents the strategic approach of the Inter-American Development Bank in supporting those developments.

3. Special Meetings

The IDB has also set up a series of meetings with high level officials to promote the exchange of experiences and ideas on the development of financial markets. Activities include meetings with chief economists from central banks and finance ministries (twice a year); consultation missions to countries that include meetings to discuss the health of the domestic financial system; and finance ministers meetings.

The Regional Financial Sector Forum

The Regional Financial Sector Forum is an initiative of the IDB aimed at strengthening financial sector stability and development in the region. Its main objective is to develop a regional focus on the key issues for supporting sustainable financial sector development in order to complement on-going efforts in different countries and the international community. The participants of this Forum include senior officials, with responsibilities in the design and implementation of financial policies in the region.

The need to improve the efficiency of domestic financial markets and to provide access to financial services to an increasing population is today even more relevant than before. The IDB group's challenge for the future is to provide imaginative solutions, including new types of instruments and interventions to meet the significant changes in the marketplace.



6

Conclusion

6. CONCLUSION

The Bank has played an important role in promoting the region's financial markets. Between 1990 and 2004, financial sector operations made up about 21 percent of the Bank's approved operations, representing over US\$22.1 billion and covering 374 operations. The main goal of the IDB group has been to facilitate the development of efficient and integrated financial markets and to foster financial stability in order to promote sustained and more equitable economic growth in the region.

Initially, since banking dominated financial sector activities in the region, the IDB focused its programs and projects on financial intermediation, including support of supervisory frameworks, the reduction of the role of the state in the provision of financial services, and strengthening of the role and function of central banks.

Beginning in the mid-1990s, financial systems began to undergo significant structural transformation, including reform of social security systems, establishing private pension funds and the rapid growth in the insurance industry that was propelled by the annuity business and the introduction of death and disability coverage. The IDB group's attention was increasingly turned toward capital market development, strengthening stock exchanges, support for pension reform and the insurance industry. Strengthening of regulatory and supervisory frameworks for all the financial services has been a recurring theme.

The process of financial integration across countries and regions has also given rise to new issues and needs. This is leading the IDB group to support new kinds of programs and financial activities. In that regard, the IDB group will work with supervisory and regulatory institutions, self-regulatory organizations, and private sector organizations to ensure that appropriate financial standards are implemented and that the shift toward improved standards takes place in a context of harmonization and integration of financial markets. In implementing this support, the IDB group will continue to coordinate with other bilateral and multilateral institutions supporting financial sector reform in the region.

For the most part, the Capital Markets Strategy (1995) and the Financial Markets Strategy (1999) provided guidance for these activities in these areas. However, in response to the profound structural changes in financial systems and intermediation, the Bank is updating and consolidating these two strategies to be able to continue to provide quality support to its borrower member countries.

Undoubtedly, the IDB group's support during the last fifteen years has had an important impact on the region's financial systems. Nevertheless, financial market development is a continuum and much remains to be done. The challenge for the future is to provide imaginative solutions, including new types of instruments and interventions to meet the significant changes in the marketplace. This will require the continued removal of market imperfections or barriers to the creation of stable and efficient financial systems, and the provision of greater access and deeper and more inclusive intermediation to support sustainable growth and reduce poverty.

Table 1: IDB and MIF Financial Sector Operations by Country (1990-2004)

No.	Country	Project Name	Type	Ref. ¹	Project Code	Area ²	Year	Amount US\$'000s
1	Argentina	Global Credit Program for Small Businesses and Microenterprises	Loan	1.1	AR-0213	M	1991	45,000
2	Argentina	Public Sector Reform Program	Loan	1.2	AR-0215	F	1991	325,000
3	Argentina	Investment Sector Reform Program	Loan	1.3	AR-0059	F / I / P / S	1992	350,000
4	Argentina	Debt and Debt Service Reduction Loan	Loan	1.4	AR-0139	D	1992	400,000
5	Argentina	Global Multisector Credit Program	Loan	1.5	AR-0055	M	1993	300,000
6	Argentina	Provincial Banks Privatization Sector Loan	Loan	1.6	AR-0187	F	1995	750,000
7	Argentina	Credit Guarantee System for SMEs	TC	1.7	ATN/MT-5080-AR	F	1995	610
8	Argentina	Provincial Social Security Sector Reform Program	Loan	1.8	AR-0201	P / S	1996	320,000
9	Argentina	Municipal Reform and Development Program	Loan	1.9	AR-0250	S	1998	250,000
10	Argentina	Structural Adjustment Program and Strengthening the Banking System	Loan	1.10	AR-0254	F / I	1998	1,500,000
11	Argentina	Microenterprise Credit Program	Loan	1.11	AR-0127	M	1999	100,000
12	Argentina	Financial Services Sector Program	Loan	1.12	AR-0266	I / P / S	2001	500,000
13	Argentina	Financial Services Sector Program	TC	1.13	AR-0284	I / P / S	2001	2,000
14	Bahamas	Multisector Credit Program	Loan	2.1	BH-0015	M	1992	21,000
15	Bahamas	Program to Support Capital Markets Modernization	TC	2.2	ATN/MT-6083-BH	S	1998	500
16	Barbados	Investment Sector Reform Program	Loan	3.1	BA-0012	F / I / S	1995	35,000
17	Barbados	Strengthening of the Barbados Securities Market	TC	3.2	ATN/MT-7090-BA	S	2000	298
18	Belize	Banking and Non-banking Supervision	TC	4.1	ATN/MT-8538-BL	F	2003	500
19	Bolivia	Multisector Lending Program	Loan	5.1	BO-0088	M	1991	80,000
20	Bolivia	Financial and Investment Sector Reform Program	Loan	5.2	BO-0110	P / S	1991	60,000
21	Bolivia	Global Multisector Credit Program	Loan	5.3	BO-0034	F / M / S	1994	70,000
22	Bolivia	Structural Reforms and Capitalization Program	Loan	5.4	BO-0094	F / I / P / S	1995	70,000
23	Bolivia	Integrated Program for Support of the Micro and Small Enterprises	Loan	5.5	BO-0171	M	1998	35,000
24	Bolivia	Housing Policy Support Program (PROVIVIENDA)	Loan	5.6	BO-0008	H / S	1998	60,000
25	Bolivia	Strengthening of the Superintendency of Banks	TC	5.7	ATN/MT-5946-BO	F	1998	1,200
26	Bolivia	Capital Market Consolidation and Development Program	TC	5.8	ATN/MT-6354-BO	S	1999	1,150
27	Bolivia	Pension Reform Implementation Program	TC	5.9	ATN/MT-6374-BO	P	1999	1,100
28	Bolivia	Institutional Strengthening of the Office of Insurance Oversight	TC	5.10	ATN/MT-6950-BO	I	2000	840
29	Brazil	BNDES Global Multisector Credit Program	Loan	6.1	BR-0172	M	1990	250,000
30	Brazil	BNDES Global Multisector Credit Program	Loan	6.2	BR-0155	M	1995	300,000
31	Brazil	BNDES Global Multisector Credit Program	Loan	6.4	BR-0277	M	1998	1,100,000
32	Brazil	Supervision of Closed Private Pension Funds	TC	6.5	ATN/MT-5949-BR	P	1998	1,200
33	Brazil	BNDES Global Credit Program for SMEs	Loan	6.6	BR-0310	M	1999	1,200,000
34	Brazil	Program to Expand Markets for SMEs in Northeastern Brazil	Loan	6.10	BR-0270	M	2001	150,000
35	Brazil	Support of Modernization of Pension System Management (PROPEV)	Loan	6.11	BR-0327	P	2001	57,000
36	Brazil	BNDES Program to support MSMEs	Loan	6.12	BR-0331	M	2001	900,000
37	Brazil	Modernization and Institutional Strengthening of the CVM	TC	6.15	ATN/MT-7887-BR	S	2002	2,000
38	Brazil	Banco Bradesco Trade Finance Facility	Loan	6.16	BR0407	O	2003	50,000
39	Brazil	Telemar Bond Guarantee	Guarantee	6.17	BR0402	S	2004	68,000
40	Brazil	BNDES Program to support MSMEs	Loan	6.18	BR0358	M	2004	1,000,000

Table 1 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Area ²	Year	Amount US\$'000s
41	Brazil	Unibanco Infrastructure Credit Facility	Loan	6.19	BR0411	O	2004	50,000
42	Chile	Investment Sector Reform Program	Loan	7.1	CH-0044	F / I / P / S	1991	150,000
43	Chile	Global Microenterprise Credit Program	Loan	7.2	CH-0033	M	1992	12,000
44	Chile	Multisector Global Financing Program	Loan	7.3	CH-0157	M	1999	240,000
45	Chile	Local Bond Issuance - Santiago-Valparaíso-Viña Toll Road Project	Guarantee	7.5	CH-0167	S	2000	75,000
46	Chile	Local Bond Issuance - Costanera Norte Toll Road Project	Guarantee	7.6	CH-0179	S	2003	75,000
47	Chile	International Financial Reporting and Auditing Standards	TC	7.7	ATN/MT-8617-CH	F / S	2004	750
48	Chile	Program to Strengthen Regulation and Oversight of Cooperatives	TC	7.8	ATN/MT-8696-CH	F	2004	1,136
49	Colombia	Global Credit Program for Microenterprises	Loan	8.1	CO-0086	M	1990	15,000
50	Colombia	Investment Sector Program	Loan	8.2	CO-0035	F / P / S	1991	205,000
51	Colombia	Global Credit Program for Microenterprises	Loan	8.3	CO-0037	M	1993	30,000
52	Colombia	Financial Sector Reform Program	Loan	8.4	CO-0232	F	1999	300,000
53	Colombia	Colpatria Mortgage Bond Project	Guarantee	8.5	CO-0260	H / S	2002	5,200
54	Colombia	Strengthening Capital Markets	TC	8.6	ATN/MT-7793-CO	S	2002	1,018
55	Costa Rica	Global Microenterprise Credit Program	Loan	9.1	CR-0016	M	1992	10,000
56	Costa Rica	Investment Sector Reform Program	Loan	9.2	CR-0032	F / I / P / S	1993	100,000
57	Costa Rica	Multisector Credit Program	Loan	9.3	CR-0032	M	1993	70,000
58	Costa Rica	Commodity Market Exchange Support Program: BOLPRO	TC	9.4	ATN/MT-5062-CR	O	1995	323
59	Costa Rica	Deepening State Reform and Opening Up Sectors to Private Enterprise	Loan	9.5	CR-0112	I / P / S	1997	12,650
60	Costa Rica	Support for Opening Up the Financial System to the Private Sector	TC	9.6	ATN/MT-5643-CR	F / I	1997	1,600
61	Costa Rica	Program to Strengthen the Capital Market	TC	9.7	ATN/MT-5644-CR	P / S	1997	1,600
62	Costa Rica	Improving the Quality of Financial Reporting	TC	9.8	ATN/MT-8843-CR	F / S	2004	435
63	Dominican Rep.	Financial Sector Reform Program	Loan	10.1	DR-0016	F	1993	102,000
64	Dominican Rep.	Commodity Market Exchange Support Program	TC	10.2	ATN/MT-5065-DR	O	1995	295
65	Dominican Rep.	Support Program for Bank Supervision	TC	10.3	ATN/MT-7252-DR	F	2000	1,300
66	Dominican Rep.	Program to Support Implementation of Pension Reform	TC	10.4	DR-0146	P	2003	5,000
67	Dominican Rep.	Strengthening, Supervision and Regulation of the Banking System	Loan	10.5	DR-L1001	F	2003	6,000
68	Dominican Rep.	Improving Remittances Distribution Channels in Microenterprise	TC	10.6	DR-0158	O	2003	2,500
69	Dominican Rep.	Financial and Business Services for Remittance Recipients	TC	10.7	ATN/ME-8455-DR	O	2003	840
70	Dominican Rep.	Financial and Monetary Law Implementation	TC	10.8	ATN/SF-8578-DR	F	2003	200
71	Dominican Rep.	Financial Reform Consolidation Program	Loan	10.9	DR-0151	F	2004	100,000
72	Dominican Rep.	Multi-phase Low/Moderate Income Habitat Program	Loan	10.10	DR-0141	H	2004	37,000
73	Ecuador	Microenterprise Credit Program	Loan	11.1	EC-0110	M	1990	16,200
74	Ecuador	Multisector Global Credit Program	Loan	11.2	EC-0089	M	1991	102,270
75	Ecuador	Financial Sector Reform Program	Loan	11.3	EC-0043	F / I / P / S	1994	110,000
76	Ecuador	Debt and Debt-Service Reduction Program	Loan	11.4	EC-0142	D	1994	80,000
77	Ecuador	Investment Sector Program	Loan	11.6	EC-0194	F	2000	150,000
78	Ecuador	Institutional Strengthening for Debt Management	TC	11.7	ATN/SF-7067-EC	S	2000	150
79	El Salvador	Multisector Global Credit Program	Loan	12.1	ES-0086	F / M	1990	60,000
80	El Salvador	Investment Sector Reform Program	Loan	12.2	ES-0016	F / I / P / S	1992	90,000

Table 1 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Area ²	Year	Amount US\$'000s
81	El Salvador	Global Microenterprise Credit Program	Loan	12.3	ES-0037	M	1993	24,000
82	El Salvador	Institutional Strengthening of the Financial Sector Superintendency	TC	12.4	ATN/MT-4471-ES	F / I / P / S	1994	1,832
83	El Salvador	Multisector Global Credit-Phase II	Loan	12.5	ES-0057	M	1995	100,000
84	El Salvador	Commodity Market Exchange Support Program: BOLPROES	TC	12.6	ATN/MT-5063-ES	O	1995	686
85	El Salvador	Strengthen Financial Sector Supervision	Loan	12.7	ES-0115	F / I / S	1999	3,802
86	El Salvador	Support Program for the Financial Sector	TC	12.8	ATN/MT-6400-ES	F / I / S	1999	2,962
87	El Salvador	Support Program for the Instituto Salvadoreño del Seguro Social	Loan	12.9	ES-0134	P	2000	5,800
88	El Salvador	Housing Program	Loan	12.10	ES-0087	H	2001	70,000
89	El Salvador	Global Multisector Credit Program	Loan	12.11	ES-0130	M	2002	42,400
90	El Salvador	Strengthening of Remittance Services for Low Income Groups	TC	12.12	ATN/ME-7886-ES	O	2002	1,500
91	El Salvador	Banco de Comercio Mortgage Bond Project	Guarantee	12.13	ES-0163	H / S	2004	20,000
92	Guatemala	Guatemalan National Microenterprise Program	Loan	13.1	GU-0072	M	1992	10,000
93	Guatemala	Financial Sector Reform Program	Loan	13.2	GU-0018	F / I / S	1993	132,000
94	Guatemala	Development of a Securities Registry for Capital Market Development	TC	13.3	ATN/MT-5783-GU	S	1997	930
95	Guatemala	Financial Sector Reform Program II	Loan	13.4	GU-0119	F	2002	200,000
96	Guatemala	Project to Strengthen Bank Supervision	TC	13.5	ATN/MT-7827-GU	F	2002	1,000
97	Guyana	Financial Sector Adjustment Program	Loan	14.1	GY-0032	F	1995	38,000
98	Guyana	Strengthening System of Property Rights	TC	14.2	ATN/MT-6671-GY	F	1999	940
99	Guyana	Technical Cooperation to Strengthen Bank Supervision	TC	14.3	ATN/SF-7597-GY	F	2001	700
100	Haiti	Bankable Property Rights Reform Program	TC	15.1	ATN/MT-5078-HA	F	1995	650
101	Haiti	Investment Sector Loan	Loan	15.2	HA-0046	F	1996	52,495
102	Honduras	Multisector Global Credit Program	Loan	16.1	HO-0034	F / I / M / S	1992	60,000
103	Honduras	Program to Strengthen the Banking and Insurance Commission	TC	16.2	ATN/MT-5235-HO	F / I / S	1996	1,530
104	Honduras	Program to Strengthen the Financial Sector	TC	16.3	ATN/MT-7240-HO	F / I	2000	1,457
105	Honduras	Strengthening the Macroeconomic Information of the Central Bank	TC	16.4	ATN/SF-7320-HO	F	2001	750
106	Honduras	Financial Preparedness for Catastrophes	TC	16.5	ATN/SF-8025-HO	O	2002	150
107	Honduras	Financial Sector Program	Loan	16.6	HO0219	F	2004	25,000
108	Honduras	Adoption of International Financial Reporting and Auditing Standards	TC	16.7	ATN/MT-8802-HO	F / S	2004	490
109	Jamaica	Adjustment Program for Trade, Finance and Investment Sector	Loan	17.1	JA-0019	F / S	1991	76,092
110	Jamaica	Institutional Support of FINSAC	TC	17.2	ATN/MT-5735-JA	I	1997	1,445
111	Jamaica	Financial Sector Reform	Loan	17.3	JA-0049	F / I / P / S	2000	150,000
112	Jamaica	Strengthening the Supervision of Non-Deposit Taking Activity	TC	17.4	ATN/SF-7700-JA	I / P / S	2001	700
113	Jamaica	Adoption of International Financial Reporting and Auditing Standards	TC	17.5	ATN/MT-8113-JA	F / S	2002	665
114	Mexico	Global Credit Program for Medium and Small Business	Loan	18.1	ME-0152	M	1992	250,000
115	Mexico	Corporate Strengthening of Financial Institutions Program	Loan	18.2	ME-0126	F / M	1995	250,000
116	Mexico	Financial Sector Restructuring Program	Loan	18.3	ME-0188	F / S	1995	750,000
117	Mexico	Contractual Savings Development Program	Loan	18.4	ME-0197	I / P / S	1996	300,000
118	Mexico	Support to the Comisión Nacional Bancaria y de Valores de México	Loan	18.5	ME-0059	F / S	1997	8,000
119	Mexico	Capital Market Development	TC	18.6	ATN/MT-6085-ME	S	1998	1,500
120	Mexico	Multisectoral Global Credit Program	Loan	18.7	ME-0117	M	2000	300,000

Table 1 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Area ²	Year	Amount US\$'000s
121	Mexico	Support Consolidation of Banking Sector Reform Program	Loan	18.8	ME-0227	F	2000	250,000
122	Mexico	Support for Small Farmers through PROCAMPO	Loan	18.9	ME-0213	O	2001	500,000
123	Mexico	Capitalization of Remittances for Local Economic Development	TC	18.10	ATN/ME-7717-ME	O	2001	1,115
124	Mexico	Remittances for Rural Development Program	TC	18.11	ATN/ME-7834-ME	O	2002	460
125	Mexico	Rural Financial System Consolidation Program	Loan	18.12	ME-0243	F	2003	300,000
126	Mexico	Convergence with the International Financial Reporting Standards	TC	18.13	ATN/MT-8243-ME	F / S	2003	1,700
127	Mexico	Bankable Property Rights in Mexico	TC	18.14	ATN/MT-8245-ME	F	2003	2,000
128	Mexico	Hipotecaria Nacional Mortgage Backed Security	Loan	18.15	ME-L1003	H	2004	75,000
129	Mexico	Program to Incorporate Business Assets into the Formal Sector	TC	18.16	ME-M1002	O	2004	2,600
130	Nicaragua	Trade and Finance Adjustment Program	Loan	19.1	NI-0012	F	1991	132,500
131	Nicaragua	Global Credit Program for Microenterprises	Loan	19.2	NI-0035	M	1993	23,600
132	Nicaragua	Debt Reduction Program	Loan	19.3	NI-0082	D	1995	40,000
133	Nicaragua	Strengthening of the Central Bank of Nicaragua	Loan	19.4	NI-0087	F	1995	3,450
134	Nicaragua	Commodity Exchange Support Program: BAGSA	TC	19.5	ATN/MT-5064-NI	O	1995	375
135	Nicaragua	Financial Sector Reform Program	Loan	19.6	NI-0104	F	1998	65,000
136	Nicaragua	Financial Sector Reform Program	TC	19.7	NI-0106	F	1998	765
137	Nicaragua	Capital Markets Modernization Program	TC	19.8	ATN/MT-6157-NI	S	1998	998
138	Nicaragua	Program for Strengthening Accounting and Auditing Practices	TC	19.9	ATN/MN-6715-NI	F / S	1999	923
139	Nicaragua	Legal Framework of New Pension System	TC	19.10	ATN/MT-6573-NI	P	1999	1,200
140	Nicaragua	Support of the Pension System Reform	Loan	19.11	NI-0101	P	2001	30,000
141	Nicaragua	Support for the Superintendency of Banks	TC	19.12	ATN/MT-7975-NI	F	2002	1,238
142	Nicaragua	Multisectoral Global Program	Loan	19.13	NI-0167	M	2003	30,000
143	Nicaragua	Improvement in the Secured Transactions Framework	TC	19.14	ATN/MT-8428-NI	F	2003	700
144	Panama	External Debt and Debt-Service Reduction Program	Loan	20.1	PN-0098	D	1995	30,000
145	Panama	Financial Sector Reform Program	Loan	20.2	PN-0056	F / P / S	1997	130,130
146	Panama	Project to Strengthen the Securities Commission	TC	20.3	ATN/MT-5785-PN	S	1997	1,200
147	Panama	Commodity Exchange Support Program: Bolsa Agropecuaria e Industrial	TC	20.4	ATN/MT-6665-PN	O	1999	482
148	Paraguay	Industrial Credit Program	Loan	21.1	PR-0065	O	1990	30,000
149	Paraguay	Investment Sector Program	Loan	21.2	PR-0003	F / I / S	1992	81,500
150	Paraguay	Global Microenterprise Credit Program	Loan	21.3	PR-0013	M	1992	10,000
151	Paraguay	Institutional Strengthening of the Bank Superintendency	TC	21.4	ATN/MT-5479-PR	F	1997	1,200
152	Paraguay	Global Microenterprise Credit Program II	Loan	21.5	PR-0094	M	1997	20,000
153	Paraguay	Insurance Industry Reform	TC	21.6	ATN/MT-6357-PR	I	1999	915
154	Paraguay	Strengthening of Transparency and Formalization of the Financial System	TC	21.7	ATN/MT-7926-PR	F	2002	641
155	Peru	Financial Sector Reform	Loan	22.1	PE-0033	F / I	1992	221,825
156	Peru	Multisector Credit Program	Loan	22.2	PE-0113	M	1994	100,000
157	Peru	Global Microenterprise Credit Program	Loan	22.3	PE-0035	M	1995	25,000
158	Peru	Citizen Participation in Privatization and Capital Market Development	TC	22.4	ATN/MT-4909-PE	S	1995	1,731
159	Peru	Investment Sector Reform Program	Loan	22.5	PE-0097	F / I	1996	150,000
160	Peru	Debt and Debt Service Reduction Program	Loan	22.6	PE-0103	D	1996	235,500

Table 1 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Area ²	Year	Amount US\$'000s
161	Peru	Global Microenterprise Credit Program	Loan	22.7	PE-0189	M	1998	30,000
162	Peru	Multisector Credit Program	Loan	22.8	PE-0191	M / S	1998	200,000
163	Peru	Support Program for Instituto de Formación Bancaria	TC	22.9	ATN/MT-5879-PE	O	1998	1,300
164	Peru	Financial Sector Reform Program	Loan	22.10	PE-0202	F / I / S / H	1999	310,900
165	Peru	Graña y Montero Bond Guarantee Project	Guarantee	22.11	PE0216	S	2003	10,000
166	Peru	Capital Market Development Program	TC	22.12	ATN/MT-8244-PE	S	2003	1,146
167	Suriname	Advisory Services to the Central Bank of Suriname	TC	23.1	ATN/SF-7914-SU	F	2002	100
168	Suriname	Financial Sector Strengthening and Rationalization Program	TC	23.2	ATN/SF-8311-SU	F	2003	500
169	Trinidad & Tobago	Investment Sector Reform Program	Loan	24.1	TT-0012	S	1993	80,000
170	Trinidad & Tobago	Technical Cooperation to Strengthen Bank Supervision	TC	24.2	ATN/MT-6025-TT	F	1998	720
171	Trinidad & Tobago	Integrated Financial Sector Supervision	TC	24.3	ATN/MT-6983-TT	F / I / P	2000	1,186
172	Trinidad & Tobago	Secured Transactions	TC	24.4	ATN/MT-7064-TT	F	2000	650
173	Trinidad & Tobago	Application of International Accounting and Auditing Standards	TC	24.5	ATN/MT-8114-TT	F / S	2002	665
174	Uruguay	Global Credit Program for Microenterprises	Loan	25.1	UR-0033	M	1990	9,200
175	Uruguay	Financial Sector Program	Loan	25.2	UR-0031	F	1991	151,700
176	Uruguay	Investment Sector Reform Program	Loan	25.3	UR-0057	F / I / P / S	1992	68,800
177	Uruguay	Multisector Global Credit Program I	Loan	25.4	UR-0063	F / M	1992	90,000
178	Uruguay	Loan Operation to Assist the Government with Social Security Reform	Loan	25.5	UR-0108	P / S	1996	150,000
179	Uruguay	Multisector Global Credit Program II	Loan	25.6	UR-0021	M / S	1998	155,000
180	Uruguay	Capital Markets Development	TC	25.7	ATN/MT-6098-UR	I / S	1998	1,336
181	Uruguay	Multisector Global Financing Program III	Loan	25.8	UR-0136	M	2002	180,000
182	Uruguay	Adoption of International Financial Reporting and Auditing Standards	TC	25.9	ATN/MT-8476-UR	F / S	2003	420
183	Uruguay	Sector Program to Strengthen the Banking System	Loan	25.10	UR0150	F	2003	200,000
184	Uruguay	ABN AMRO Uruguay Trade Finance Facility	Guarantee	25.11	UR0152	O	2004	22,500
185	Venezuela	Financial Sector Reform Program	Loan	26.1	VE-0071	F / S	1990	300,000
186	Venezuela	Program to Strengthen the Financial System	TC	26.2	VE-0101	F / I / S	1995	14,000
187	Venezuela	Social Security Reform	Loan	26.3	VE-0100	P	1998	395,000
188	Venezuela	Strengthening of the Venezuelan Agricultural Commodities Exchange	TC	26.4	ATN/MT-6872-VE	O	2000	485
189	Reg.: Latin Am.	Financial and Securities Markets Development Program	TC	27.1	ATN/SF-5274-RG	F / I / P / S	1996	850
190	Reg.: Latin Am.	Bank and Securities Markets Supervision Regional Training Program	TC	27.2	ATN/MT-5855-RG	F / S	1997	1,300
191	Reg.: Latin Am.	Integrity of Financial Markets	TC	27.3	ATN/MT-5909-RG	F	1998	480
192	Reg.: Latin Am.	Implementation of Basle Core Principles	TC	27.4	ATN/SF-6169-RG	F	1998	100
193	Reg.: Latin Am.	Financial Sector Activities and Poverty Reduction in LAC	TC	27.5	ATN/SF-7297-RG	O	2000	115
194	Reg.: Latin Am.	Regional Financial Sector Policy Framework	TC	27.6	ATN/SF-7464-RG	F / I / S	2001	150
195	Reg.: Latin Am.	Exchange of Know-How and Experience among Development Banks in LAC	TC	27.7	ATN/MT-7872-RG	O	2002	275
196	Reg.: Latin Am.	Mobilization of Remittances through Microfinance Institutions	TC	27.8	ATN/ME-8695-RG	O	2004	825
197	Reg.: Latin Am.	Economic Integration, Remittances and Development	TC	27.9	ATN/SF-8770-RG	O	2004	150
198	Reg.: Latin Am.	Crecera Regional Trade Finance Facility	Loan	27.10	RG-L1002	O	2004	15,000
199	Reg.: Latin Am.	Trade Finance Facilitation Program	Guarantee	27.11	RG-L1003	O	2004	400,000
200	Reg.: Andean Reg.	Andean Development Corporation Multisector Credit Program	Loan	28.1	RG-0010	M	1993	200,000

Table 1 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Area ²	Year	Amount US\$'000s
201	Reg.: Andean Reg.	Creation of a Communitarian Mechanism of Financial Deposits Reinsurance	TC	28.2	ATN/SF-7018-RG	I	2000	78
202	Reg.: Central Am.	Central American Harmonization of Capital Markets	TC	29.1	ATN/MT-4532-RG	S	1994	2,900
203	Reg.: Central Am.	Credit Program for the Central American Bank for Economic Integration	Loan	29.2	CA-0008	M	1997	100,000
204	Reg.: Central Am.	Program for Harmonization of Public Debt Markets	TC	29.3	ATN/MT-7357-RG	S	2001	600
205	Reg.: Central Am.	Strengthening and Harmonization of Payment Systems	TC	29.4	ATN/MT-8544-RG	F	2003	900
206	Reg.: Caribbean	Caribbean Harmonization of Capital Markets	TC	30.1	ATN/MT-4691-RG	S	1994	2,204
207	Reg.: Caribbean	Credit Program for Small Caribbean States	Loan	30.2	RG-0037	M	1996	37,000
208	Reg.: Caribbean	Eastern Caribbean States Capital Markets Development Program	TC	30.3	ATN/MT-5353-RG	S	1996	1,223
209	Reg.: Caribbean	Global Credit for Small Caribbean States	Loan	30.4	RG-0056	M	2002	20,000
210	Reg.: Caribbean	Supporting the establishment of a Caribbean Credit Rating Service	TC	30.5	RG-M1023	S	2004	325
211	Reg.: Mercosur	MERCOSUR Financial Systems Integration	TC	31.1	ATN/SF-7032-RG	O	2000	150
212	Reg.: South Am.	Creation and Development of Financial Intelligence Units	TC	32.1	ATN/MT-7884-RG	F / I / S	2002	1,320
213	Reg.: South Am.	Training for Eval. of the Financial Action Task Force on Money Laundering	TC	32.2	ATN/MT-7968-RG	O	2002	120
TOTAL								\$21,130,763

¹ The reference indicates the location of the project's description in Section 4.² Project areas of interest — D: Debt Reduction; F: Strengthening Financial Intermediation; H: Housing Finance; I: Insurance Market; M: Multisector Programs; P: Pension Reform; S: Securities Markets, and O: Others.

Table 2: IIC Operations by Country

No.	Country	Project Name	Project Code	Type	Approval Year	Amount US\$'000s
Financial Inter. Loans						
1	Argentina	Banco de Galicia y Buenos Aires S.A.	AR1029A-01	Loan	1992	10,000
2	Argentina	Velox/VINSA	AR1032A-01	Loan/Equity	1993	6,500
3	Argentina	Banco Mayorista	AR1056A-01	Loan/Equity	1993	4,000
4	Argentina	Banco de Galicia y Buenos Aires S.A.	AR1029B-01	Loan	1998	10,000
5	Argentina	Banco Río de la Plata S.A.	AR1145A-01	Loan	1999	10,000
6	Barbados	Caribbean Financial Services Corporation	BA1013A-01	Loan	2003	3,000
7	Bolivia	BancoSol	BO0011A-01	Equity	1990	1,325
8	Bolivia	BBA	BO1008A-01	Loan	1991	6,000
9	Bolivia	BHN	BO0002A-01	Loan	1992	3,750
10	Bolivia	BISA Leasing S.A.	BO1055A-01	Loan	1998	4,000
11	Bolivia	Banco Económico S.A.	BO1056A-01	Loan	1998	7,000
12	Bolivia	Banco Mercantil S.A.	BO0015A-01	Loan	1999	10,000
13	Bolivia	Banco Bisa S.A.	BO1027B-01	Loan	1999	10,000
14	Bolivia	Caja Los Andes S.A. Fondo Financiero	BO3102A-01	Loan	2004	2,000
15	Bolivia	Fondo Financiero Privado PRODEM	BO3178A-01	Loan	2004	1,000
16	Brazil	BMC	BR1007A-01	Loan	1991	8,000
17	Brazil	Itamarati	BR1021A-01	Loan	1992	10,000
18	Brazil	BCN	BR1049A-01	Loan	1994	6,000
19	Brazil	Banco Credibanco S.A.	BR1063A-01	Loan	1997	10,000
20	Brazil	Leasecorp	BR1078A-01	Loan	1998	8,000
21	Brazil	Banco Industrial do Brazil S.A.	BR1086A-01	Loan	1998	8,000
22	Brazil	Servicos Financeiros Imobiliários Ltda.	BR1102A-01	Loan	2000	1,000
23	Brazil	Banco Santos S.A.	BR1092A-01	Loan	2001	10,000
24	Brazil	Banco Safra S.A.	BR1126A-01	Loan	2003	10,000
25	Brazil	Banco Rabobank International Brasil S.A.	BR1129A-01	Loan	2003	15,000
26	Brazil	Banco Rabobank International Brasil S.A.	BR1129B-01	Loan	2004	15,000
27	Brazil	BicBanco S.A.	BR1131A-01	Loan	2004	5,000
28	Brazil	Banco ABN AMRO Real S.A.	BR2058A-01	Loan	2004	10,000
29	Chile	Delta Leasing Habitacional S.A.	CH1069A-01	Loan/Equity	2000	8,000
30	Chile	Banco del Desarrollo	CH1062C-01	Equity	2001	10,000
31	Chile	FactorLine S.A.	CH2962A-01	Loan	2004	3,000
32	Colombia	CFD	CO1006A-01	Equity	1991	3,000
33	Colombia	COFINORTE	CO1007A-01	Loan	1992	8,000
34	Colombia	Leasing Colmena	CO1043A-01	Loan	1993	3,000
35	Colombia	Corfioccidente	CO1052A-01	Loan	1994	3,000
36	Colombia	Leasing Bolivar S.A.	CO1077A-01	Equity	1997	6,000
37	Colombia	Corporación Financiera Santander S.A.	CO1078A-01	Loan	1997	10,000
38	Colombia	Banco de Bogotá S.A.	CO1095A-01	Loan	2002	10,000
39	Colombia	Caja de Compensación Familiar de Antioquia	CO3160A-01	Loan	2004	3,000
40	Costa Rica	PICSA	CR1001A-01	Loan	1991	5,000
41	Costa Rica	BANEX	CR1006A-01	Loan/Equity	1992	3,500
42	Costa Rica	Banco Interfin S.A.	CR1001B-01	Loan	1998	6,000
43	Costa Rica	Banco Improsa S.A.	CR1073A-01	Loan	2000	6,000
44	Costa Rica	Arrendadora Interfin S.A.	CR1077A-01	Loan	2003	5,000
45	Costa Rica	Banco San José S.A.	CR3041A-01	Loan	2004	10,000

Table 2 continued

No.	Country	Project Name	Project Code	Type	Approval Year	Amount US\$'000s
46	Dominican Rep.	Banco Intercontinental S.A.	DR1013A-01	Loan	1992	4,000
47	Dominican Rep.	Banco Mercantil S.A.	DR1023A-01	Loan	1994	3,500
48	Dominican Rep.	Banco Intercontinental S.A.	DR1013B-01	Loan	1996	3,000
49	Dominican Rep.	Banco Nacional de Crédito S.A.	DR1032A-01	Loan	1998	7,500
50	Dominican Rep.	Banco Popular Dominicano C.A.	DR1037A-01	Loan	2000	10,000
51	Ecuador	FINAGRO	EC1004A-01	Loan/Equity	1992	2,500
52	Ecuador	FINAGRO	EC1004A-02	Equity	1995	500
53	Ecuador	CTH	EC1027A-01	Loan	1998	5,000
54	Ecuador	Banco del Progreso S.A.	EC1028A-01	Loan	1998	10,000
55	Ecuador	Banco de la Producción S.A.	EC1042A-01	Loan	2003	7,000
56	Ecuador	Banco Bolivariano C.A.	EC1045A-01	Loan	2003	5,000
57	Ecuador	Banco ProCredit Ecuador S.A.	EC3099A-01	Loan	2004	2,250
58	El Salvador	Banco Hipotecario de El Salvador S.A.	ES1017A-01	Equity	1997	2,500
59	El Salvador	Banco ProCredit El Salvador S.A.	ES3100A-01	Loan	2004	2,000
60	Guatemala	FactorRent	GU1031A-01	Loan/Equity	1996	3,500
61	Guatemala	Banco de Occidente S.A.	GU1041A-01	Loan	1999	6,000
62	Guyana	Equity investment to DFLSA, Inc.	GY3162A-01	Equity	2004	200
63	Honduras	BGA	HO1015A-01	Loan	1993	3,500
64	Honduras	Banco la Capitalizadora Hondureña S.A.	HO1015B-01	Loan	1999	7,000
65	Honduras	Banco Financiera Comercial Hondureña S.A.	HO1028A-01	Loan	1999	7,000
66	Honduras	Banco Financiera Centroamericana S.A.	HO1032A-01	Loan	1999	4,000
67	Jamaica	Trafalgar Develop.	JA0003A-01	Loan	1990	3,000
68	Jamaica	EMB	JA0005A-01	Loan	1993	5,000
69	Jamaica	Citizens Bank	JA1005A-01	Loan	1994	4,000
70	Jamaica	RBTT Bank Jamaica Limited	JA1041A-01	Loan	2003	10,000
71	Mexico	Serfin	ME0017A-01	Loan	1990	5,500
72	Mexico	BANCEN	ME1041A-01	Loan	1992	10,000
73	Mexico	FINMICRO	ME1013A-01	Equity	1993	1,028
74	Mexico	FICEN	ME1073A-01	Loan/Equity	1994	2,900
75	Mexico	Banco del Bajío S.A.	ME1134A-01	Loan	1999	6,000
76	Nicaragua	Banco Mercantil S.A.	NI1003A-01	Loan/Equity	1991	3,000
77	Nicaragua	Banco de Crédito Centroamericano S.A.	NI1029A-01	Loan	1997	3,300
78	Nicaragua	Financiera Delta S.A.	NI1033A-01	Loan	1998	4,000
79	Nicaragua	Banco de Crédito Centroamericano S.A.	NI1029B-01	Loan	1999	6,000
80	Nicaragua	Banco de la Exportación S.A.	NI1035A-01	Loan	1999	5,000
81	Nicaragua	Financiera Nicaraguense de Desarrollo S.A.	NI3005A-01	Loan	2004	900
82	Nicaragua	Banco ProCredit Nicaragua S.A.	NI3101A-01	Loan	2004	1,250
83	Panama	Financiera Delta	PN1006A-01	Loan	1993	3,000
84	Panama	Wall Street	PN1007A-01	Loan	1994	3,500
85	Panama	Grupo Financiero Delta Corporation II	PN1006B-01	Loan	1998	4,000
86	Panama	Primer Banco del Istmo S.A.	PN1016B-01	Loan	2003	10,000
87	Paraguay	BAPSA	PR0007A-01	Loan	1991	4,000
88	Paraguay	Multibanco	PR1035A-01	Loan	1998	5,000
89	Paraguay	Banco Alemán Paraguayo S.A.	PR1036A-01	Loan	1999	7,500
90	Paraguay	Banco Regional S.A.	PR1041A-01	Loan	2003	1,000
91	Peru	Banco Santander	PE1015A-01	Loan	1992	8,000

Table 2 continued

No.	Country	Project Name	Project Code	Type	Approval Year	Amount US\$'000s
92	Peru	Nueva Vida	PE1063A-01	Equity	1995	2,500
93	Peru	BANEX	PE1083A-01	Loan/Equity	1997	6,000
94	Peru	NBK Bank	PE1099A-01	Loan	1998	10,000
95	Peru	Banco del Nuevo Mundo S.A.E.M.A.	PE1100A-01	Loan	1998	10,000
96	Peru	Banco Internacional del Perú-Interbank	PE1101A-01	Loan	1999	10,000
97	Peru	America Leasing S.A.	PE1113A-01	Loan	2001	5,000
98	Peru	Banco Interamericano de Finanzas	PE1109B-01	Loan	2002	2,000
99	Peru	Banco Interamericano de Finanzas	PE1109C-02	Loan	2004	3,000
100	Trinidad & T.	D.F.L.	TT0003A-01	Loan/Equity	1991	3,100
101	Trinidad & T.	Republic Bank Limited	TT1011A-01	Loan	1999	10,000
102	Uruguay	Surinvest	UR0003A-01	Loan	1992	6,000
103	Venezuela	Bancaracas	VE1005A-01	Loan	1991	8,500
104	Regional	PLG	RG1060A-01	Loan	1999	15,000
105	Regional	CIFI	RG1077A-01	Equity	2001	10,000
106	Regional	Suleasing Internacional S.A.	RG1082A-01	Loan	2002	10,000
107	Regional	BAC International Bank, Inc.	RC3145A-01	Loan	2004	20,000
				Subtotal		651,003
Colending Programs						
1	Argentina	Banco de Inversión y Comercio Exterior S.A.		Loan	2004	10,000
2	Chile	Banco del Desarrollo		Loan	2000	10,000
3	Dom. Republic	Banco Popular Dominicano C.A.		Loan	2000	15,000
4	Mexico	NAFIN		Loan	2003	20,000
5	Uruguay	Banco de Montevideo S.A.		Loan	1999	14,100
6	Regional	CBP Debt Facility		Loan	1998	20,000
7	Regional	Latin American Agribusiness Develop. Corp.		Loan	1999	7,675
8	Regional	Compañía Española de Financiación del Des.		Loan	2003	30,000
9	Regional	Central American Bank for Economic Int.		Loan	2004	20,000
				Subtotal		146,775
Investment Funds						
1	Argentina	Argentina Advent		Equity	1994	2,100
2	Brazil	Brazilian Equity		Equity	1995	5,000
3	Brazil	Bozano		Equity	1996	4,000
4	Brazil	MG-FIEE		Equity	1997	4,000
5	Chile	Santiago Advent		Equity	1994	1,600
6	Chile	Midway Fund		Equity	1996	4,500
7	Chile	Negocios Internacionales		Equity	2000	4,000
8	Colombia	Fondo Corfinsura		Equity	1995	3,333
9	Jamaica	Jamaica Production		Equity	1993	1,518
10	Mexico	OPCAP		Equity	1991	3,010
11	Mexico	Procorp Advent ME		Equity	1995	3,000
12	Mexico	MPEF		Equity	1996	3,000
13	Mexico	BPEF I		Equity	1997	5,200
14	Mexico	Opticap S.A. II		Equity	1998	8,000
15	Mexico	BPEF II		Equity	1998	5,085
16	Mexico	Multindfund		Equity	2000	8,000
17	Mexico	Discovery Americas		Equity	2004	3,000

Table 2 continued

No.	Country	Project Name	Project Code	Type	Approval Year	Amount US\$'000s
18	Uruguay	Fofip		Equity	1992	2,025
19	Venezuela	Fonprica		Equity	1992	2,240
20	Regional	Oroya		Equity	1993	1,900
21	Regional	Advent		Equity	1993	5,050
22	Regional	Fondelec		Equity	1994	5,050
23	Regional	CAIF		Equity	1995	3,000
24	Regional	Andean Fund		Equity	1995	4,000
25	Regional	INVER PRIVADAS		Equity	1996	5,000
26	Regional	Inter-American CF		Equity	1996	5,000
27	Regional	Eldon Fund		Equity	1997	8,000
28	Regional	Latin Health Care		Equity	1997	5,000
29	Regional	Newbridge Andean		Equity	1997	5,000
30	Regional	Essential Services		Equity	1997	5,000
31	Regional	S.A. Private Equity Fund		Equity	1997	10,000
32	Regional	WestSphere Latin America P.E. Growth Fund		Equity	1998	10,000
33	Regional	CBPF		Equity	1998	5,000
34	Regional	Scudder Latin Power		Equity	1998	7,000
35	Regional	Compass Fund		Equity	1999	10,000
36	Regional	Caribbean Investment Fund		Equity	1999	7,500
37	Regional	Advent II		Equity	2000	10,000
38	Regional	CEA LACP, LP		Equity	2000	7,500
39	Regional	CAGF LP		Equity	2000	5,000
40	Regional	Cori Capital Partners		Equity	2001	10,000
				Subtotal		206,611
Others						
1	Brazil	Brazilian Securities Companhia de Sec.	BR-1099A	Loan	2000	10,300
2	Brazil	Brazilian Mortgages Companhia Hipotecaria	BR-1117A	Loan	2000	200
3	Brazil	Brazilian Securities Companhia de Sec.	BR-1099B	Loan	2001	10,000
4	Brazil	Brazilian Mortgages Companhia Hipotecaria	BR-1117B	Loan	2001	5,000
5	Mexico	Cablemás S.A. Stock Market Certificate Issue	ME-3170A	Guarantee	2004	7,600
				Subtotal		33,100
				TOTAL		1,037,489

Table 3: IDB Group Operations that Focus on Strengthening Financial Intermediation

No.	Country	Project Name	Type	Ref. ¹	Project Code	Activities ²	Year	Amount US\$'000s
1	Argentina	Public Sector Reform Program	Loan	1.2	AR-0215	BS / LR / PN / PT	1991	325,000
2	Argentina	Investment Sector Reform Program	Loan	1.3	AR-0059	BS / PT / SP	1992	350,000
3	Argentina	Provincial Banks Privatization Sector Loan	Loan	1.6	AR-0187	BR / LR	1995	750,000
4	Argentina	Credit Guarantee System for SMEs	TC	1.7	ATN/MT-5080-AR	LR / SP	1995	610
5	Argentina	Structural Adjustment Program and Strengthening of Banking	Loan	1.10	AR-0254	AD / CB / LR / PN / SP	1998	1,500,000
6	Barbados	Investment Sector Reform Program	Loan	3.1	BA-0012	BR / LR / PN	1995	35,000
7	Belize	Banking and Non-banking Supervision	TC	4.1	ATN/MT-8538-BL	LR / PN / PT / SP	2003	500
8	Bolivia	Global Multisector Credit Program II	Loan	5.3	BO-0034	AD / BS / SP	1994	70,000
9	Bolivia	Structural Reforms and Capitalization Program	Loan	5.4	BO-0094	LR / PN / SP	1995	70,000
10	Bolivia	Strengthening of the Superintendency of Banks	TC	5.7	ATN/MT-5946-BO	AD / BS / LR / PN / PT / SP	1998	1,200
11	Chile	Investment Sector Reform Program	Loan	7.1	CH-0044	BS / PN / SP	1991	150,000
12	Chile	International Financial Reporting and Auditing Standards	TC	7.7	ATN/MT-8617-CH	AD	2004	750
13	Chile	Strengthening Regulation and Oversight of Cooperatives	TC	7.8	ATN/MT-8696-CH	LR / PN / PT / SP	2004	1,136
14	Colombia	Investment Sector Program	Loan	8.2	CO-0035	AD / PN	1991	205,000
15	Colombia	Financial Sector Reform	Loan	8.4	CO-0232	BS / LR / PT	1999	300,000
16	Costa Rica	Investment Sector Reform Program	Loan	9.2	CR-0032	BS / PN / PT	1993	100,000
17	Costa Rica	Opening Up the Financial System to the Private Sector	TC	9.6	ATN/MT-5643-CR	AD / BR / BS / PN / PT / SP	1997	1,600
18	Costa Rica	Improving the Quality of Financial Reporting	TC	9.8	ATN/MT-8843-CR	AD	2004	435
19	Dominican Rep.	Financial Sector Reform Program	Loan	10.1	DR-0016	BS / LR / PN / PT / SP	1993	102,000
20	Dominican Rep.	Support Program for Bank Supervision	TC	10.3	ATN/MT-7252-DR	BS / LR / PN / PT / SP	2000	1,300
21	Dominican Rep.	Strengthening Supervision and Regulation of the Banking System	Loan	10.5	DR-L1001	CB / LR / SP	2003	6,000
22	Dominican Rep.	Financial and Monetary Law Implementation	TC	10.8	ATN/SF-8578-DR	CB / LR	2003	200
23	Dominican Rep.	Financial Reform Consolidation Program	Loan	10.9	DR-0151	AD / BS / CB / LR / PN / SP	2004	100,000
24	Ecuador	Financial Sector Reform Program	Loan	11.3	EC-0043	PN / PT	1994	110,000
25	Ecuador	Investment Sector Program	Loan	11.6	EC-0194	BS / SP	2000	150,000
26	El Salvador	Multisector Global Credit Program	Loan	12.1	ES-0086	LR	1990	60,000
27	El Salvador	Investment Sector Reform Program	Loan	12.2	ES-0016	BS / PN / PT / SP	1992	90,000
28	El Salvador	Strengthening the Financial Sector Superintendency	TC	12.4	ATN/MT-4471-ES	BS / LR / PN / PT / SP	1994	1,832
29	El Salvador	Strengthen Financial Sector Supervision	Loan	12.7	ES-0115	AD / BS / LR / PN / PT / SP	1999	3,802
30	El Salvador	Support Program for the Financial Sector	TC	12.8	ATN/MT-6400-ES	AD / BS / LR / PN / PT / SP	1999	2,962
31	Guatemala	Financial Sector Reform Program	Loan	13.2	GU-0018	BS / LR / PN / PT / SP	1993	132,000
32	Guatemala	Financial Sector Reform Program	Loan	13.4	GU-0119	BS / LR / SP	2002	200,000
33	Guatemala	Project to Strengthen Bank Supervision	TC	13.5	ATN/MT-7827-GU	AD / BS / LR / SP	2002	1,000
34	Guyana	Financial Sector Adjustment Program	Loan	14.1	GY-0032	LR	1995	38,000
35	Guyana	Strengthening System of Property Rights	TC	14.2	ATN/MT-6671-GY	LR	1999	940
36	Guyana	Strengthening Banking Supervision	TC	14.3	ATN/SF-7597-GY	BS / LR / PN / SP	2001	700
37	Haiti	Bankable Property Rights Reform Program	TC	15.1	ATN/MT-5078-HA	LR	1995	650
38	Haiti	Investment Sector Loan	Loan	15.2	HA-0046	LR	1996	52,495
39	Honduras	Multisector Global Credit Program	Loan	16.1	HO-0034	BS / PN / PT / SP	1992	60,000
40	Honduras	Strengthening the Banking and Insurance Commission	TC	16.2	ATN/MT-5235-HO	BS / LR / PN / PT / SP	1996	1,530

Table 3 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Activities ²	Year	Amount US\$/000s
41	Honduras	Program to Strengthen the Financial Sector	TC	16.3	ATN/MT-7240-HO	LR / PT	2000	1,457
42	Honduras	Strengthening Macroeconomic Information of the Central Bank	TC	16.4	ATN/SF-7320-HO	CB	2001	750
43	Honduras	Financial Sector Reform Program	Loan	16.6	HO0219	LR / PN / SP	2004	25,000
44	Honduras	Adoption of International Financial Reporting Standards	TC	16.7	ATN/MT-8802-HO	AD	2004	490
45	Jamaica	Adjustment Program for Trade, Finance and Investment Sector	Loan	17.1	JA-0019	LR / PN / PT / SP	1991	76,092
46	Jamaica	Financial Sector Reform Program	Loan	17.3	JA-0049	BR / LR / PT / SP	2000	150,000
47	Jamaica	Adoption of International Financial Reporting Standards	TC	17.5	ATN/MT-8113-JA	AD	2002	665
48	Mexico	Corporate Strengthening of Financial Institutions Program	Loan	18.2	ME-0126	BR	1995	250,000
49	Mexico	Financial Sector Restructuring Program	Loan	18.3	ME-0188	AD / BR / BS / PN / PT	1995	750,000
50	Mexico	Support to the Comisión Nacional Bancaria y de Valores	Loan	18.5	ME-0059	LR / SP	1997	8,000
51	Mexico	Support Consolidation of Banking Sector Reform Program	Loan	18.8	ME-0227	AD / BR / LR / PN	2000	250,000
52	Mexico	Rural Financial System Consolidation Program	Loan	18.12	ME0243	BR	2003	300,000
53	Mexico	Adoption of International Financial Reporting Standards	TC	18.13	ATN/MT-8243-ME	AD	2003	1,700
54	Mexico	Bankable Property Rights in Mexico	TC	18.14	ATN/MT-8245-ME	LR	2003	2,000
55	Nicaragua	Trade and Finance Adjustment Program	Loan	19.1	NI-0012	LR	1991	132,500
56	Nicaragua	Strengthening of the Central Bank	Loan	19.4	NI-0087	CB / LR	1995	3,450
57	Nicaragua	Financial Sector Reform Program	Loan	19.6	NI-0104	LR / SP	1998	65,000
58	Nicaragua	Financial Sector Reform Program	TC	19.7	NI-0106	LR	1998	765
59	Nicaragua	Program for Strengthening Accounting and Auditing Practices	TC	19.9	ATN/MN-6715-NI	AD	1999	923
60	Nicaragua	Support for the Superintendency of Banks	TC	19.12	ATN/MT-7975-NI	AD / BS / LR / PT / SP	2002	1,238
61	Nicaragua	Improving the Secured Transactions Framework	TC	19.14	ATN/MT-8428-NI	LR	2003	700
62	Panama	Financial Sector Reform Program	Loan	20.2	PN-0056	AD / BR / LR / SP	1997	130,130
63	Paraguay	Investment Sector Program	Loan	21.2	PR-0003	AD / BS / LR / PN / SP	1992	81,500
64	Paraguay	Institutional Strengthening of the Bank Superintendency	TC	21.4	ATN/MT-5479-PR	AD / LR / PN / PT	1996	1,200
65	Paraguay	Strengthening of Transparency of the Financial System	TC	21.7	ATN/MT-7926-PR	AD / LR / PN / PT / SP	2002	641
66	Peru	Financial Sector Reform Program	Loan	22.1	PE0033	BS / PN / PT	1992	221,825
67	Peru	Investment Sector Reform Program	Loan	22.5	PE-0097	BS / LR	1996	150,000
68	Peru	Financial Sector Reform Program	Loan	22.10	PE-0202	AD / LR / PN / PT / SP	1999	310,900
69	Suriname	Advisory Services to the Central Bank of Suriname	TC	23.1	ATN/SF-7914-SU	CB	2002	100
70	Suriname	Financial Sector Strength Program	TC	23.2	ATN/SF-8311-SU	BR	2003	500
71	Trinidad & Tob.	Technical Cooperation to Strengthen Bank Supervision	TC	24.2	ATN/MT-6025-TT	PT	1998	720
72	Trinidad & Tob.	Integrated Financial Sector Supervision	TC	24.3	ATN/MT-6983-TT	BS / SP	2000	1,186
73	Trinidad & Tob.	Improving the Secured Transactions Framework	TC	24.4	ATN/MT-7064-TT	LR	2000	650
74	Trinidad & Tob.	Application of International Financial Reporting Standards	TC	24.5	ATN/MT-8114-TT	AD	2002	665
75	Uruguay	Financial Sector Program	Loan	25.2	UR-0031	BS / LR / PN / PT / SP	1991	151,700
76	Uruguay	Investment Sector Reform Program	Loan	25.3	UR-0057	LR	1992	68,800
77	Uruguay	Multisector Global Credit Program I	Loan	25.4	UR-0063	PN / SP	1992	90,000
78	Uruguay	Adoption of International Financial Reporting Standards	TC	25.9	ATN/MT-8476-UR	AD	2003	420
79	Uruguay	Sector Program to Strengthen the Banking System	Loan	25.10	UR0150	LR / PN / SP	2003	200,000
80	Venezuela	Financial Sector Reform Program	Loan	26.1	VE-0071	CB / LR / PN / SP	1990	300,000

Table 3 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Activities ²	Year	Amount US\$'000s
81	Venezuela	Program to Strengthen the Financial System	TC	26.2	VE-0101	BS / LR / PN / SP	1995	14,000
82	Reg.: Latin Am.	Financial and Securities Markets Development Program	TC	27.1	ATN/SF-5274-RG	AD / BS / PN / PT / SP	1996	850
83	Reg.: Latin Am.	Bank and Securities Markets Supervision Regional Training Prog.	TC	27.2	ATN/MT-5855-RG	PT	1997	1,300
84	Reg.: Latin Am.	Integrity of Financial Markets	TC	27.3	ATN/MT-5909-RG	LR	1998	480
85	Reg.: Latin Am.	Implementation of Basle Core Principles	TC	27.4	ATN/SF-6169-RG	PN	1998	100
86	Reg.: Latin Am.	Regional Financial Sector Policy Framework	TC	27.6	ATN/SF-7464-RG	AD / BS / LR / SP	2001	150
87	Reg.: Central A.	Strengthening and Harmonization of Payment Systems	TC	29.4	ATN/MT-8544-RG	CB / LR / PT	2003	900
88	Reg.: South Am.	Creation and Development of Financial Intelligence Units	TC	32.1	ATN/MT-7884-RG	BS / LR / PT / SP	2002	1,320
TOTAL								8,727,409

For various operations presented in this table, it was not possible to separate the resources going to strengthen financial intermediation from those going to support other financial market development areas. As a result, the figure in the amount column represents the total amount of the operation and should not be taken to represent financing for this area only. This means that the total for the last column overestimates IDB resources going to this area.

¹ The reference indicates the location of the project's description in Section 4.

² Main activities considered in the project — AD: Auditing and Disclosure of information - Transparency; BR: Banking Restructuring; BS: Banking Superintendency Restructuring; CB: Central Bank; LR: Legal and Regulatory Framework; PN: Prudential Norms; PT: Professional Training; and SP: Supervision Procedures - Oversight and Enforcement.

Table 4: IDB Global and Multisector Credit Programs

No.	Country	Project Name	Ref. ¹	Project Code	Year	Amount US\$'000s
1	Argentina	Global Credit Program for Small Business and Microenterprise	1.1	AR-0213	1991	45,000
2	Argentina	Global Multisector Credit Program	1.5	AR-0055	1993	300,000
3	Argentina	Microenterprise Credit Program	1.11	AR-0127	1999	100,000
4	Bahamas	Multisector Credit Program	2.1	BH-0015	1992	21,000
5	Bolivia	Multisector Lending Program	5.1	BO-0088	1991	80,000
6	Bolivia	Global Multisector Credit Program	5.3	BO-0034	1994	70,000
7	Bolivia	Integrated Program for Support of the Micro and Small Enterprise	5.5	BO-0171	1998	35,000
8	Brazil	BNDES Global Multisector Credit Program	6.1	BR-0172	1990	250,000
9	Brazil	BNDES Global Multisector Credit Program	6.2	BR-0155	1995	300,000
10	Brazil	BNDES Global Multisector Credit Program	6.4	BR-0277	1998	1,100,000
11	Brazil	BNDES Global Credit Program for SMEs	6.6	BR-0310	1999	1,200,000
12	Brazil	Program to Expand Markets for SMEs in Northeastern Brazil	6.10	BR-0270	2001	150,000
13	Brazil	BNDES Program to support MSMEs	6.12	BR-0331	2001	900,000
14	Brazil	BNDES CCLIP Line and Program to support MSMEs	6.18	BR-0358	2004	1,000,000
15	Chile	Global Microenterprise Credit Program	7.2	CH-0033	1992	12,000
16	Chile	Multisector Global Financing Program	7.3	CH-0157	1999	240,000
17	Colombia	Global Credit Program for Microenterprises	8.1	CO-0086	1990	15,000
18	Colombia	Global Credit Program for Microenterprises	8.3	CO-0037	1993	30,000
19	Costa Rica	Global Microenterprise Credit Program	9.1	CR-0016	1992	10,000
20	Costa Rica	Multisector Credit Program	9.3	CR-0032	1993	70,000
21	Ecuador	Microenterprise Credit Program	11.1	EC-0110	1990	16,200
22	Ecuador	Multisector Global Credit Program	11.2	EC-0089	1991	102,270
23	El Salvador	Multisector Global Credit Program	12.1	ES-0086	1990	60,000
24	El Salvador	Global Microenterprise Credit	12.3	ES-0037	1993	24,000
25	El Salvador	Multisector Global Credit-Phase II	12.5	ES-0057	1995	100,000
26	El Salvador	Global Multisector Credit Program	12.11	ES-0130	2002	42,400
27	Guatemala	Guatemalan National Microenterprise Program	13.1	GU-0072	1992	10,000
28	Honduras	Multisector Global Credit Program	16.1	HO-0034	1992	60,000
29	Mexico	Global Credit Program for Medium and Small Business	18.1	ME-0152	1992	250,000
30	Mexico	Corporate Strengthening of Financial Institutions Program	18.2	ME-0126	1995	250,000
31	Mexico	Multisector Global Credit Program	18.7	ME-0117	2000	300,000
32	Nicaragua	Global Credit Program for Microenterprises	19.2	NI-0035	1993	23,600
33	Nicaragua	Multisector Global Program	19.11	NI-0167	2003	30,000

Table 4 continued

No.	Country	Project Name	Ref. ¹	Project Code	Year	Amount US\$/000s
34	Paraguay	Global Microenterprise Credit Program	21.3	PR-0013	1992	10,000
35	Paraguay	Global Microenterprise Credit Program	21.5	PR-0094	1997	20,000
36	Peru	Multisector Credit Program	22.2	PE-0113	1994	100,000
37	Peru	Global Microenterprise Credit Program	22.3	PE-0035	1995	25,000
38	Peru	Global Microenterprise Credit Program	22.7	PE-0189	1998	30,000
39	Peru	Multisector Credit Program	22.8	PE-0191	1998	200,000
40	Uruguay	Global Small and Microenterprise Credit Program	25.1	UR-0033	1990	9,200
41	Uruguay	Multisector Global Credit Program	25.4	UR-0063	1992	90,000
42	Uruguay	Multisector Global Credit Program	25.6	UR-0021	1998	155,000
43	Uruguay	Multisector Global Financing Program	25.8	UR-0136	2002	180,000
44	Reg.: Andean R.	Andean Development Corporation Multisector Institutional Support Program	28.1	RG-0010	1993	200,000
45	Reg.: Central A.	Credit Program for the Central American Bank for Economic Integration	29.2	CA-0008	1997	100,000
46	Reg.: Caribbean	Credit Program for Small Caribbean States	30.2	RG-0037	1996	37,000
47	Reg.: Caribbean	Global Credit for Small Caribbean States	30.4	RG-0056	2002	20,000
TOTAL						8,372,670

¹The reference indicates the location of the project's description in Section 4.

Table 5: IDB Group Operations that Focus on Securities Markets

No.	Country	Project Name	Type	Ref. ¹	Project Code	Activities ²	Year	Amount US\$'000s
1	Argentina	Investment Sector Reform Program	Loan	1.3	AR-0059	LR	1992	350,000
2	Argentina	Provincial Social Security Sector Reform Program	Loan	1.8	AR-0201	MD	1996	320,000
3	Argentina	Municipal Reform and Development Program	Loan	1.9	AR-0250	MD	1998	250,000
4	Argentina	Financial Services Sector Program	Loan	1.12	AR-0266	AD / CS / LR / PT / SP	2001	500,000
5	Argentina	Financial Services Sector Program	TC	1.13	AR-0284	AD / CS / LR / PT / SP	2001	2,000
6	Bahamas	Program to Support Capital Markets Modernization	TC	2.2	ATN/MT-6083-BH	NS / PT / SP	1998	500
7	Barbados	Investment Sector Reform Program	Loan	3.1	BA-0012	MD / PN / SP	1995	35,000
8	Barbados	Strengthening of the Barbados Securities Market	TC	3.2	ATN/MT-7090-BA	LR / NS	2000	298
9	Bolivia	Financial and Investment Sector Reform Program	Loan	5.2	BO-0110	LR / NS	1991	60,000
10	Bolivia	Global Multisector Credit Program II	Loan	5.3	BO-0034	CS / MD	1994	70,000
11	Bolivia	Structural Reforms and Capitalization Program	Loan	5.4	BO-0094	AD / MD / LR	1995	70,000
12	Bolivia	Housing Policy Support Program (PROVIVIENDA)	Loan	5.6	BO-0008	LR	1998	60,000
13	Bolivia	Capital Market Consolidation and Development	TC	5.8	ATN/MT-6354-BO	AD / NS / PN	1999	1,150
14	Brazil	Modernization and Institutional Strengthening of the CVM	TC	6.15	ATN/MT-7887-BR	AD / LR / NS / SP	2002	2,000
15	Brazil	Telemar Bond Guarantee	Guarantee	6.17	BR-0402	MD	2004	68,000
16	Chile	Investment Sector Reform Program	Loan	7.1	CH-0044	LR / NS / PN	1991	150,000
17	Chile	Local Bond Issuance - Santiago-Valparaíso-Viña del Mar	Guarantee	7.5	CH-0167	MD	2000	75,000
18	Chile	Local Bond Issuance - Costanera Norte Toll Road	Guarantee	7.6	CH-0179	MD	2003	75,000
19	Chile	International Financial Reporting and Auditing Standards	TC	7.7	ATN/MT-8617-CH	AD	2004	750
20	Colombia	Investment Sector Program	Loan	8.2	CO-0035	MD	1991	205,000
21	Colombia	Colpatria Mortgage Bond Project	Guarantee	8.5	CO-0260	LR	2002	5,200
22	Colombia	Strengthening Capital Markets	TC	8.6	ATN/MT-7793-CO	CS / PN	2002	1,018
23	Costa Rica	Investment Sector Reform Program	Loan	9.2	CR-0032	CS / LR / MD	1993	100,000
24	Costa Rica	Deepening State Reform and Opening Up Sectors	Loan	9.5	CR-0112	PN / PT / SP	1997	12,650
25	Costa Rica	Program to Strengthen the Capital Market	TC	9.7	ATN/MT-5644-CR	CS / LR / MD / NS / PN / PT	1997	1,600
26	Costa Rica	Improving the Quality of Financial Reporting	TC	9.8	ATN/MT-8843-CR	AD	2004	435
27	Ecuador	Financial Sector Reform Program	Loan	11.3	EC-0043	LR / SP	1994	110,000
28	Ecuador	Institutional Strengthening for Debt Management	TC	11.7	ATN/SF-7067-EC	MD	2000	150
29	El Salvador	Investment Sector Reform Program	Loan	12.2	ES-0016	LR	1992	90,000
30	El Salvador	Strengthening the Financial Sector Superintendency	TC	12.4	ATN/MT-4471-ES	LR / NS / PT / SP	1994	1,832
31	El Salvador	Strengthen Financial Sector Supervision	Loan	12.7	ES-0115	AD / LR / NS / PN / PT / SP	1999	3,802
32	El Salvador	Support Program for the Financial Sector	TC	12.8	ATN/MT-6400-ES	AD / LR / NS / PN / PT / SP	1999	2,962
33	Guatemala	Financial Sector Reform Program	Loan	13.2	GU-0018	LR / SP	1993	132,000
34	Guatemala	Support for the Development of a Securities Registry	TC	13.3	ATN/MT-5783-GU	LR / PT / SP	1997	930
35	Honduras	Multisector Global Credit Program	Loan	16.1	HO-0034	AD	1992	60,000
36	Honduras	Strengthening the Banking and Insurance Commission	TC	16.2	ATN/MT-5235-HO	LR	1996	1,530
37	Honduras	Adoption of International Financial Reporting Standards	TC	16.7	ATN/MT-8802-HO	AD	2004	490
38	Jamaica	Adjustment Program for Trade, Finance and Investment	Loan	17.1	JA-0019	LR / PN / PT / SP	1991	76,092
39	Jamaica	Financial Sector Reform Program	Loan	17.3	JA-0049	LR / NS / PT	2000	150,000
40	Jamaica	Strengthening Supervision of Non-Deposit Taking Activity	TC	17.4	ATN/SF-7700-JA	AD / LR / NS / PN / PT / SP	2001	700

Table 5 continued

No.	Country	Project Name	Type	Ref. ¹	Project Code	Activities ²	Year	Amount US\$/000s
41	Jamaica	Adoption of International Financial Reporting Standards	TC	17.5	ATN/MT-8113-JA	AD	2002	665
42	Mexico	Financial Sector Restructuring Program	Loan	18.3	ME-0188	AD / PN / SP	1995	750,000
43	Mexico	Contractual Savings Development Program	Loan	18.4	ME-0197	LR / PN / PT	1996	300,000
44	Mexico	Support to the Comisión Nacional Bancaria y de Valores	Loan	18.5	ME-0059	AD / CS / LR / PN	1997	8,000
45	Mexico	Capital Market Development	TC	18.6	ATN/MT-6085-ME	AD / CS / LR / NS / PN	1998	1,500
46	Mexico	Adoption of International Financial Reporting Standards	TC	18.13	ATN/MT-8243-ME	AD	2003	1,700
47	Mexico	Stock Market Certificate Issue - Cablemas S.A.	Guarantee	18.17		MD	2004	7,600
48	Nicaragua	Capital Markets Modernization Program	TC	19.8	ATN/MT-6157-NI	LR / MD / NS	1998	998
49	Nicaragua	Program for Strengthening Accounting and Auditing Practices	TC	19.9	ATN/MN-6715-NI	AD	1999	923
50	Panama	Financial Sector Reform Program	Loan	20.2	PN-0056	AD / LR / MD / SP	1997	130,130
51	Panama	Project to Strengthen the Securities Commission	TC	20.3	ATN/MT-5785-PN	NS / PT / SP	1997	1,200
52	Paraguay	Investment Sector Program	Loan	21.2	PR-0003	AD / LR / MD / NS / PN / SP	1992	81,500
53	Peru	Citizen Participation in Capital Market Development	TC	22.4	ATN/MT-4909-PE	AD / CS / LR / NS / PN / PT / SP	1995	1,731
54	Peru	Multisector Credit Program	Loan	22.8	PE-0191	MD	1998	200,000
55	Peru	Financial Sector Reform Program	Loan	22.10	PE-0202	LR / NS / PT	1999	310,900
56	Peru	Graña y Montero Bond Guarantee Project	Guarantee	22.11	PE-0216	MD	2003	10,000
57	Peru	Support for Capital Market Development	TC	22.13	ATN/MT-8244-PE	LR	2003	1,146
58	Trinidad & Tob.	Investment Sector Reform Program	Loan	24.1	TT-0012	AD / LR / NS / SP	1993	80,000
59	Trinidad & Tob.	Application of International Financial Reporting Standards	TC	24.5	ATN/MT-8114-TT	AD	2002	665
60	Uruguay	Investment Sector Reform Program	Loan	25.3	UR-0057	AD / CS / LR / MD / NS / PN / SP	1992	68,800
61	Uruguay	Social Security Reform Program	Loan	25.5	UR-0108	MD	1996	150,000
62	Uruguay	Multisector Global Credit Program II	Loan	25.6	UR-0021	LR / MD / SP	1998	155,000
63	Uruguay	Capital Markets Development	TC	25.7	ATN/MT-6098-UR	LR / MD / NS / PN / PT / SP	1998	1,336
64	Uruguay	Adoption of International Financial Reporting Standards	TC	25.9	ATN/MT-8476-UR	AD	2003	420
65	Venezuela	Financial Sector Reform Program	Loan	26.1	VE-0071	SP	1990	300,000
66	Venezuela	Program to Strengthen the Financial System	TC	26.2	VE-0101	LR / NS / PN / SP	1995	14,000
67	Reg.: Latin Am.	Financial and Securities Markets Development Program	TC	27.1	ATN/SF-5274-RG	AD / PN / PT	1996	850
68	Reg.: Latin Am.	Bank and Securities Markets Supervision Training Program	TC	27.2	ATN/MT-5855-RG	PT	1997	1,300
69	Reg.: Latin Am.	Regional Financial Sector Policy Framework	TC	27.6	ATN/SF-7464-RG	AD / LR / NS / SP	2001	150
70	Reg.: Central Am.	Central American Harmonization of Capital Markets	TC	29.1	ATN/MT-4532-RG	CS / LR	1994	2,900
71	Reg.: Central Am.	Harmonization of Public Debt Markets	TC	29.3	ATN/MT-7357-RG	MD	2001	600
71	Reg.: Caribbean	Caribbean Harmonization of Capital Markets	TC	30.1	ATN/MT-4691-RG	CS / LR	1994	2,204
73	Reg.: Caribbean	Eastern Caribbean States Capital Markets Dev. Program	TC	30.3	ATN/MT-5353-RG	LR	1996	1,223
74	Reg.: Caribbean	Establishment of a Caribbean Credit Rating Service	TC	30.5	RG-M1023	MD	2004	325
75	Reg.: South Am.	Creation of Financial Intelligence Units	TC	32.1	ATN/MT-7884-RG	LR / NS / PT / SP	2002	1,320
TOTAL								5,635,175

For various operations presented in this table, it was not possible to separate the resources going to foster securities market development from those going to support other financial market areas. As a result, the figure in the amount column represents the total amount of the operation and should not be taken to represent financing for this area only. This means that the total for the last column overestimates IDB resources going to this area.

¹ The reference indicates the location of the project's description in Section 4.

² Main activities considered in the project — AD: Accounting and Auditing Standards - Information Disclosure; CS: Clearance & Settlement; LR: Legal and Regulatory Framework; ND: Money and Debt Markets; NS: National Securities Commission and/or Oversight Agency; PN: Prudential Norms/Risk Management; PT: Professional Training, and SP: Supervision Procedures - Oversight and Enforcement.

Table 6: IDB Group Operations that Focus on Insurance Markets

No.	Country	Project Name	Type	Project Code	Ref. ¹	Activities ²	Approval Date	Amount US\$/000s
1	Argentina	Investment Sector Reform Program	Loan	AR-0059	1.3	IS / SP	1992	350,000
2	Argentina	Special Structural Adjustment Program and Strengthening of Banking	Loan	AR-0254	1.10	AD / FI / LR / PN / SP	1998	1,500,000
3	Argentina	Financial Services Sector Program	Loan	AR-0266	1.12	LR / PN	2001	500,000
4	Argentina	Financial Services Sector Program	TC	AR-0284	1.13	LR / PN	2001	2,000
5	Barbados	Investment Sector Reform Program	Loan	BA-0012	3.1	LR / PN	1995	35,000
6	Bolivia	Structural Reforms and Capitalization Program	Loan	BO-0094	5.4	SP	1995	70,000
7	Bolivia	Institutional Strengthening of the Office of Insurance Oversight	TC	ATN/MT-6950-BO	5.10	SP	2000	840
8	Chile	Investment Sector Reform Program	Loan	CH-0044	7.1	IS	1991	150,000
9	Costa Rica	Investment Sector Reform Program	Loan	CR-0032	9.2	SP	1993	100,000
10	Costa Rica	Deepening State Reform and Opening Up Sectors	Loan	CR-0112	9.5	IS	1997	12,650
11	Costa Rica	Opening Up the Financial System to the Private Sector	TC	ATN/MT-5643-CR	9.6	AD / FI / IS / LR / PN	1997	1,600
12	Ecuador	Financial Sector Reform Program	Loan	EC-0043	11.3	LR / PN	1994	110,000
13	El Salvador	Investment Sector Reform Program	Loan	ES-0016	12.2	IS / SP	1992	90,000
14	El Salvador	Strengthening the Financial Sector Superintendency	TC	ATN/MT-4471-ES	12.4	FI / IS / LR / SP	1994	1,832
15	El Salvador	Strengthen Financial Sector Supervision	Loan	ES-0115	12.7	IS / LR / PN / SP	1999	3,802
16	El Salvador	Support Program for the Financial Sector	TC	ATN/MT-6400-ES	12.8	IS / LR / PN / SP	1999	2,962
17	Guatemala	Financial Sector Reform Program	Loan	GU-0018	13.2	IS / LR	1993	132,000
18	Honduras	Multisector Global Credit Program	Loan	HO-0034	16.1	AD	1992	60,000
19	Honduras	Program to Strengthen the Banking and Insurance Commission	TC	ATN/MT-5235-HO	16.2	FI / IS / LR / SP	1996	1,530
20	Honduras	Program to Strengthen the Financial Sector	TC	ATN/MT-7240-HO	16.3	FI / IS / LR / SP	2000	1,457
21	Jamaica	Institutional Support of FINSAC	TC	ATN/MT-5735-JA	17.2	SP	1997	1,445
22	Jamaica	Financial Sector Reform Program	Loan	JA-0049	17.3	IS / SP	2000	150,000
23	Jamaica	Strengthening the Supervision of Non-Deposit Taking Activity	TC	ATN/SF-7700-JA	17.4	AD / IS / LR / PN / SP	2001	700
24	Mexico	Contractual Savings Development Program	Loan	ME-0197	18.4	LR	1996	300,000
25	Paraguay	Investment Sector Program	Loan	PR-0003	21.2	LR	1992	81,500
26	Paraguay	Insurance Industry Reform	TC	ATN/MT-6357-PR	21.6	AD / IS / PN / SP	1999	915
27	Peru	Financial Sector Reform Program	Loan	PE-0033	22.1	IS / PN	1992	221,825
28	Peru	Investment Sector Reform Program	Loan	PE-0097	22.5	IS / LR	1996	150,000
29	Peru	Financial Sector Reform Program	Loan	PE-0202	22.10	IS / PN	1999	310,900
30	Trinidad & T.	Integrated Financial Sector Supervision	TC	ATN/MT-6983-TT	24.3	IS / LR / SP	2000	1,186
31	Uruguay	Investment Sector Reform Program	Loan	UR-0057	25.3	AD / LR / PN / SP	1992	68,800
32	Uruguay	Capital Markets Development	TC	ATN/MT-6098-UR	25.7	IS / LR / PN / SP	1998	1,336
33	Venezuela	Program to Strengthen the Financial System	TC	VE-0101	26.2	FI / IS / LR / PN / SP	1995	14,000
34	Reg.: Latin A.	Financial and Securities Markets Development Program	TC	ATN/SF-5274-RG	27.1	IS / PN / SP	1996	850

Table 6 continued

No.	Country	Project Name	Type	Project Code	Ref. ¹	Activities ²	Approval Date	Amount US\$'000s
35	Reg.: Latin A.	Regional Financial Sector Policy Framework	TC	ATN/SF-7464-RG	27.6	AD / IS / LR / SP	2001	150
36	Reg.: And. R.	Creation of a Communitarian Mechanism of Financial Deposits Reinsurance	TC	ATN/SF-7018-RG	28.2	LR	2000	78
37	Reg.: South A.	Support for the Creation and Development of Financial Intelligence Units	TC	ATN/MT-7884-RG	32.1	FI / IS / LR / SP	2002	1,320
TOTAL								4,430,678

For various operations presented in this table, it was not possible to separate the resources going to foster insurance markets from those going to support other financial market development areas. As a result, the figure in the amount column represents the total amount of the operation and should not be taken to represent financing for this area only. This means that the total for the last column overestimate IDB resources going to this area.

¹ The Reference indicates the location of the project's description in Section 4.

² Main activities considered in the project - AD: Auditing and Disclosure of Information - Transparency; FI: Financial Information Systems; IS: Insurance Superintendency Restructuring or Institutional Structure; LR: Legal and Regulatory Framework; PN: Prudential Norms, and SP: Supervision Procedures - Oversight and Enforcement.

Table 7: IDB Group Operations that Focus on Pension Reform

No.	Country	Project Name	Type	Ref. ¹	Project Code	Year	Amount US\$'000s
1	Argentina	Investment Sector Reform Program	Loan	1.3	AR-0059	1992	350,000
2	Argentina	Provincial Social Security Sector Reform Program	Loan	1.8	AR-0201	1996	320,000
3	Argentina	Financial Services Sector Program	Loan	1.12	AR-0266	2001	500,000
4	Argentina	Financial Services Sector Program	TC	1.13	AR-0284	2001	2,000
5	Bolivia	Multisector Lending Program	Loan	5.1	BO-0088	1991	80,000
6	Bolivia	Financial and Investment Sector Reform Program	Loan	5.2	BO-0110	1991	60,000
7	Bolivia	Structural Reforms and Capitalization Program	Loan	5.4	BO-0094	1995	70,000
8	Bolivia	Pension Reform Implementation Program	TC	5.9	ATN/MT-6374-BO	1999	1,100
9	Brazil	Supervision of Closed Private Pension Funds	TC	6.5	ATN/MT-5949-BR	1998	1,200
10	Brazil	Modernization of Pension System Management (PROPEV)	Loan	6.11	BR-0327	2001	57,000
11	Chile	Investment Sector Reform Program	Loan	7.1	CH-0044	1991	150,000
12	Colombia	Investment Sector Program	Loan	8.2	CO-0035	1991	205,000
13	Costa Rica	Investment Sector Reform Program	Loan	9.2	CR-0032	1993	100,000
14	Costa Rica	Deepening State Reform and Opening Up Sectors to Private Sector	Loan	9.5	CR-0112	1997	12,650
15	Costa Rica	Program to Strengthen the Capital Market	TC	9.7	ATN/MT-5644-CR	1997	1,600
16	Dominican Rep.	Program to Support Implementation of Pension Reform	TC	10.4	DR-0146	2003	5,000
17	Ecuador	Financial Sector Reform Program	Loan	11.3	EC-0043	1994	110,000
18	El Salvador	Investment Sector Reform Program	Loan	12.2	ES-0016	1992	90,000
19	El Salvador	Institutional Strengthening of the Financial Sector Superintendency	TC	12.4	ATN/MT-4471-ES	1994	1,832
20	El Salvador	Support Program for the Instituto Salvadoreño del Seguro Social	Loan	12.9	ES-0134	2000	5,800
21	Jamaica	Financial Sector Reform Program	Loan	17.3	JA-0049	2000	150,000
22	Jamaica	Strengthening the Supervision of Non-Deposit Taking Activity	TC	17.4	ATN/SF-7700-JA	2001	700
23	Mexico	Contractual Savings Development Program	Loan	18.4	ME-0197	1996	300,000
24	Nicaragua	Legal Framework of New Pension System	TC	19.8	ATN/MT-6573-NI	1999	1,200
25	Nicaragua	Support of the Pension System Reform	Loan	19.9	NI-0101	2001	30,000
26	Panama	Financial Sector Reform Program	Loan	20.2	PN-0056	1997	130,130
27	Reg.: Latin Am.	Financial and Securities Markets Development Program	TC	27.1	ATN/SF-5274-RG	1996	850
28	Trinidad & Tob.	Integrated Financial Sector Supervision	TC	24.3	ATN/MT-6983-TT	2000	1,186
29	Uruguay	Investment Sector Reform Program	Loan	25.3	UR-0057	1992	68,800
30	Uruguay	Social Security Reform Program	Loan	25.5	UR-0108	1996	150,000
31	Venezuela	Social Security Reform Program	Loan	26.3	VE-0100	1998	395,000
						TOTAL	3,351,048

For various operations presented in this table, it was not possible to separate the resources going to assist pension reform from those going to support other financial market development areas. As a result, the figure in the amount column represents the total amount of the operation and should not be taken to represent financing for this area only. This means that the total for the last column overestimate IDB resources going to this area.

¹ The Reference indicates the location of the project's description in Section 4.

Table 8: IDB Debt Reduction Programs

No.	Country	Project Name	Type	Ref. ¹	Project Code	Year	Amount US\$/000s
1	Argentina	Debt and Debt Service Reduction Loan	Loan	1.4	AR-0139	1992	400,000
2	Ecuador	Debt and Debt-Service Reduction Program	Loan	11.4	EC-0142	1994	80,000
3	Nicaragua	Debt Reduction Program	Loan	19.3	NI-0082	1995	40,000
4	Panama	External Debt and Debt-Service Reduction Program	Loan	20.1	PN-0098	1995	30,000
5	Peru	Debt and Debt Service Reduction Program	Loan	22.6	PE-0103	1996	235,500
TOTAL							785,500

Table 9: IDB Group Operations that Focus on Housing Finance

No.	Country	Project Name	Type	Ref. ¹	Project Code	Year	Amount US\$/000s
1	Bolivia	Housing Policy Support Program (PROVIVENDA)	Loan	5.6	BO-0008	1998	60,000
2	Brazil	SFI-Serviços Financeiros Imobiliários Ltda.	Loan	6.7	BR-1102A	2000	1,000
3	Brazil	Brazilian Securities I	Loan	6.8	BR-1099A	2000	10,300
4	Brazil	Brazilian Mortgages I	Loan	6.9	BR-1117A	2000	200
5	Brazil	Brazilian Securities II	Loan	6.13	BR-1099B	2001	10,000
6	Brazil	Brazilian Mortgages Companhia Hipotecaria II	Loan	6.14	BR-1117B	2001	5,000
7	Chile	Delta Leasing Habitacional S.A.	Loan	7.4	CH-1069A	2000	8,000
8	Colombia	Colpatria Mortgage Bond Project	Guarantee	8.5	CO-0260	2002	5,200
9	Dominican Rep.	Multi-phase Low/Moderate Income Habitat Program	Loan	10.10	DR-0141	2004	37,000
10	Ecuador	Compañía de Titularización Hipotecaria	Loan	11.5	EC-1027A	1998	5,000
11	El Salvador	Housing Program	Loan	12.10	ES-0087	2001	70,000
12	El Salvador	Banco de Comercio Mortgage Bond Project	Guarantee	12.13	ES-0163	2004	20,000
13	Mexico	Hipotecaria Nacional Mortgage Backed Security	Loan	18.15	ME-L1003	2004	75,000
TOTAL							246,700

¹ The reference indicates the location of the project's description in Section 4.

Table 10: IDB Group Operations that Focus on Other Areas

No.	Country	Project Name	Type	Ref. ¹	Project Code	Year	Amount US\$'000s
1	Brazil	Banco Bradesco Trade Finance Facility	Loan	6.16	BR-0407	2003	50,000
2	Brazil	Unibanco Infrastructure Credit Facility	Loan	6.19	BR-0411	2004	50,000
3	Costa Rica	Commodity Market Exchange Support System	TC	9.4	ATN/MT-5062-CR	1995	323
4	Chile	FactorLine S.A.	Loan	7.9	CH-2962A	2004	3,000
5	Dominican Rep.	Commodity Market Exchange Support Program	TC	10.2	ATN/MT-5065-DR	1995	295
6	Dominican Rep.	Improving Remittances Distribution Channels in Microenterprise	TC	10.6	DR-0158	2003	2,500
7	Dominican Rep.	Development of Financial and Business Services for Remittance Recipients	TC	10.7	ATN/ME-8455-DR	2003	840
8	El Salvador	Commodity Market Exchange Support Program	TC	12.6	ATN/MT-5063-ES	1995	686
9	El Salvador	Strengthening of Remittance Services for Low Income Groups	TC	12.12	ATN/ME-7886-ES	2002	1,500
10	Honduras	Financial Preparedness for Catastrophes	TC	16.5	ATN/SF-8025-HO	2002	150
11	Mexico	Support for Small Farmers through PROCAMPO	Loan	18.9	ME-0213	2001	500,000
12	Mexico	Capitalization of Remittances for Local Economic Development	TC	18.10	ATN/ME-7717-ME	2001	1,115
13	Mexico	Remittances for Rural Development	TC	18.11	ATN/ME-7834-ME	2002	460
14	Mexico	Program to Incorporate Business Assets into the Formal Sector	TC	18.16	ME-M1002	2004	2,600
15	Nicaragua	Commodity Market Exchange Support Program	TC	19.5	ATN/MT-5064-NI	1995	375
16	Panama	Commodity Market Exchange Support Program	TC	20.4	ATN/MT-6665-PN	1999	482
17	Paraguay	Industrial Credit Program	Loan	21.1	PR-0065	1990	30,000
18	Peru	Support Program for Instituto de Formación Bancaria	TC	22.9	ATN/MT-5879-PE	1998	1,300
19	Uruguay	ABN AMRO Uruguay Trade Finance Facility	Guarantee	25.11	UR-0152	2004	22,500
20	Reg.: Latin Am.	Financial Sector Activities and Poverty Reduction in LAC	TC	27.5	ATN/SF-7297-RG	2000	115
21	Reg.: Latin Am.	Exchange of Know-How and Experiences among Development Banks	TC	27.7	ATN/MT-7872-RG	2002	275
22	Reg.: Latin Am.	Mobilization of Remittances through Microfinance Institutions	TC	27.8	ATN/ME-8695-RG	2004	825
23	Reg.: Latin Am.	Economic Integration, Remittances and Development	TC	27.9	ATN/SF-8770-RG	2004	150
24	Reg.: Latin Am.	Crecera Regional Trade Finance Facility	Loan	27.10	RG-L1002	2004	15,000
25	Reg.: Latin Am.	Trade Finance Facilitation Program	Guarantee	27.11	RG-L1003	2004	400,000
26	Reg.: Mercosur	MERCOSUR Financial Systems Integration	TC	31.1	ATN/SF-7032-RG	2000	150
27	Reg.: South A.	Training for Eval. of the Financial Action Task Force on Money Laundering	TC	32.2	ATN/MT-7968-RG	2002	120
						TOTAL	1,084,761

¹ The reference indicates the location of the project's description in Section 4.

Table 11: IDB Group Operation that Focus on Strengthening Financial Intermediation by Activities

Country	Legal and Regulatory Framework (LR)	Prudential Norms (PN)	Professional Training (PT)	Supervision Procedures: Oversight and Enforcement (SP)	Banking Superintendency Restructuring (BS)	Auditing and Disclosure of Information - Transparency (AD)	Banking Restructuring (BR)	Central Bank (CB)
Argentina	1,2, 1.6, 1.7, 1.10	1,2, 1.10	1,2, 1,3	1,3, 1.7, 1.10	1,2, 1,3	1.10	1.6	
Bahamas								
Barbados	3.1	3.1					3.1	
Belize	4.1	4.1	4.1	4.1				
Bolivia	5.4, 5.7	5.4, 5.7	5.7	5.3, 5.4, 5.7	5.7	5.3		
Brazil								
Chile	7.8	7.1, 7.8	7.8	7.1, 7.8	7.1	7.7		
Colombia	8.4	8.2	8.4		8.4	8.2		
Costa Rica		9.2, 9.6	9.2, 9.6	9.6	9.2, 9.6	9.6, 9.8	9.6	
Dominican Republic	10.1, 10.3, 10.5, 10.8, 10.9	10.1, 10.3, 10.9	10.1, 10.3	10.1, 10.3, 10.5, 10.9	10.1, 10.3, 10.9	10.9		10.5, 10.8, 10.9
Ecuador		11.3	11.3	11.6	11.6			
El Salvador	12.1, 12.4, 12.7, 12.8	12.2, 12.4, 12.7, 12.8	12.2, 12.4, 12.7, 12.8	12.2, 12.4, 12.7, 12.8	12.2, 12.4, 12.7, 12.8	12.7, 12.8		
Guatemala	13.2, 13.4, 13.5	13.2	13.2	13.2, 13.4, 13.5	13.2, 13.4, 13.5	13.5		
Guyana	14.1, 14.2, 14.3	14.3		14.3	14.3			
Haiti	15.1, 15.2							
Honduras	16.2, 16.3, 16.6	16.1, 16.2, 16.6	16.1, 16.2, 16.3	16.1, 16.2, 16.6	16.1, 16.3	16.7		16.4
Jamaica	17.1, 17.3	17.1	17.1, 17.3	17.1, 17.4		17.5	17.3	
Mexico	18.5, 18.8, 18.14	18.3, 18.8	18.3	18.5	18.3	18.3, 18.5, 18.13	18.2, 18.3, 18.8, 18.12	
Nicaragua	19.1, 19.4, 19.6, 19.7, 19.10, 19.12		19.1	19.6, 19.10	19.1	19.1, 19.9		19.4
Panama	20.2			20.2		20.2	20.2	
Paraguay	21.2, 21.4, 21.7	21.2, 21.4, 21.7	21.4, 21.7	21.2, 21.7	21.2	21.2, 21.4, 21.7		
Peru	22.5, 22.10	22.1, 22.10	22.1, 22.10	22.1	22.1, 22.5	22.1		
Suriname							23.2	23.1
Trinidad & Tob.	24.4		24.2	24.3	24.3	24.5		
Uruguay	25.2, 25.3, 25.10	25.2, 25.4, 25.10	25.20	25.2, 25.4, 25.10	25.2	25.9		
Venezuela	26.1, 26.2	26.1, 26.3		26.1, 26.5	26.2			26.1
Latin America	27.6	27.1, 27.4	27.1, 27.3	27.1, 27.6	27.1, 27.6	27.1, 27.6		
Andean Region								
Central Am.	29.4		29.4					29.4
Caribbean								
MERCOSUR								
South America	32.1		32.1	32.1	32.1			
TOTAL OPERATIONS	56	39	33	44	32	26	10	8
NUMBER OF COUNTRIES	21	19	16	20	18	17	7	5

Table 12: IDB Group Operations that Focus on Securities Markets by Activities

Country	Legal and Regulatory Framework (LR)	Prudential Norms/Risk Management (PN)	Professional Training (PT)	Supervision Procedures: Oversight and Enforcement (SP)	National Securities Commission and/or Oversight Agency (NS)	Accounting and Auditing Standards - Information Disclosure (AD)	Clearance & Settlement (CS)	Money and Debt Markets (MD)
Argentina	1.3, 1.12, 1.13		1.12, 1.13	1.12, 1.13		1.12, 1.13	1.12, 1.13	1.8, 1.9
Bahamas			2.2	2.2	2.2			
Barbados	3.2	3.1		3.1	3.2			3.1
Belize								
Bolivia	5.2, 5.4, 5.6	5.8			5.2	5.4, 5.6	5.3	5.3, 5.4
Brazil	6.15			6.15	6.15	6.15		6.17
Chile	7.1	7.1			7.1	7.7		7.5, 7.6
Colombia	8.5	8.6					8.6	8.2
Costa Rica	9.2, 9.7	9.5, 9.7	9.5, 9.7	9.5	9.7	9.8	9.2, 9.7	9.2, 9.7
Dominican Rep.								
Ecuador	11.3			11.3				11.7
El Salvador	12.2, 12.44, 12.7, 12.8	12.7, 12.8	12.44, 12.7, 12.8	12.44, 12.7, 12.8	12.44, 12.7, 12.8	12.7, 12.8		
Guatemala	13.2, 13.3		13.3	13.2, 13.3				
Guyana								
Haiti								
Honduras	16.2					16.1, 16.7		
Jamaica	17.1, 17.3, 17.4	17.1, 17.4	17.1, 17.3, 17.4	17.1, 17.4	17.3, 17.4	17.4		
Mexico	18.4, 18.5, 18.6	18.3, 18.4, 18.5, 18.6	18.4	18.3	18.6	18.3, 18.5, 18.6, 18.13	18.5, 18.6	18.17
Nicaragua	19.7				19.7			19.7
Panama	20.2			20.2, 20.3	20.3	20.2		20.2
Paraguay	21.2	21.2		21.2	21.2	21.2		21.2
Peru	22.4, 22.10, 22.13	22.4	22.4, 22.10		22.4, 22.10	22.4	22.4	22.8, 22.11
Suriname								
Trinidad & Tob.	24.1			24.1	24.1	24.1, 24.5		
Uruguay	25.3, 25.6, 25.7	25.3, 25.7	25.7	25.3, 25.6, 25.7	25.3	25.3, 5.9	25.3	25.3, 25.5, 25.6
Venezuela	26.2	26.2		26.1, 26.2	26.2			
Latin America	27.6	27.1	27.1, 27.2	27.6	27.6	27.6		
Andean Reg.								
Central Am.	29.1						29.1	
Caribbean	30.1, 30.3						30.1	30.5
MERCOSUR								
South Am.	32.1		32.1	32.1	32.1			
TOTAL OPERATIONS	43	20	19	26	22	24	12	22
NUMBER OF COUNTRIES	20	12	9	15	16	14	7	14

Table 13: IDB Group Operations that Focus on Insurance Markets by Activities

Country	Legal and Regulatory Framework (LR)	Prudential Norms (PN)	Supervision Procedures: Oversight and Enforcement (SP)	Insurance Superintendency or Restructuring or Institutional Structure (IS)	Auditing and Disclosure of Information - Transparency (AD)	Financial Information Systems (FI)
Argentina	1.10, 1.12, 1.13	1.10, 1.12, 1.13	1.3, 1.10	1.3	1.10	1.10
Bahamas						
Barbados	3.1	3.1				
Belize						
Bolivia			5.4, 5.10			
Brazil						
Chile				7.1		
Colombia						
Costa Rica	9.6	9.6	9.2	9.5, 9.6	9.6	9.6
Dominican Republic						
Ecuador	11.3	11.3				
El Salvador	12.4, 12.7, 12.8	12.7, 12.8	12.2, 12.4, 12.7, 12.8	12.2, 12.4, 12.7, 12.8		12.4
Guatemala	13.2			13.2		
Guyana						
Haiti						
Honduras	16.2, 16.3		16.2, 16.3	16.2, 16.3	16.1	16.2, 16.3
Jamaica	17.4	17.4	17.2, 17.3, 17.4	17.3, 17.4	17.4	
Mexico	18.4					
Nicaragua						
Panama						
Paraguay	21.2	21.6	21.6	21.6	21.6	
Peru	22.5	22.1, 22.10		22.1, 22.5, 22.10		
Suriname						
Trinidad & Tobago	24.3		24.3	24.3		
Uruguay	25.3, 25.7	25.3, 25.7	25.3, 25.7	25.7	25.3	
Venezuela	26.2	26.2	26.2	26.2		26.2
Latin America	27.6	27.1	27.1, 27.6	27.1	27.6	
Andean Region	28.2					
Central America						
Caribbean						
MERCOSUR						
South America	32.1		32.1	32.1		32.1
TOTAL OPERATIONS	23	16	22	22	7	7
NUMBER OF COUNTRIES	14	10	10	12	6	6

