Annual Business Review
2012

Office of Strategic Planning and Development Effectiveness
Inter-American Development Bank

Table of Contents

This document provides an analysis of the 2012 operational results for discussion and decision making purposes. This data was collected from a number of sources and is subject to adjustments and analysis as deemed appropriate by the corresponding business units sponsoring the information.

Special acknowledgement to VPC, VPF, VPS, VPP, ORP and RMG for their contributions in the preparation of this report.

Operational Program Highlights

Program Execution

Disbursements

- Total disbursements reached $7.4b, a 12% decrease from $8.4b in 2011.
- Investment operations disbursements reached $6.0b, a 3% decrease from $6.1b in 2011. Disbursements from Policy Based operations reached $1.4b, a 38% decrease from $2.3b in 2011.
- Disbursements from Ordinary Capital reached $6.9b, a 13% decrease from $7.9b in 2011. Disbursements from FSO and the IDB Grant Facility amounted to $465m, a 14% decrease from $543m in 2011.
- Disbursements to Small and Vulnerable countries reached $2.8b, an 18% decrease from $3.4b in 2011.

Portfolio

- There are 622 Sovereign Guaranteed operations in the Bank's portfolio, an increase of 5% from 591 in 2011; and there are 90 Non-sovereign Guaranteed operations disbursing, an increase of 15% from 78 in 2011.

Risk

- The percentage of the Bank's borrowing limit used reached 80%, a decrease of 6.3 percentage points from 86.3% in 2011, and the unused borrowing capacity reached $11.6 billion, an increase of 61.4% from $7.2 billion in 2011.
- The size of the outstanding SG portfolio reached $64.8 billion, an increase of 3% from $62.9 in 2011. The five largest SG exposures reached 70.8%, less than one percentage point decrease from 71.2% in 2011.
- The size of the outstanding NSG portfolio reached $4.4 billion, a 9.4% increase from $4 billion in 2011. The five largest NSG exposures reached 58.4%, a decrease of 6.7 percentage points from 65.1% in 2011.

Program Strategic Alignment

Approvals[1] [2]

- Lending approvals reached $11.4b, a 5% increase from $10.9b in 2011. Number of operations reached 169, a 1% increase from 167 approved in 2011.
    - SG Investment approvals reached $7.7b, a 1% decrease from $7.8b in 2011.
    - Policy Based lending approvals reached $2.3b, a 33% increase from $1.7b in 2011.
    - NSG approvals reached $1.5b, same level as in 2011.
    - Ordinary Capital approvals reached $10.8b, a 4% increase from $10.4b in 2011.
    - Fund for Special Operations (FSO) approvals reached $320m, a 77% increase from the $181m approved in 2011.
- Approvals for "Double Booked"[3] operations reached $1.9b in 22 operations prepared by CMF, FMM, ICS, CCS, ENE, RND, TSP, WSA, SCF, LMK and SPH.
- The share of operations that scored "evaluable" or above in the Development Effectiveness Matrix (DEM) evaluability dimensions reached 99%, one percentage point increase from 98% in 2011.

Business Development

Country Strategies and Programming

- Eight country strategies were approved by the Board during 2012: Argentina, Brazil, Colombia, Ecuador,

[1] The 2012 operational program comprises projects identified for preparation and projects approved in 2011 via conditional resolutions.
[2] Program figures include OC, FSO, GRF and CIF.
[3] "Double booked" operations refer to operations prepared by multidisciplinary teams from more than one Division.

Guatemala, Guyana, Nicaragua and Peru.

- Country Program Documents (CPDs) were prepared for all 26 countries.

Economic and Sector Work (ESW) Products

- VPS worked on 80 ESW products, a 7% decrease from 86 ESW products in 2011.
- Non personnel expenditures for ESW products reached $13.1m, a 10% decrease from $14.6m spent in 2011.
- Staff time reported to ESW products reached 74.9 FTEs, a 7% decrease from 70.1 reported in 2011.

Technical Cooperation

- TC approvals reached $170m, a 4% increase from the $164m approved in 2011. Number of operations reached 381, a 7% increase from 355 in 2011.
- Average size of TCs approved reached $447K, a 3% decrease from $462K in 2011.
- TC Disbursements reached $169m, an increase of 4% from $162m in 2011.

External Feedback

- In 2012, the IDB implemented a pilot of the External Feedback System (EFS). Overall, external partners reported satisfaction with IDB-financed operations: 72% for country strategies, 87% for loan operations, and 80% for technical cooperation operations.

Operational Efficiency

- Staff time reported per approved project reached 1.03 FTEs, a 13% increase from 0.93 in 2011.
- Time elapsed to prepare an SG project (Profile to Approval) reached 6.7 months, a 21% increase from 5.6 months.
- Staff time reported to project execution per US$ million disbursed reached 7.6 days, a 32% increase from 5.8 days in 2011.
- The time elapsed from legal effectiveness to *first* disbursement for projects reached 6.2 months, a 12% decrease from 7.1 months in 2011. The time elapsed from legal effectiveness to *last* disbursement for a project reached 7.0 years, a 12% increase from 6.2 years in 2011.

Human Resources

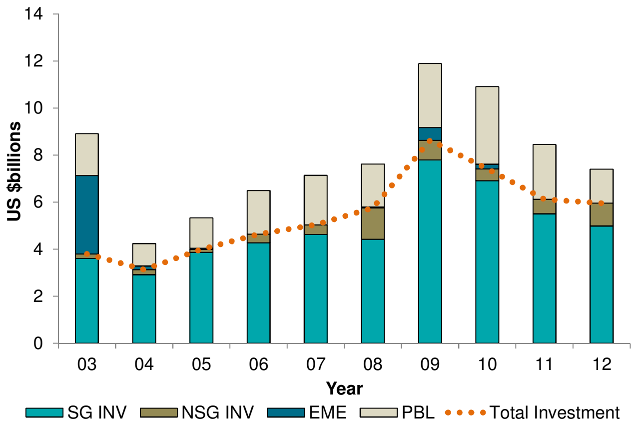
- 206 vacancies were filled in 2012. 146 (71%) of the filled positions went to external candidates of which 77 (53%) were female.
- Women in grades four and above reached 35%, two percentage point increase from 2011. The **RF** target is 40% in 2015.
- Professional Staff in COF reached 32%, nine percentage point increase since 2006 and same level as in 2011. The **RF** target is 40% in 2015.

RF [Result Framework] denotes indicators (with annual targets) from the Results Framework Annex of the IDB-9 document [AB-2764] to be monitored in QBR.

I. Program Execution

Disbursements

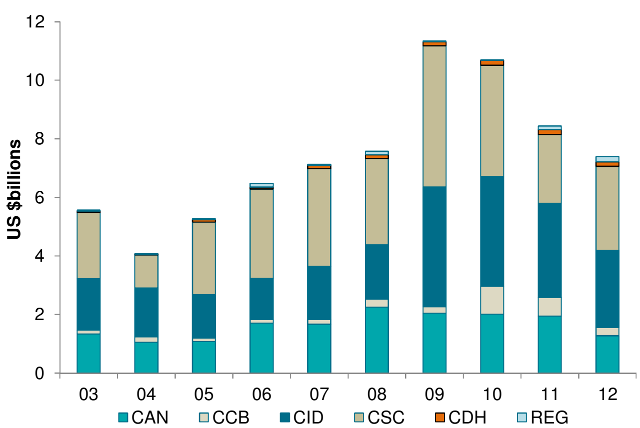
Figure 1.1 Total Disbursements



- Total disbursements[4] reached $7.4b, a 12% decrease from $8.4b in 2011.
- Investment loan disbursements reached $6.0b, a 3% decrease from $6.1b in 2011.
- Policy Based loans disbursements reached $1.4b, a 38% decrease from $2.3b in 2011.

By Country Group

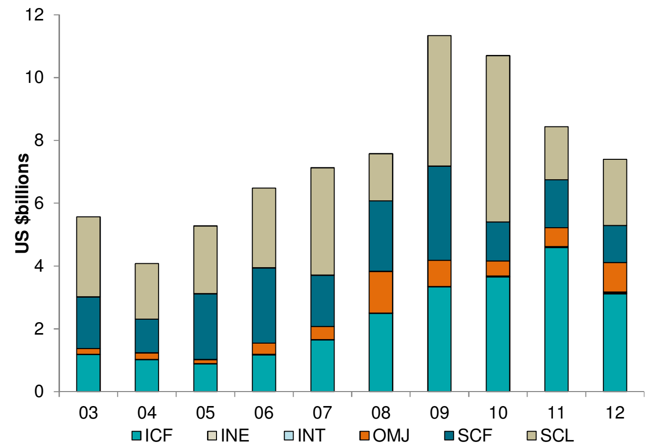
Figure 1.2 Loan Disbursements by Country Group



- Disbursements to **CAN** countries reached $1.3b, a 34% decrease from $1.9b in 2011; to **CCB** countries reached $0.3b, a 56% decrease from $0.6b in 2011; to **CID** countries reached $2.6b, an 18% decrease from $3.2b in 2011; and to **CSC** countries reached $2.9b, a 22% increase from $2.3b in 2011.

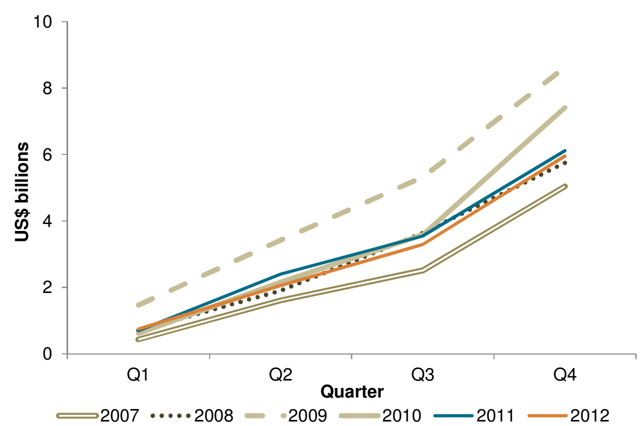
By Sector (SG & NSG)

Figure 1.3 Loan Disbursements by Sectors



- **IFD** disbursements reached $2.1b, a 25% increase from $1.7b in 2011; **INE** disbursements reached $3.1b, a 32% decrease from $4.6b in 2011; **INT** disbursements reached $12.5m, a 22% increase from $10.3m in 2011, **OMJ** disbursements reached $32.5m, a 54% increase from $21.0m in 2011; **SCF** disbursements reached $0.9b, a 58% increase from $0.6b in 2011; and **SCL** disbursements reached $1.2b, a 23% decrease from $1.6b in 2011.

Figure 1.4 Cumulative Disbursements by Quarter

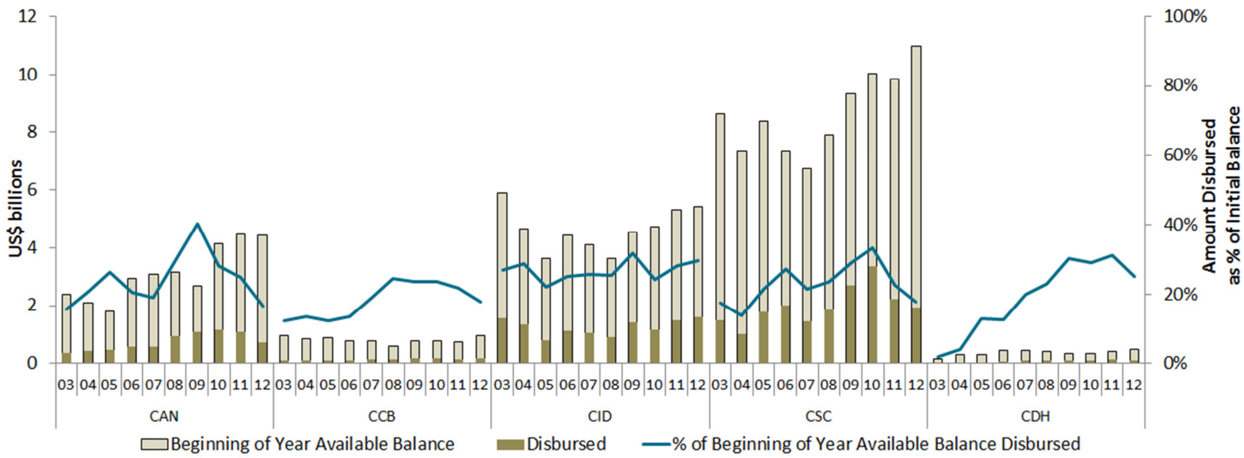


- Investment loan disbursements in the last quarter reached $2.7b, a 4% increase from $2.6 in 2011.
- Investment loan disbursements in the last quarter represented 45% of total investment disbursements. In 2011, disbursement concentration for this type of loans in the last quarter was 42%.

[4] Included Emergency loans disbursements (LPGS and Fiscal) for $37m in 2008 and $548m in 2009.

Beginning of Year Balance

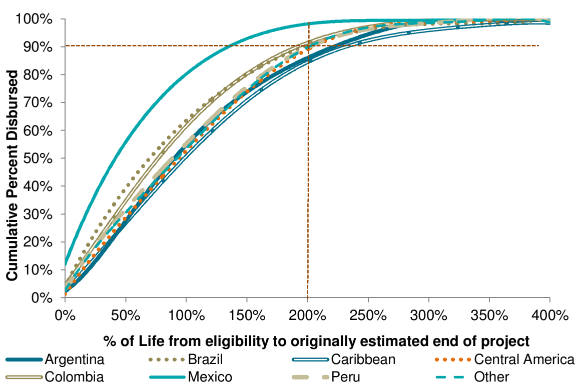
Figure 1.5 SG Disbursements vs. Beginning of Year Available Balance



- Disbursements trends as a percentage of beginning of year balance for eligible investment projects averaged 26% during the last 5 years across the Bank with CAN, CID and CDH reaching an average of 28%, CSC 25% and CCB 22%.

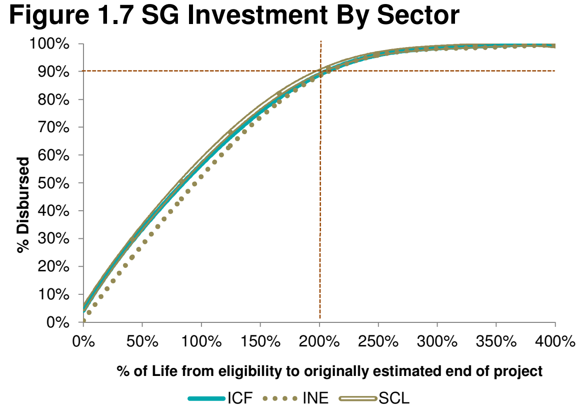
Cumulative disbursements

Figure 1.6 SG Investment By Country



- Country disbursement profiles[5] show that it took more than double the original estimated disbursement period to disburse an operation.
- For the operations in Mexico that completed disbursements in recent years, the trend reveals that it took twice the estimated original time to disburse 100% of the SG investment operations volume, in the same timeframe Colombia reached 93%, Brazil 92% and Peru 90%.
- The rest of the countries, it took twice the estimated original disbursement period to disburse an average of 88% of the SG investment operations volume.

Figure 1.7 SG Investment By Sector

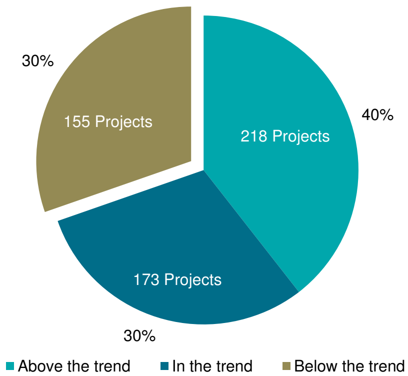


- Sector disbursement profiles[6] also show that it took more than double the original estimated disbursement period to disburse an operation.
- For the operations in SCL the trend reveals that it took twice the estimated original time to disburse 91% of its operations volume, IFD disbursed 90% and INE disbursed 89% of its operations volume.

[5] Disbursement Profile of a Country is based on the average of the amount disbursed per project in the portfolio. The number of months is calculated from date of eligibility. The universe of projects for the profile shown, are the investment operations with Sovereign Guarantee that have closed between 2000 and 2012.

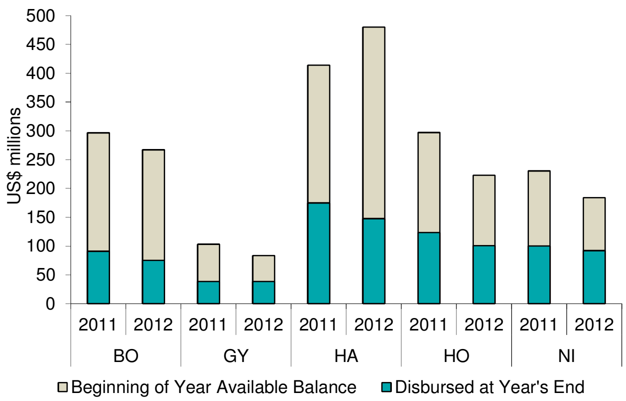
[6] Disbursement Profile of a Sector is based on the average of the amount disbursed per project in the portfolio. The number of months is calculated from date of eligibility. The universe of projects for the profile shown, are the investment operations with Sovereign Guarantee that have closed between 2000 and 2012.

Figure 1.8 Comparison of Disbursements vs. Country and Sector trends



- In 2012, 397 operations currently disbursing are above or within historical trends[7].

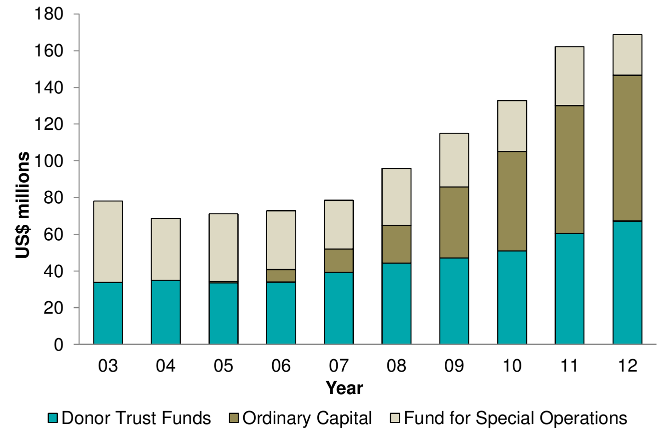
Figure 1.9 FSO and Grants[8] Disbursements compared to Beginning of Year Available Balance



- The 2012 beginning of year available balance for investment operations financed by FSO for eligible countries and the IDB Grant Facility amounted to $1.24b, an 8% decrease from $1.34b at the beginning of 2011.
- In 2012, FSO and Grants investment disbursements reached $454m representing 37% of initial balance, compared to $528m in 2011 which represented 39% of the initial balance.

Technical Cooperation Disbursements

Figure 1.10 Technical Cooperation Disbursements



- Disbursements of TCs financed with Fund for Special Operations (FSO) reached $22.2m, a 31% decrease from $32.1m in 2011.
- Disbursements of TCs financed with Donor Trust Funds (DTF) reached $67.2m, an 11% increase from $60.5m in 2011.
- Disbursements of TCs financed through Special Programs of Ordinary Capital (ORC) reached $79.4m, a 14% increase from $69.7m in 2011.

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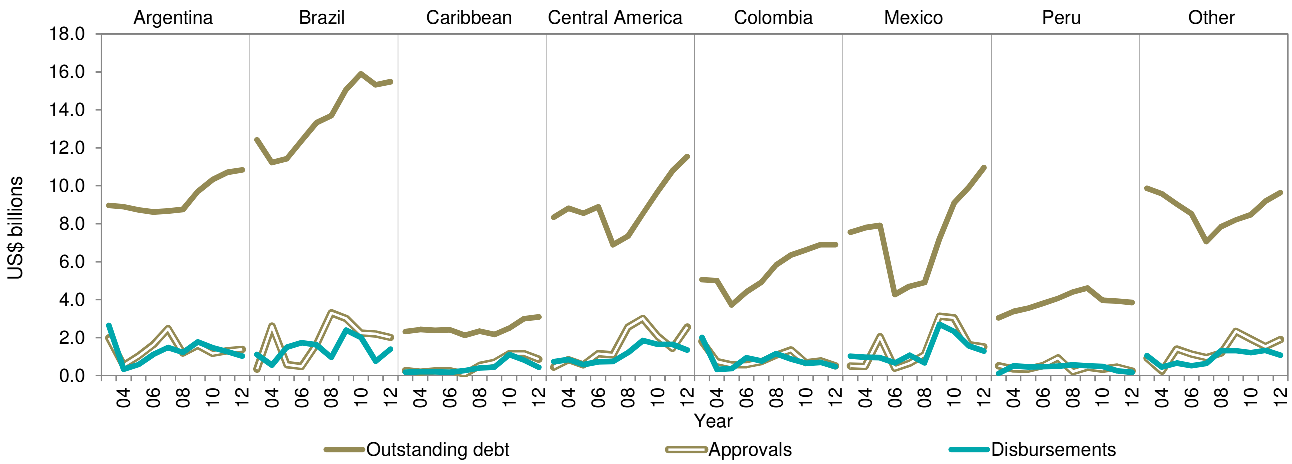
[7] The disbursements rate of operations included in this group falls above or within the expected rate of disbursement based on half-a-standard deviation of its corresponding country and sector.

[8] Grants refers to IDB Grant facility

Figure 1.11 IDB's Outstanding Debt, Approvals and Disbursements by Country

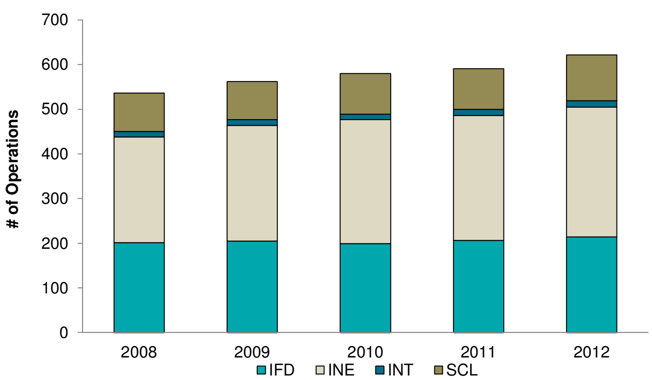


- Outstanding balances in Bank's borrowing countries show an increasing trend, particularly since 2006, with the exception of the Caribbean that remains steady.
- Mexico has recovered its outstanding portfolio and approvals after repayments made in 2006. In 2011, Argentina, Brazil, Colombia, Mexico and Central America reached their highest levels of outstanding balances in recent years.

Loan Portfolio[9]

The following paragraphs assess the distribution of the portfolio among the different Sector Departments and selected measures so assess the time elapsed from approval to First and last Disbursements. Indicators below also address portfolio management instruments such as the Audited Financial Statements (AFS) and the Project Completion Reports (PCR).

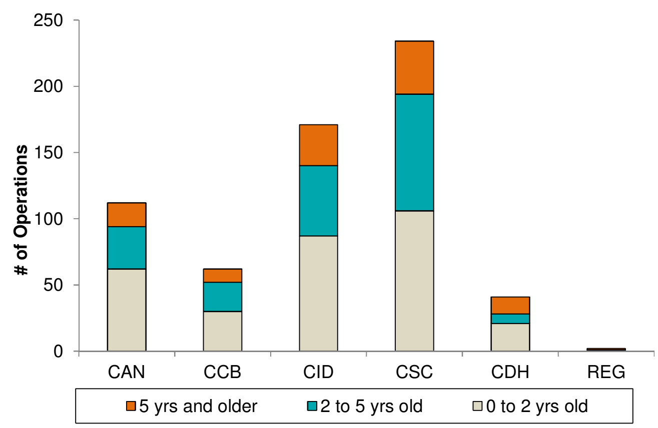
Figure 1.12 Distribution By Sector



- The number of operations in the SG portfolio under responsibility of VPS reached 622 projects, a 5% increase from 591 in 2011.

- The **IFD** portfolio reached 214 operations, a 4% increase from 206 in 2011; **INE** reached 291 operations, a 4% increase from 280 in 2012; and **SCL** reached 103 operations, a 13% increase from 91 in 2011.

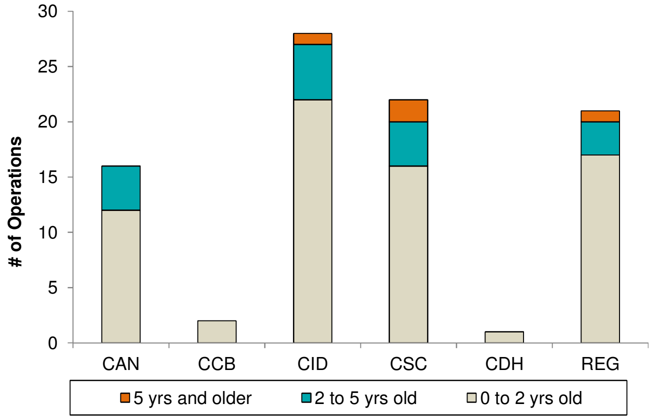
Figure 1.13 SG Operations by Country Region and Approval Year



- There are 622 SG operations in portfolio ($44.7b in volume) of which 113 were approved on or before the year 2006 (5 years or older); 202 operations were approved between 2007 and 2009 (2 to 5 years old), and 307 operations between 2010 and 2012 (0 to 2 years old). Of these 622 SG operations, CID and CSC countries account for 405 (65%).

[9] Includes operations financed by GRF.

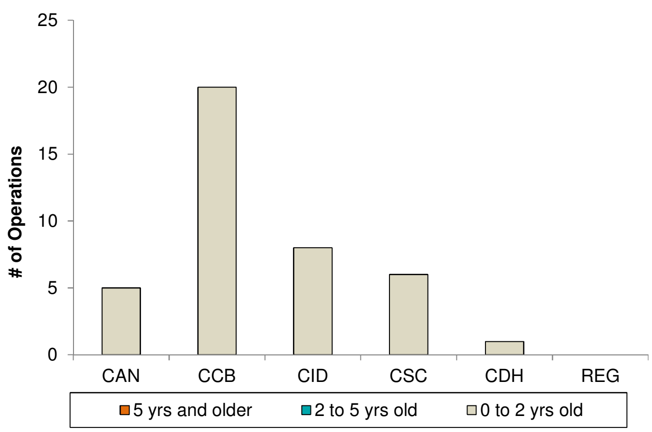
Figure 1.14 NSG Operations by Country Region and Approval Year



- There are 90 NSG operations currently disbursing ($4.4b in volume) of which four were approved on or before the year 2006 (5 yrs or older); 16 operations were approved between 2007 and 2009 (2 to 5 yrs old), and 70 operations between 2010 and 2012 (0 to 2 yrs old). Of these 90 NSG operations, CID and CSC countries account for 50 (56%).

Loan Portfolio Pending Ratification

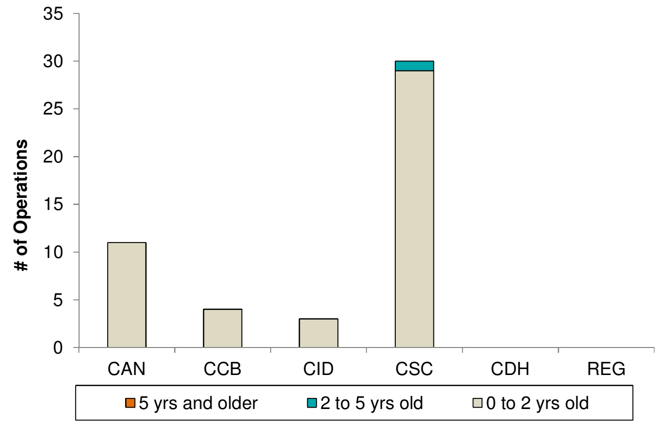
Figure 1.15 SG Operations Pending Ratification by Country Group and Approval Year



- There are 40 SG operations pending ratification ($2.4b in volume); all were approved on between 2010 and 2012 (0 to 2 years old). Of these 40 SG Operations, CID and CSC countries account for 28 (70%).

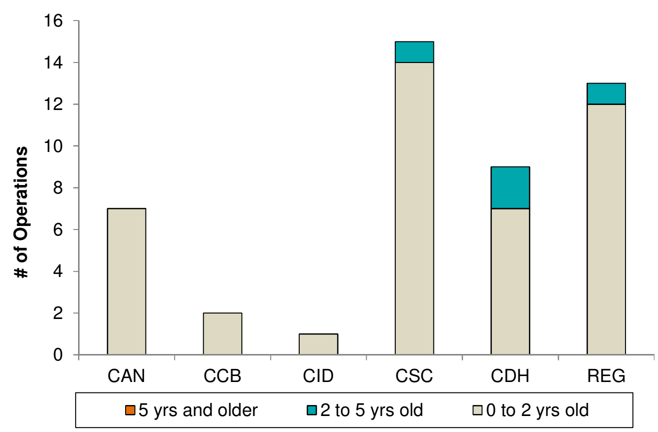
Loan Portfolio Pending Signature

Figure 1.16 SG Portfolio Pending Signature by Country Group and Approval Year



- There are 48 SG operations pending signature[10] ($4.4b in volume) of which one was approved in 2010 (2 to 5 years old); and 47 were approved between 2010 and 2012 (0 to 2 years old). Of these 58 SG Operations, CAN & CSC countries account for 41 (85%).

Figure 1.17 NSG Operations Pending Signature by Country Group and Approval Year

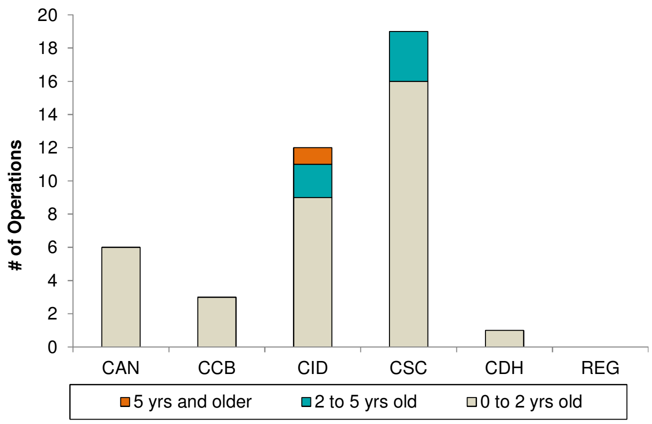


- There are 47 NSG operations ($1.7b in volume) pending signature of which 4 were approved between 2008 and 2009 (2 to 5 years old); and 43 between 2010 and 2012 (0 to 2 years old). Of these 43 NSG operations, CSC countries and Regional operations account for 28 (65%).

[10] Does not include operations pending ratification.

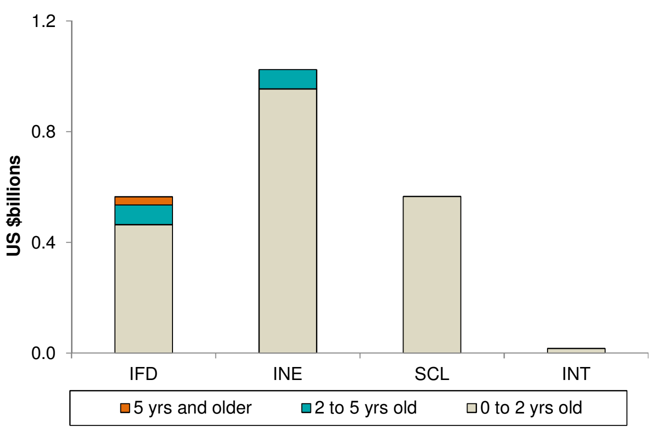
Loan Portfolio Pending Eligibility

Figure 1.18 SG Operations Legally Effective, Pending Eligibility by Country Group and Approval Year



- There are 41 SG operations with legal effectiveness pending eligibility representing 7% of total SG portfolio (622 operations) of which one was approved on or before 2006 (5 years and older); five were approved between 2007 and 2009 (2 to 5 years old); and 35 were approved between 2010 and 2012 (0 to 2 years old). Of these 41 SG Operations, CSC countries account for 19 (46%) and CID countries 12 (29%).

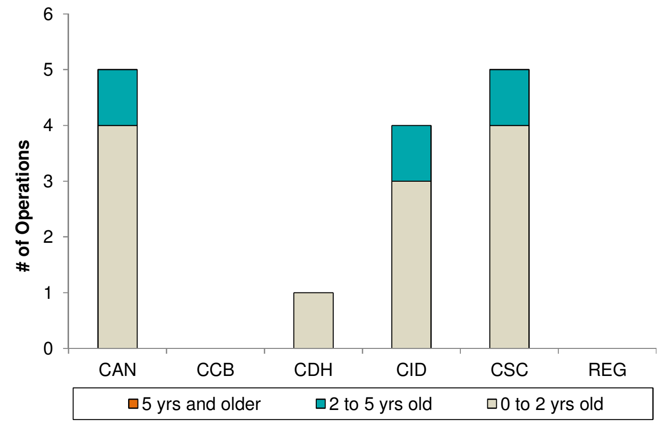
Figure 1.19 SG Operations Not Yet Eligible (Volume of Operations)



- INE and IFD account for $1.6b 73% of the total volume ($2.2b) of SG operations with legal effectiveness pending eligibility.

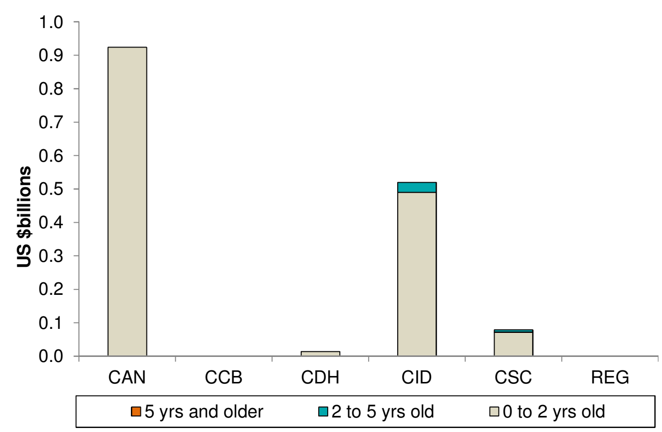
Loan Portfolio Pending First Disbursement

Figure 1.20 SG Operations pending First Disbursement by Country Group and Approval Year



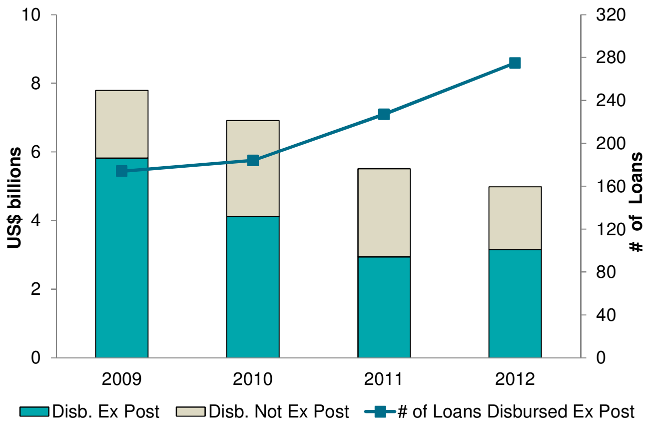
- There are 15 SG eligible operations pending first disbursement 2% of total SG portfolio (622 operations), of which 3 were approved between 2007 and 2009 (2 to 5 years old); and 12 were approved between 2010 and 2012 (0 to 2 years old). Of these 15 SG eligible operations, CAN and CSC countries account for 10 (67%).

Figure 1.21 SG Operations pending First Disbursement (Volume of Operations)



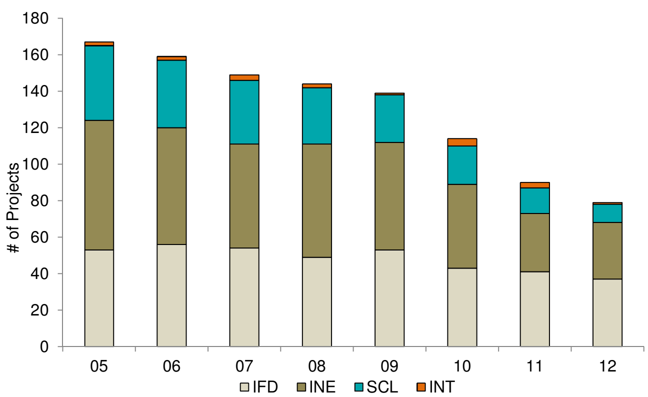
- CAN and CID account for $1.5b, 94% of the total volume ($1.6b) of SG eligible operations pending first disbursement.

Figure 1.22 Ex Post review of Disbursements



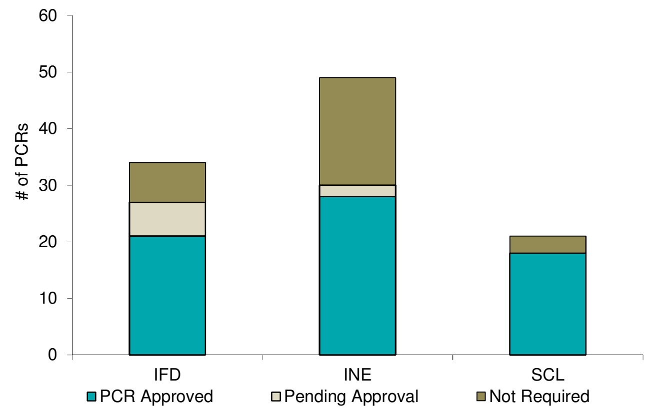
- The amount of disbursements reviewed ex post from investment SG operations reached $3.2b, a 7% increase from $2.9b in 2011.
- The number of loans that disbursed with ex post review reached 275 in 2012, a 21% increase from 227 in 2011.

Figure 1.23 Last Disbursements Extensions – SG investment projects extended 24+ months



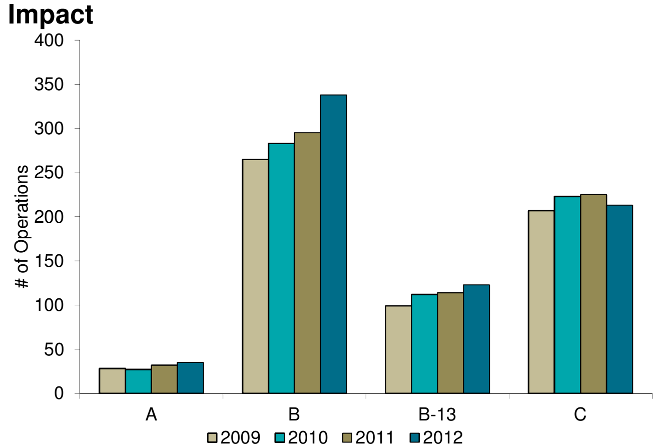
- The number of SG investment projects with extensions of 24 months or more from its original last disbursement date reached 79, a 12% decrease from 90 in 2011.
- The $1.1b available balance of these 79 operations represents 4% of the portfolio's total available balance. In 2011 the reported available balance was $0.6b representing 2% of the portfolio's total available balance.

Figure 1.24 Project Completion Report (PCR) Status



- There are 77 projects that required the preparation and approval of a PCR before June 30th 2012[11] of which 59 were approved achieving a 77% completion rate. In addition, 9 PCRs were prepared and approved during the second semester of 2012 increasing the completion rate to 88%.

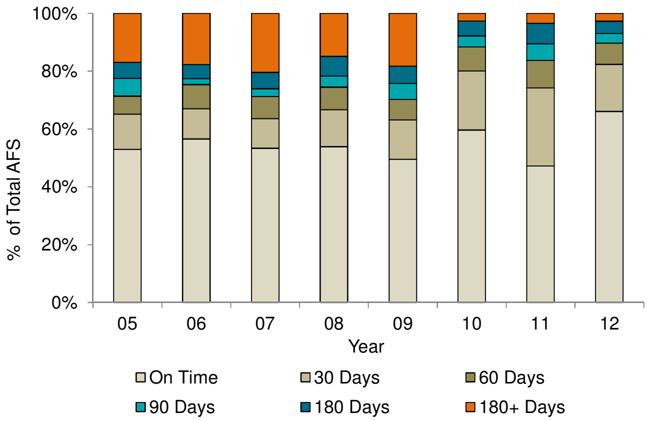
Figure 1.25 Portfolio by Environmental and Social Impact



- 35 operations in execution for $6.7b have been assigned the "A" Environmental and Social Impact risk classification. 32 operations in execution for $6.6b in 2011 were assigned the same rating.
- 338 operations in execution for $25.9b have been assigned the "B" Environmental and Social Impact risk classification. 295 operations in execution for $22.5b in 2011 were assigned the same rating.

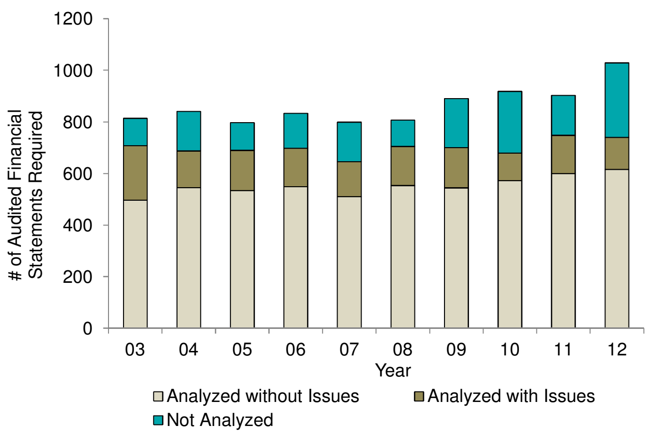
[11] The PCR completion cycle reports at the end of year's first half, on operations completed the year before.

Figure 1.26 Audited Financial Statements compliance



- AFS delivered on time as a percentage of AFS required reached 66%, an increase of 19 percentage points from 47% in 2011

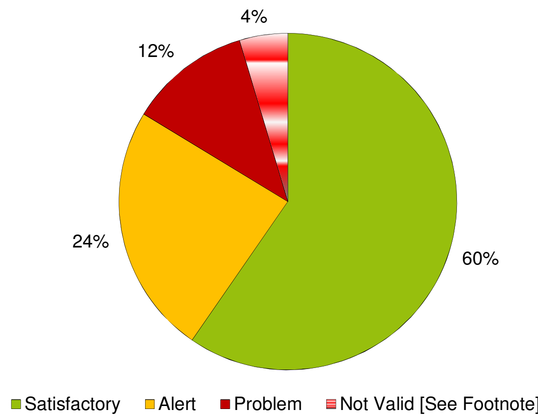
Figure 1.27 Analysis status of audited financial statements



- In 2012, 740 (72%) of the 1029 AFS expected were analyzed by auditors. This analysis resulted in 616 (83%) AFS with no issues, an increase of 3 percentage points from 80% in 2011.

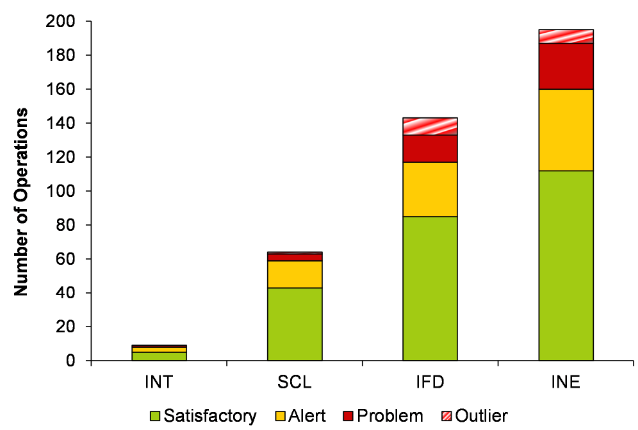
Progress Monitoring Report (PMR)

Figure 1.28 Status of Portfolio[12]



- In 2012, the Performance Index classified 60% of the SG portfolio operations as “Satisfactory”, an increase of 4 percentage points from 56% in 2011[13]; 24% as “Alert”, an increase of 3 percentage points from 21% in 2011; 12% as “Problem”, same percentage as in 2011; and 11% as “Not Valid”[14], a decrease of 7 percentage points from 11% in 2011.

Figure 1.29 Performance Index classification by Sector Department



- In 2012, the PMR identified as Satisfactory: 59% (85 of 143) of IFD projects, a decrease of 4 percentage point from 63% in 2011; 67% (43 of 64) of SCL

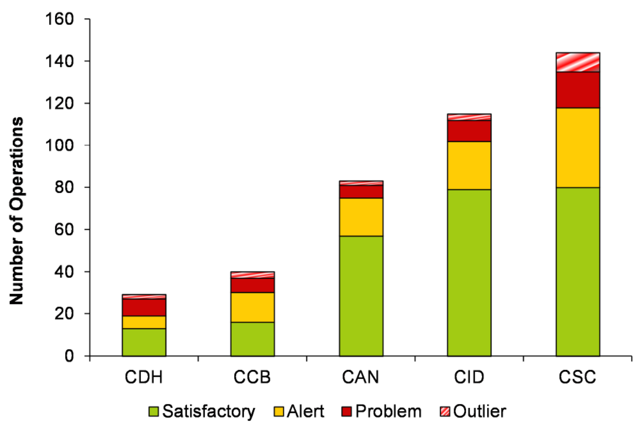
[12] The analysis was based on the Performance Index (PI) calculated in March 2012 for 411 operations, representing the eligible portfolio. Policy-based programs and closed operations were excluded.

[13] A reclassification of 2010 projects was necessary for data comparability. Supplementary projects do not have a PI (as they are reported in the original loan) and the "Not valid" category has been added

[14] “Not valid” are projects that have either a CPI or SPI of 2 or above, or that have missing data.

projects, a 7 percentage points increase from 60% in 2011; 57% (112 of 195) of INE, a decrease of 3 percentage points from 60% in 2011; and 56% (5 of 9) of INT, a 47 percentage points increase from 9% in 2011.

Figure 1.30 Performance Index classification by Country Department



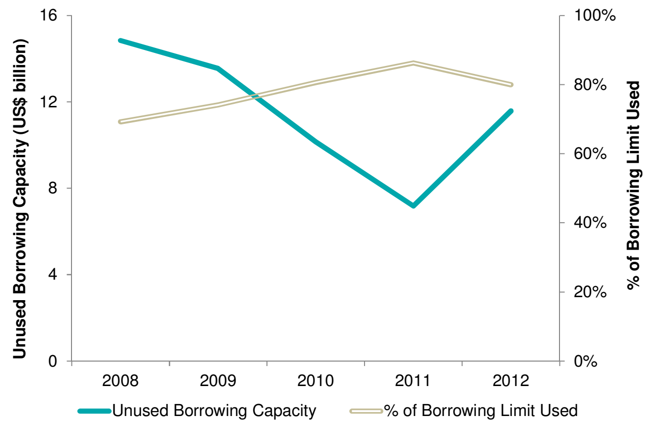
- In 2012, the PMR identified as Satisfactory: 69% (57 of 83) of CAN projects, a 3 percentage points decrease from 72% in 2011; 69% (79 of 115) of CID, projects a 18 percentage points increase from 51% In 2011; 56% (80 of 144) of CSC projects, a 3 percentage points increase from 53% in 2011; 40% (16 of 40) of CCB, an 17 percentage points decrease from 57% in 2011; and 45% (13 of 29) of CDH projects, a 3 percentage points decrease from 48% in 2011.

Lending Credit Risk

The Bank manages loan credit risk by maintaining limits on lending capacity, allocating adequate capital to cover unexpected scenarios in the loan portfolio, and by maintaining policies for managing non-performing loans. In addition, the Bank has established sector concentration limits in the NSG portfolio to facilitate diversification.

Overall lending operations are constrained by the Bank's Borrowing Policy, which limits Net Borrowings to the callable capital of non-borrowing countries.

Figure 1.31 Unused Borrowing Capacity

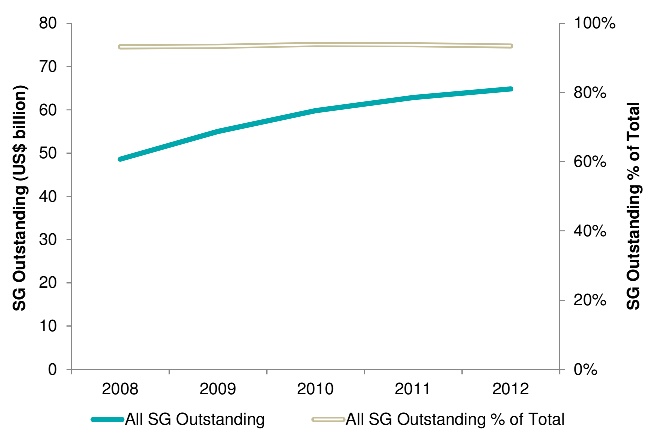


- For 2012, Net Borrowings reached $46.3 billion, a 2.5% increase from $45.2 in 2011. The callable capital of non-borrowing countries reached $57.9 billion, an 11% increase from $52.3 billion in 2011 following the date of effectiveness of the first installment of the GCI-9. The percentage of the borrowing limit used reached 80.0%, a decrease of 6.3 percentage points from 86.3% in 2011, and the unused borrowing capacity reached $11.6 billion, an increase of 61.4% from $7.2 billion in 2011.

Concentration Risk

- High geographic concentration remains a source of credit risk in the IDB's loan and guarantee portfolio (SG+NSG), given the regional nature of the Bank's lending operations.
- By year end 2012, the five largest borrowing countries – Brazil, Argentina, Mexico, Colombia and Peru – accounted for around 69% of the Bank's loan and guarantee exposures.

Figure 1.32 Concentration Risk (SG)

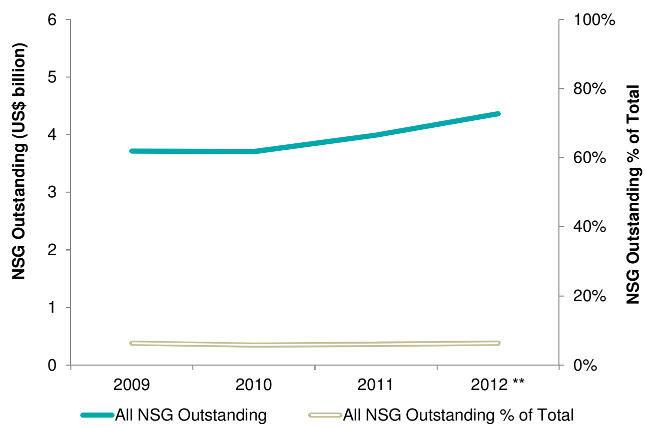


- In 2012, the size of the outstanding SG portfolio reached $64.8 billion, an increase of 3% from $62.9

in 2011. The five largest SG exposures reached 70.8%, less than one percentage point decrease from 71.2% in 2011.

- The undisbursed portion of approved SG loans reached $23.9 billion, a 13.2% increase from $21.1 in 2011, as new SG loan approvals of $3.8 billion were partially offset by SG net disbursements of $3.3 billion. As a result, undisbursed SG loans as a percentage of outstanding SG loans and guarantees reached 36.9%, an increase of 3.3 percentage points 33.6% in 2011.

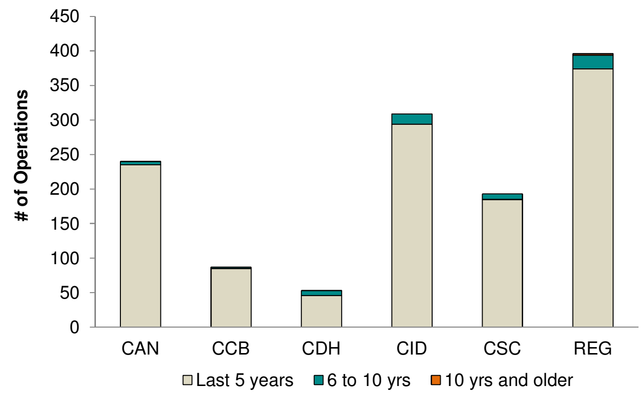
Figure 1.33 Concentration Risk (NSG)



- In 2012, the size of the outstanding NSG portfolio reached $4.4 billion, a 9.4% increase from $4 billion in 2011. The five largest NSG exposures reached 58.4%, a decrease of 6.7 percentage points from 65.1% in 2011.
- The undisbursed portion of NSG loans reached $2.9 billion, a 7.4% increase from $2.7 billion in 2011. NSG loans and guarantees undisbursed as a % of outstanding + undisbursed reached 39.7%, less than 1 percentage point decrease from 40.2% in 2011.

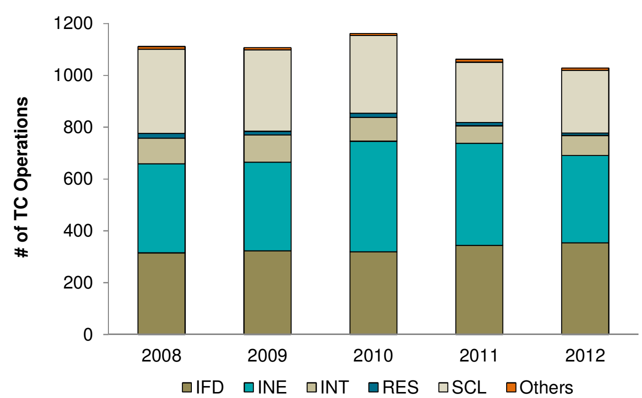
TC Portfolio

Figure 1.34 TC Operations by Country Group and Approval Year



- There are 1,278 TC operations in portfolio ($721m in volume) of which 57 operations were approved between 2003 and 2007 representing $49m, and 1,219 operations between 2008 and 2012 representing $667m. Of these 1,278 TC operations, REG and CID countries account for 705 (55%).

Figure 1.35 Technical Cooperation in Execution under VPS by Sector

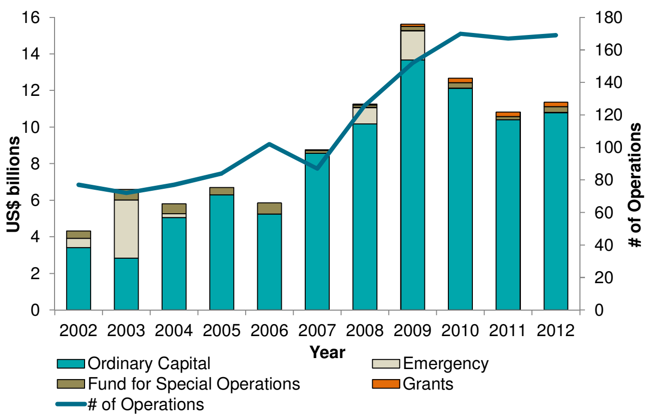


- TC Portfolio under responsibility of VPS reached 1,028 operations, a 3% decrease from 1,062 in 2011.
- The IFD TC portfolio reached 354 operations, a 3% increase from 344 in 2011; INE reached 337 operations, a 14% decrease from 394 in 2011; and SCL reached 242 operations, a 4% increase from 233 in 2011.

II. Program Strategic Alignment

Loan Approvals

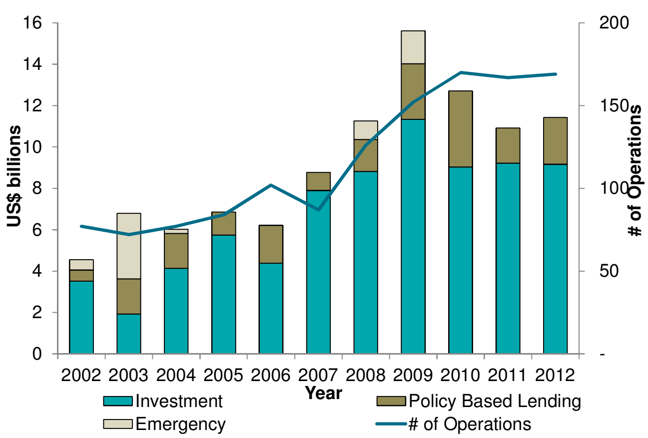
Figure 2.1 Approvals by fund



- Lending approvals reached $11.4b, a 5% increase from $10.9b in 2011. The number of operations reached 169, a 1% increase from 167 approved in 2011.
- Fund for Special Operations (FSO) approvals reached $320m, a 77% increase from the $181m approved in 2011. Grant approvals reached $246m, a 2% increase from the $241m approved in 2011.

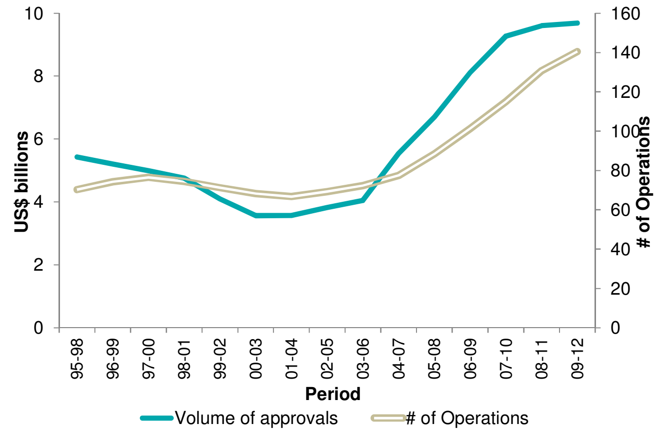
By Instrument

Figure 2.2 Approvals by Instrument



- Investment approvals reached $9.2b in 2012, same level than 2011. Policy Based lending approvals reached $2.3b, a 33% increase from $1.7b in 2011. There were no Emergency loan approvals in 2012.
- Sovereign Guaranteed investment operations account for $7.7b of investment approvals, a 1% decrease from $7.8b in 2011.

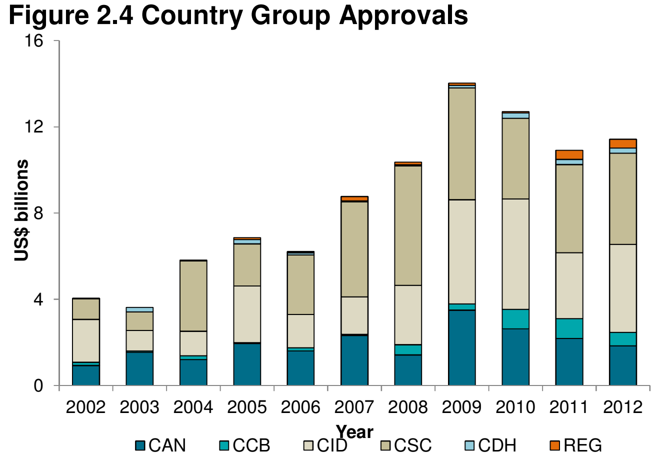
Figure 2.3 Investment lending growth – 4 year moving average



- The 4 year Average Investment Lending approvals reached $9.7b in the 09-12 periods, a 1% increase from $9.6b in 08-11.
- The 4 year Average Investment Lending approvals reached 141 operations in the 09-12 periods, a 7% increase from 131 in 08-11.

By Country Group

Figure 2.4 Country Group Approvals

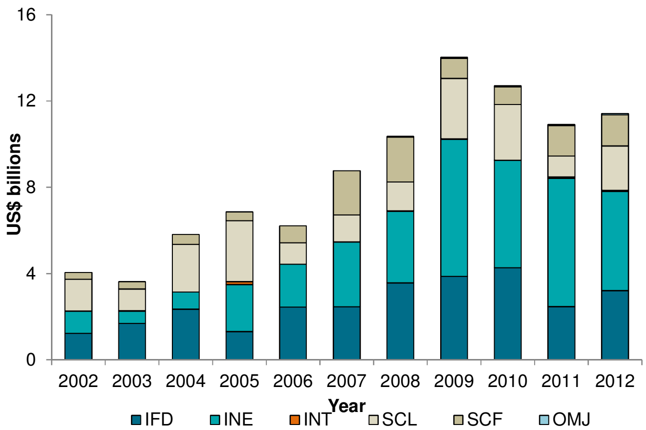


- Approvals for CAN countries reached $1.8b, a 15% decrease from $2.2b in 2011. The number of operations reached 33, an 11% decrease from 37 in 2011.
- Approvals for CCB countries reached $0.6b, a 32% decrease from $0.9b in 2011. Number of operations reached 14, a 26% increase from 19 in 2011.
- Approvals for CID countries reached $4.1b, a 33% increase from 3.1b in 2011. Number of operations reached 48, a 4% decrease from 50 in 2011.
- Approvals for CSC countries reached $4.2b, a 3% increase from $4.1b in 2011. Number of operations reached 52, an 11% decrease from 47 in 2011.

- Approvals for CDH reached $249m, a 3% increase from $241m in 2011. Number of operations reached 11, a 57% increase from 7 in 2011.
- Regional approvals reached $406m, a 4% decrease from $425m approved in 2011. Number of operations reached 11, a 57% increase from 7 in 2011.

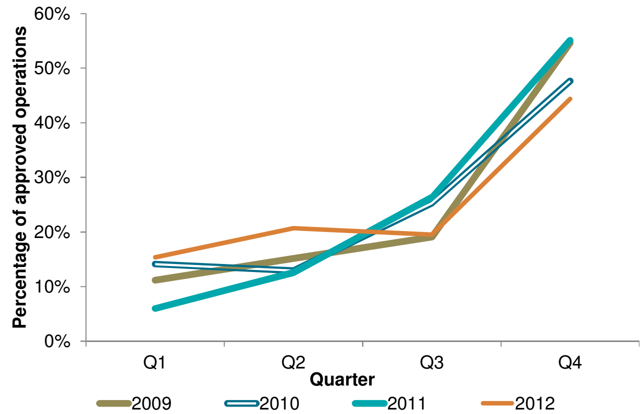
By Sector (SG & NSG)

Figure 2.5 Approvals by Sector



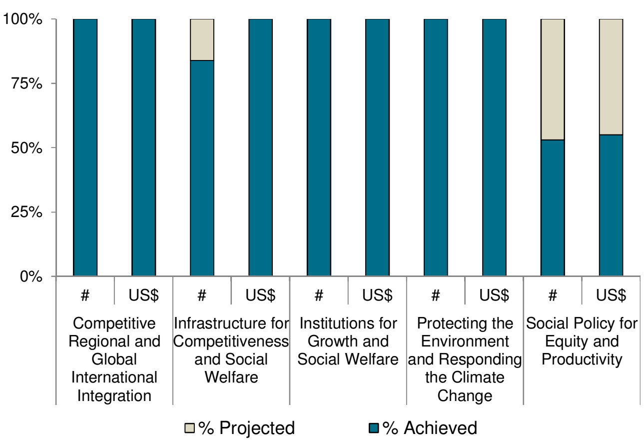
- IFD approvals reached $3.2b, a 30% increase from $2.5b approved in 2011. The number of operations reached 43, an 8% increase from 40 in 2011.
- INE approvals reached $4.6b, a 23% decrease from the $6.0b approved in 2011. The number of operations reached 49, a 14% decrease from 57 operations in 2011.
- SCF approvals reached $1.5b, a 3% increase from the $1.4b in 2011. Number of operations reached 35, same level as in 2011.
- SCL approvals reached $2.1b, more than double than $1.0b in 2011. Number of operations reached 29, a 45% increase from 20 in 2011.
- INT and OMJ approvals reached $103m, a 4% increase from $99m in 2011. Number of operations reached 13, a 13% decrease from 15 in 2011.

Figure 2.6 Cumulative Lending Approvals by Quarter



- The number of loan approvals in the last quarter of 2012 reached 75, an 18% decrease from 92 in 2011. As a percentage of total number of operations, approvals in the last quarter reached 44%, 11 percentage points decrease from 55% in 2011.
- Volume of lending approved in the last quarter of 2012 reached $5.2b, a 22% decrease from $6.6b in 2011. As a percentage of total lending, approvals in the last quarter reached 45%, a 16 percentage points decrease from 61% in 2011.

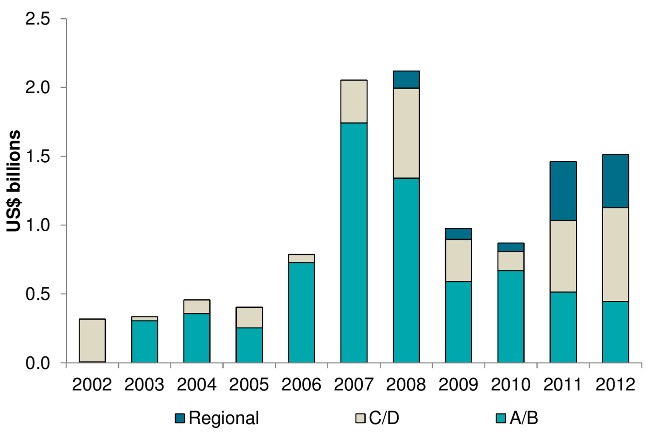
Figure 2.7 Approvals in sector priority areas



- Approvals for Competitive Regional and Global International Integration reached $143m in 11 operations, more than four times the volume ($35m) projected for 2012.

- Approvals for Infrastructure for Competitiveness and Social Welfare reached \$4.8b in 47 operations, 20% above the volume (\$4.0b) projected for 2012.
- Approvals for Institutions for Growth and Social Welfare reached \$3.4b in 61 operations, 25% above the volume (\$2.7b) projected for 2012.
- Approvals for Protecting the Environment and Responding the Climate Change priority reached \$903m in 15 operations, three times the volume (\$300m) projected for 2012.
- Approvals for Social Policy for Equity and Productivity reached \$2.1b in 35 operations, 45% under the volume (\$3.9b) projected for 2012.

Figure 2.8 NSG Lending to Small & Vulnerable Countries

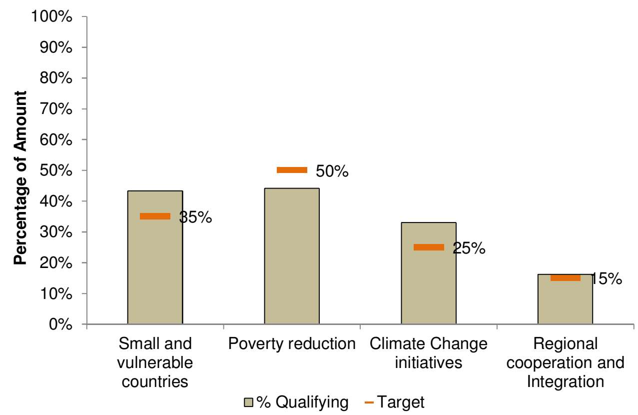


- NSG approvals for Small and Vulnerable countries represented 45% of total NSG volume (\$1.5b) and 49% of total number of NSG operations (45). In 2011, approvals for these countries were 36% of total NSG volume (\$1.5b) and 43% of total number of NSG operations (46).

Lending Targets of IDB-9

The following are the results of the approvals in Q3 2012 compared to the annual targets established for the IDB-9.

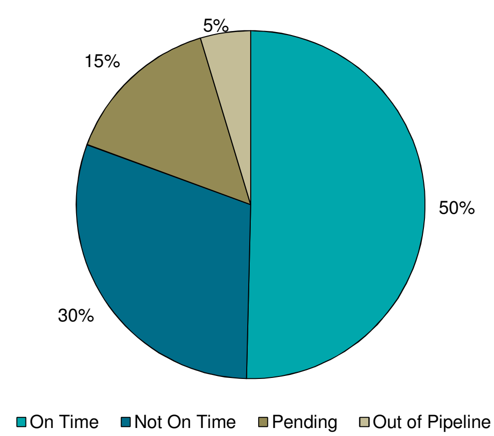
Figure 2.9 Lending Targets of IDB-9 [15]



- Approvals for Small and Vulnerable countries reached \$4.9b in 91 operations, 43% of the volume (\$11.4b[16]) approved in 2012.
- Approvals for Poverty Reduction and equity enhancement reached \$5.0b in 76 operations, 44% of the volume (\$11.4b) approved in 2012.
- Approvals for Climate Change, sustainable (including renewable) energy and environmental sustainability initiatives reached \$3.8b in 45 operations, 33% of the volume (\$11.4b) approved in 2012.
- Approvals for Regional Cooperation and Integration reached \$1.8b in 30 operations, 16% of the volume (\$11.4b) approved in 2012

Priority Pipeline

Figure 2.10 Priority Pipeline Delivery



- For 2012 Priority Pipeline, 129 operations were planned to be approved across the four quarters of which 65 (50%) were delivery on time on their

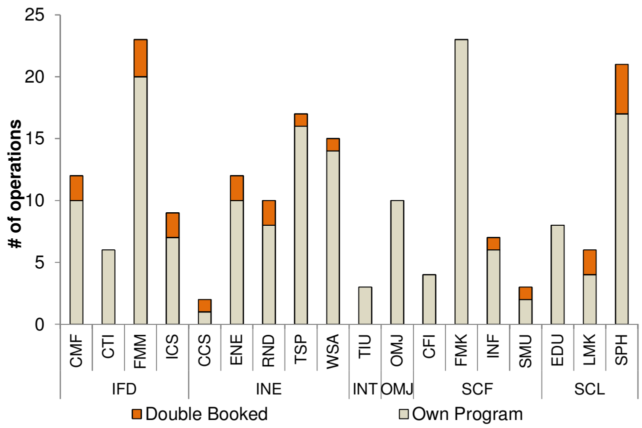
[15] Operations can qualify for more than one indicator.

[16] Include Ordinary Capital, Fund for Special Operations and IDB Grant Facility.

planned quarter, 39 (30%) were approved in a different quarter than planned, 19 (15%) were moved to 2013 and 6 (5%) are out of pipeline.

Double Booking

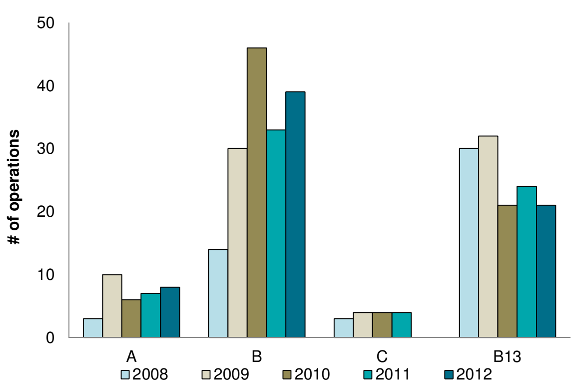
Figure 2.11 Loan Approvals with Double Booking



- Approvals for Double Booked operation reached $1.9b in 22 operations prepared by CMF, FMM, ICS, CCS, ENE, RND, TSP, WSA, SCF, LMK and SPH.

Environmental and Social Safeguard

2.12 Environmental and Social Safeguards' participation in approved operations per category

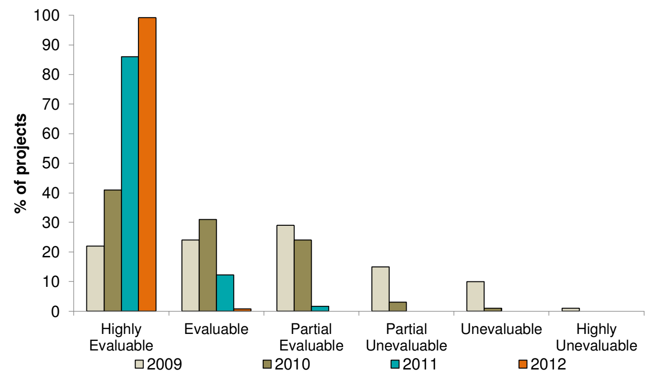


- The number of loan operations that had assistance from an Environmental and Social Safeguards specialist from ESG reached 68 in 2012, same level as in 2011. Category A operations reached 8, an increase of 14% from 7 in 2011; B operations reached 39, an increase of 18% from 33 in 2011; there were no C operations in 2012 compared to 4 in 2011 and B13 operations reached 21, a decrease of 13% from 24 in 2011.

Development Effectiveness - DEM

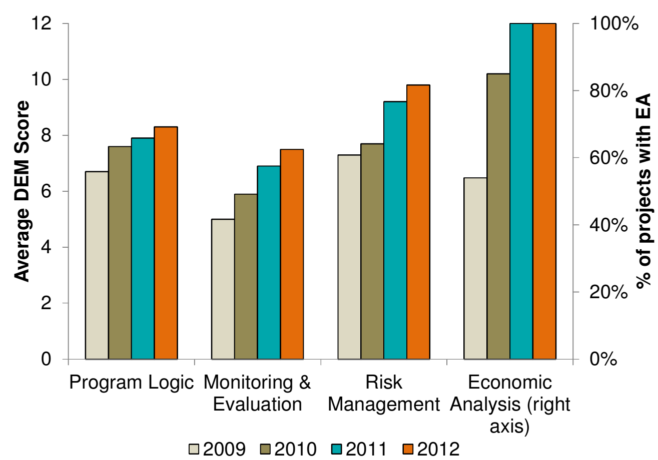
This section presents indicators from Development Effectiveness Matrix (DEM) and the implementation of the Progress Monitoring Report (PMR).

Figure 2.13 Development Effectiveness Matrix evaluability levels RF



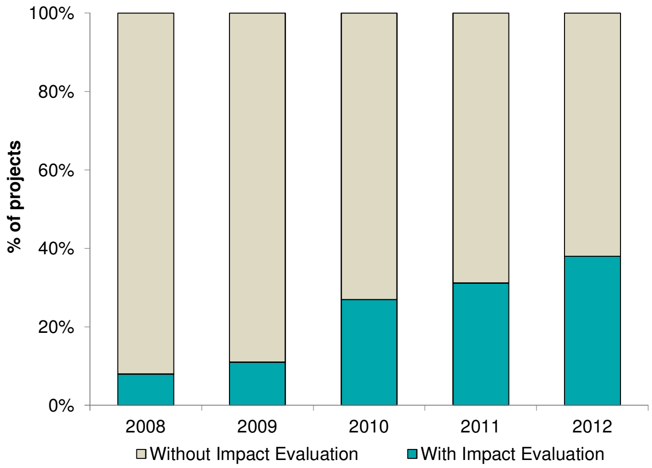
- The share of operations that scored "evaluable" or above in the evaluability dimensions reached 99%, one percentage point increase from 98% in 2011. The RF target is 85%.

Figure 2.14 Development Effectiveness Matrix ratings



- Average DEM ratings at entry improved in all dimensions from 2011 to 2012. Program Logic scored 8.3, a 5% improvement from 7.9 in 2011; evaluation and monitoring scored 7.5, a 9% improvement from 6.9 in 2011; risk management scored 9.8, a 7% improvement from 9.2 and operations with Economic analysis reached 100%, same level as in 2011.

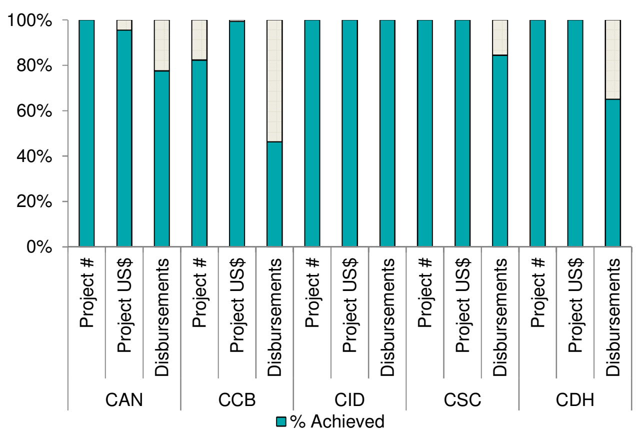
Figure 2.15 Ex-Ante impact evaluation



- The operations with an assessment of Impact Evaluation in 2012 reached 38%, a 7 percentage point increase from 31% in 2011.

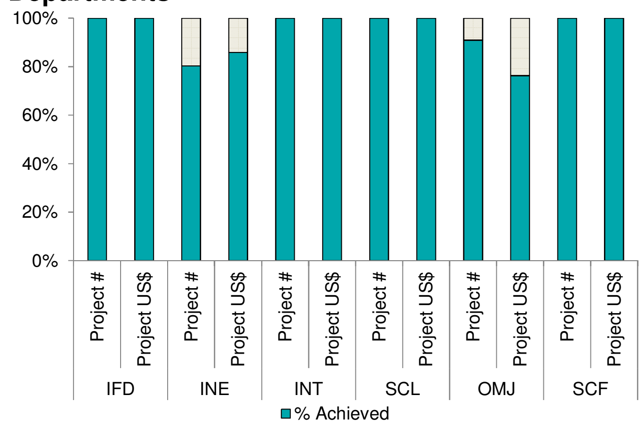
Business Plans Execution

Figure 2.16 Business Plans from Country Departments



- Based on estimates prepared for the Business Plans[17] for 2011, CAN reached 78% of estimated disbursements, 96% of approvals volume, and 100% of number of operations.
- CCB reached 46% of estimated disbursements, 99% of approvals volume, and 82% of number of operations.
- CID reached 100% of estimated disbursements, 100% of approvals volume, and 100% of number of operations.
- CSC reached 84% of estimated disbursements, 100% of approvals volume and 100% of number of operations;
- HRG reached 65% of estimated disbursements, 100% of approvals volume and 100% of number of operations.

Figure 2.17 Business Plans from Sector Departments



- Based on estimates prepared for the Business Plans[18] for 2011, IFD reached 100% of estimated approvals volume and 100% of number of operations.
- INE reached 86% of estimated approval volume and 80% of number of operations.
- INT reached 100% of estimated approval volume and 100% of number of operations.
- SCL reached 100% of estimated approval volume and 100% of number of operations.
- OMJ reached 76% of estimated approval volume and 91% of number of operations.
- SCF reached 100% of estimated approval volume and 100% of the number of operations.

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[17] Business Plans are the original estimates of outputs proposed by Bank's Units in the Program and budget document (GA-245-19) for the year. Country Departments and Sectors prepared estimates for disbursements and approvals (number and volume) among other indicators.

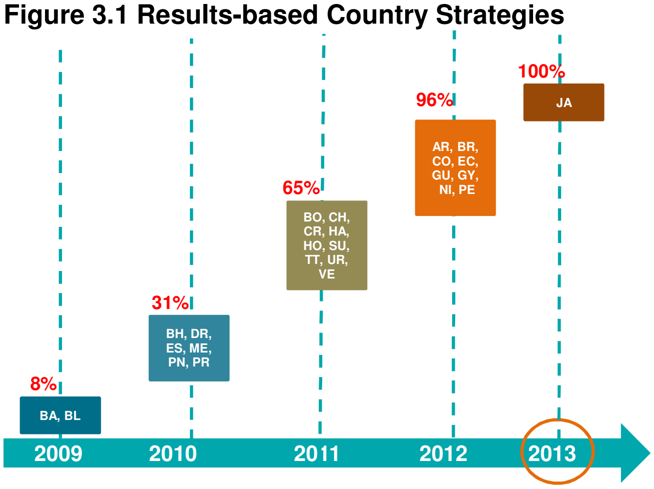
[18] Business Plans are the original estimates of outputs proposed by Bank's Units in the Program and budget document (GA-245-19) for the year. Sectors prepared estimates for approvals (number and volume) among other indicators.

III. Business Development

Country Policy Dialogue

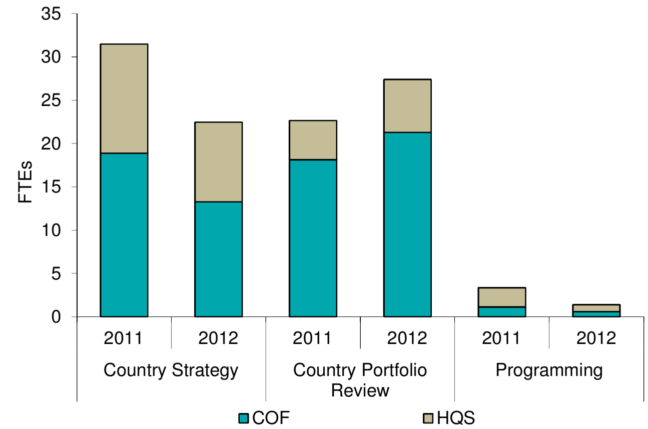
- Eight country strategies were approved by the Board during 2012: Argentina, Brazil, Colombia, Ecuador, Guatemala, Guyana, Nicaragua and Peru. Jamaica was originally planned for completion in 2012 and will be approved in 2013.
- For relevance, the link between diagnostics and strategic objectives was clearly expressed in all country strategies and consistent with each country's development challenges and priorities (ownership and alignment).
- All country strategies were selective and focused and provided a suitable mix of Bank instruments to achieve strategic priorities (coherence).
- Country Program Documents (CPDs) were prepared for all 26 countries. The consolidated results indicate that the majority of the SG loans programmed for the year were aligned with the respective CS. The results also confirm that the TCs considered are geared towards supporting the CS implementation. In the cases were there was partial alignment, a sound justification was provided in order to support the relevance of the operations included in the work plan.

Figure 3.1 Results-based Country Strategies



- For effectiveness, all eight country strategies were based on high quality country diagnostics. Almost all of the sector diagnostics could identify problems and their determinants based on empirical evidence. The sector diagnostics could also characterize the population affected by such problems, as well as define the possible types of interventions. The objectives defined in the country strategies have a direct correspondence with the sector diagnostic.
- The quality of the country strategies results frameworks was also high, including a clear and specific identification of objectives, and expected results and indicators.

Figure 3.2 Staff Time Reported to Programming Products



- Staff Time reported to strategy, programming and portfolio management activities reached 51.2 FTEs[19], an 11% decrease from 57.5 FTEs reported in 2011. Country Strategies accounted for 44% (22.5 FTEs) of the total reported to these activities.
- The 28.8 FTEs reported to programming and portfolio management activities are distributed as: CID 37%, CCB 25%, CAN 15%, CSC 11%, CDH 10% and Regional 2%.
- Staff time reported to strategy, programming and portfolio management activities by COF reached 69% of FTEs reported to these activities, a 3 percentage point increase from 66% in 2011.
- Staff time reported to Customer Relationship Management[20] activities reached 11.2 FTEs, a 20% increase from 9.4 FTEs in 2011.

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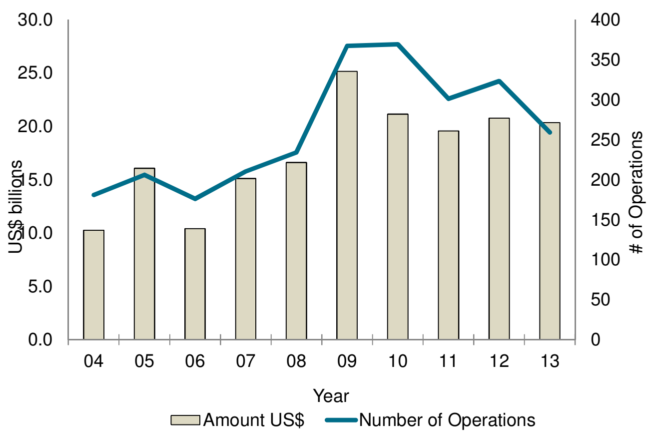
19 FTE – Full Time Equivalent Staff Years

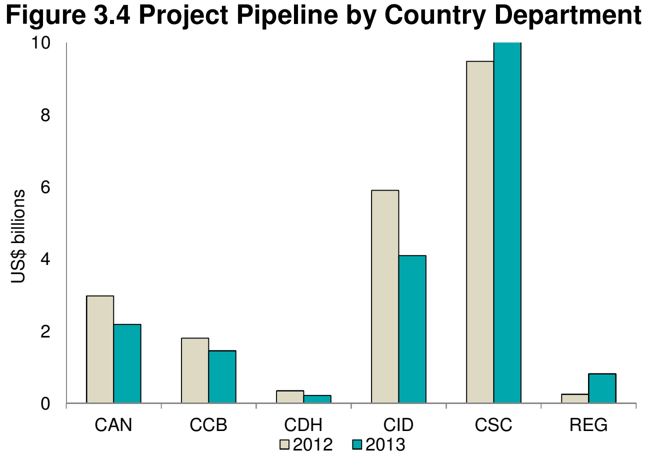
20 Customer Relationship Management refers to the provision of timely, high quality services to borrowing countries, donors and other key constituencies. Manage clients' expectations under a scenario of scarcity of resources.

Figure 3.3 Operations Pipeline Development



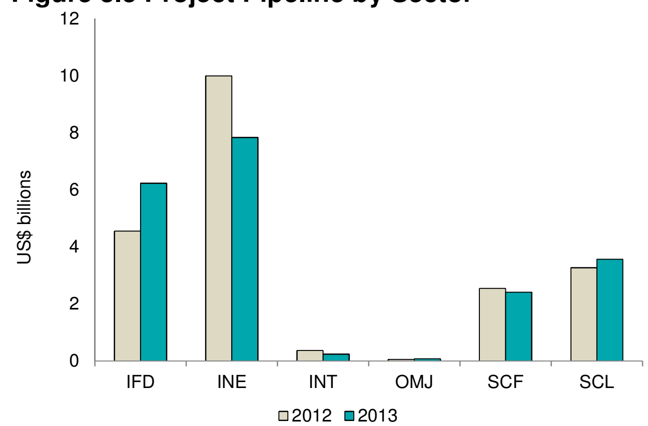
- As of January 1st 2013, the pipeline[21] had 259 loan operations for $20.3b, a 20% decrease from 323 operations and a 2% decrease from $20.8b in 2012.
- The pipeline at the beginning of 2013 included $3.4b in Policy-based Lending (PBL), a 36% increase from $2.5b in 2012; and $16.9b in SG and NSG investment, an 7% decrease from $18.2b at the beginning of 2012.
- The 2013 category "A" pipeline has 160 operations for $10.9, a 23% decrease from 209 operations and a 10% decrease from $12.1b in 2012.
- The 2013 A pipeline includes $1.5b in Policy-based Lending (PBL), and $9.4b in SG and NSG investment, which represents a 36% increase for PBL and a 15% decrease from $11.0b for SG and NSG investment in 2012.

Figure 3.4 Project Pipeline by Country Department



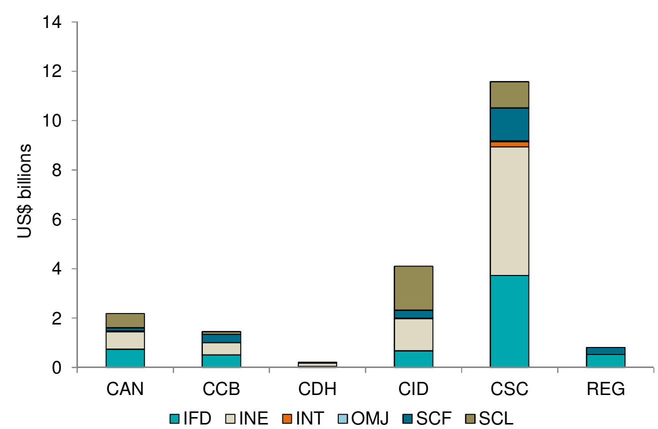
- Project pipeline as of January 1st 2013 for CAN amounts to $2.2b, a 27% decrease from $3.0b beginning 2012; for CCB amounts to $1.5b, a 19% decrease from $1.8b in 2012; for CDH amounts to $217m, a 37% decrease from $342m in 2012; for CID amounts to $4.1b, a 31% decrease from $5.9b in 2012 and for CSC amounts to $11.6b, a 22% increase from $9.5 in 2012.

Figure 3.5 Project Pipeline by Sector



- Project pipeline as of January 1st 2013 for IFD amounts to $6.2b, a 37% increase from $4.5b beginning 2012; for INE amounts to $7.8b, a 22% decrease from $10.0b in 2012; for INT amounts to $235m, a 36% decrease from $366m in 2012, for OMJ amounts to $77m, a 49% increase from $52m in 2012, for SCF amounts to $2.4b, a 5% decrease from $2.5b in 2012; for SCL amounts to $3.6b, a 9% increase from $3.3b in 2012.

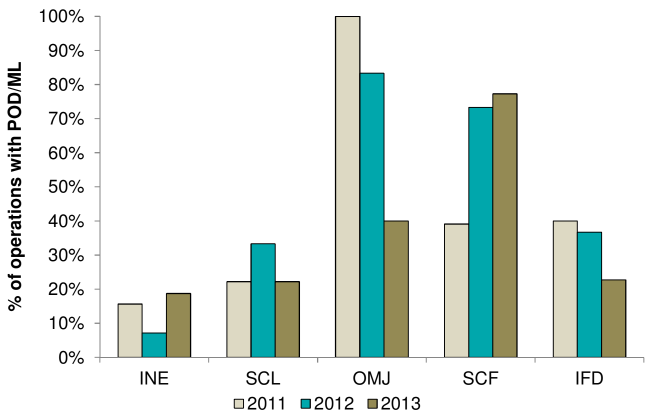
Figure 3.6 Project Pipeline by Country Department and Sector



- Project pipeline based on volume, is distributed in **CSC** and **CID** (77%), 11% for **CAN**, 7% for **CCB,** 1% for **CDH** and 4% Regional. For Sectors, **IFD** and **INE** account for 70% of pipeline while **SCL** accounts for 17% and **SCF** for 12%.

[21] Project pipeline includes projects for 2012 and 2013 categorized as A and B unless specifically noted.

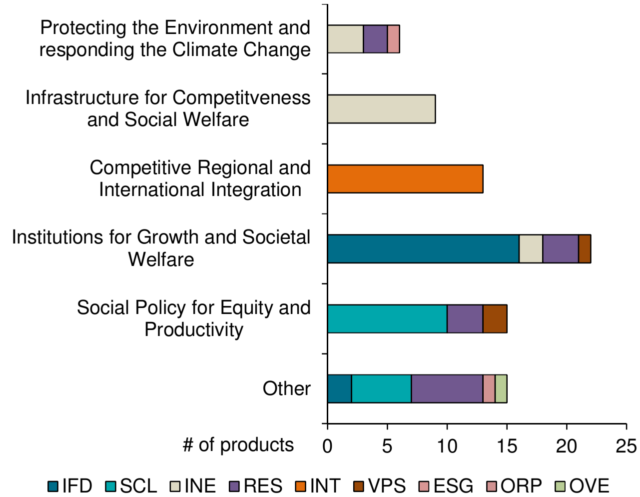
Figure 3.7 Pipeline Readiness



- At the beginning of 2013, there were 74 operations scheduled to be approved in the first semester of which 29 (39%) have already reached POD (SG) or Mandate Letter (NSG). In 2011, there were 97 operations scheduled for the first semester of which 35 (36%) had reached POD (SG) or Mandate Letter (NSG).

Economic and Sector Work (ESW)

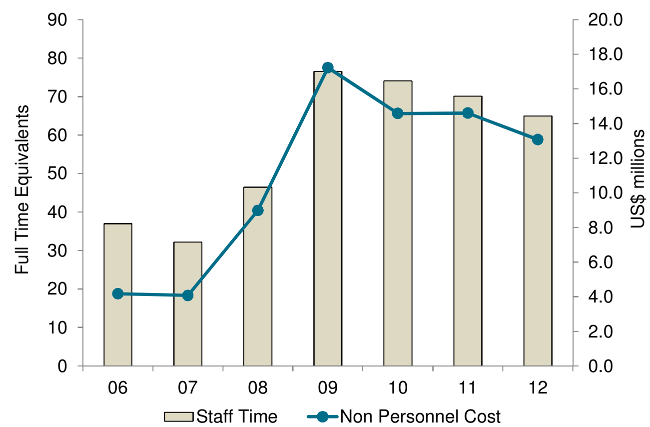
Figure 3.8 Economic and Sector Work (ESW) products by Sector and priority areas[22]



- The Economic and Sector Work (ESW) Program for 2012 contained 80 products aimed to promote the knowledge generation, application and dissemination pertinent for policy formulation, improve the quality of operations, strengthen Bank's relevance in the region and support country dialogue. The ESW program delivered 182 publications and reports, 96 seminars and conferences, 89 policy dialogues, and 28 public databases. The ESW Plan in 2011 contained 86 products with 469 deliverables completed.

- The Corporate Input Products (CIP) program for VPS at the end of 2012 contained 39 products concentrated mainly in INE (14), 10 in KNL, four in IFD, four in SCL, three in INT, three in the VPS Office (which includes ESG products), and one in RES. In 2011, the CIP program contained 43 products.

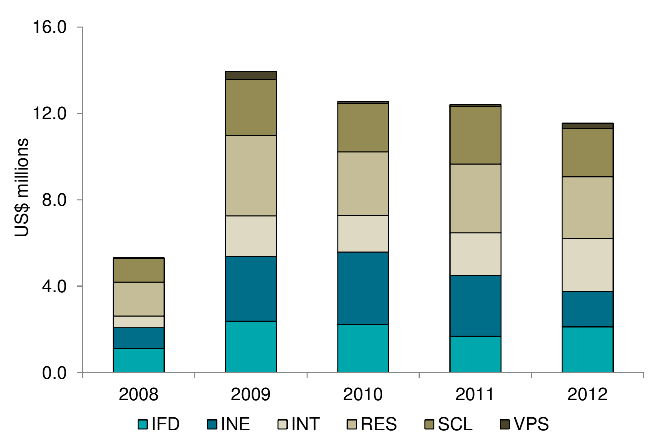
Figure 3.9 Resources to Economic and Sector Work Products



- Non personnel expenditures for ESW products reached $13.1m, a 10% decrease from $14.6m spent in 2011.

- Staff time reported to ESW products reached 74.9 FTEs, a 7% decrease from 70.1 reported in 2011.

Figure 3.10 Non Personnel Costs to Economic and Sector Work Products from Sectors

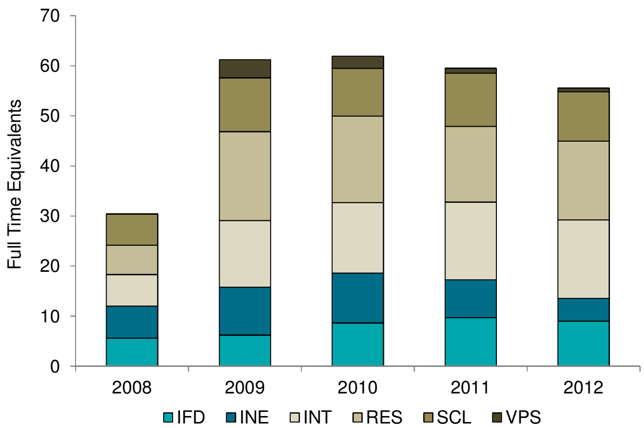


- Execution of Non personnel resources (consultants and travel) by VPS to the ESW program in 2012 reached $11.5m, a 7% decrease from $12.4m in

[22] In previous years, Economic and Sector Work was generated mainly through independent research papers, studies, notes and seminars. 2009 was the first year of implementation of Knowledge and Capacity Building Products through a programmatic approach.

2011. By sector, RES reached $2.9m, INE $1.6m, SCL $2.2m, INT $2.5m and IFD $2.1m.

Figure 3.11 Staff time reported to Economic and Sector Work Products from Sectors

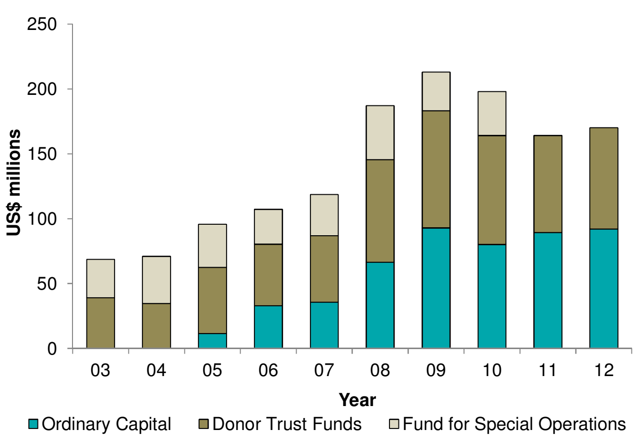


- Staff time reported by VPS to the ESW program in 2012 reached 56.5 FTEs, a 7% decrease from 59.5 FTEs in 2011. By sector, INT reached 15.7 FTEs, RES 15.7 FTEs, SCL 9.9 FTEs, IFD 9.0 FTEs and INE 4.5 FTEs.

Technical Cooperation Program

By Fund

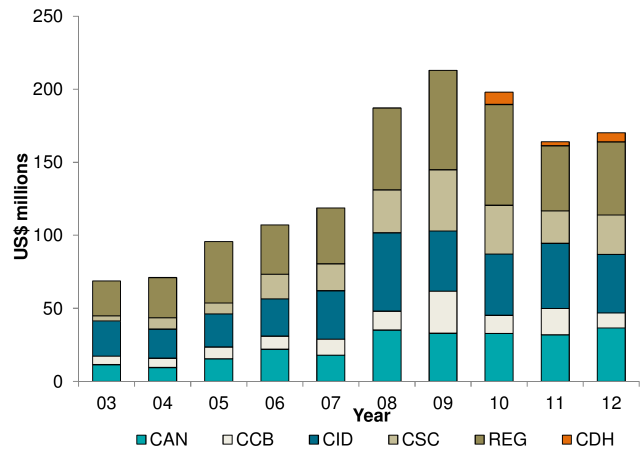
Figure 3.12 TC Program by Fund



- TC approvals reached $170m, a 4% increase from the $164m approved in 2011. Number of operations reached 381, a 7% increase from 355 in 2011. Average size of TCs approved reached $447K, a 3% decrease from $462K in 2011.
- TC financed Donor Trust Funds (DTF) approvals reached $78.1m, a 4% increase from $74.7m in 2011. Number of operations reached 161, a 6% decrease from 171 in 2011. Average size of DTF TCs was $485K, an 11% increase from $437K in 2011.
- Special programs financed with Ordinary Capital (OC) approvals reached $92.1m, a 3% increase from $89.4m in 2011. Number of operations reached 220, a 20% increase from 184 in 2011. Average size of OC TCs was $419k, a 14% decrease from $486k in 2011.

By Country Group

Figure 3.13 TC Program by Country Group

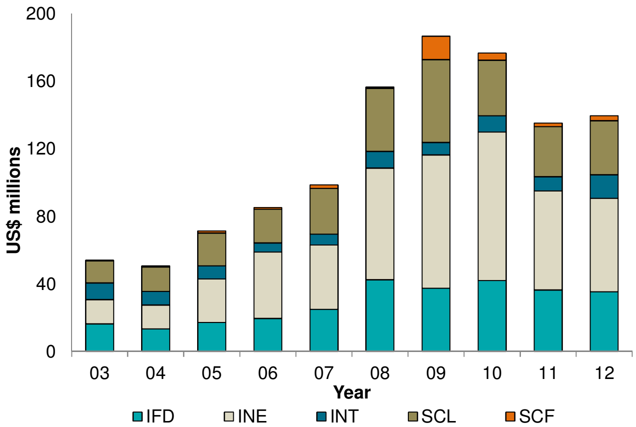


- TC approvals[23] for **CAN** countries reached $36.5m, a 15% increase from $31.8m in 2011; for **CCB** countries, approvals reached $10.3m, a 43% decrease from $18.1m in 2011; for **CID** countries, approvals reached $40.1m, a 10% decrease from $44.7m in 2011; for **CSC** countries, approvals reached $27.1m, a 22% increase from $22.2m in 2011, and **CDH** approvals reached $6.2m more than double the $2.7m approved in 2011.
- TC Regional approvals reached $50m, a 12% increase from $44.6m in 2010.
- **CAN** countries account for 21% of TC approvals in 2012; **CCB** countries for 6%, **CID** countries for 24%, **CSC** countries for 16%, **CDH** for 4% and Regional for 29%.

[23] Amounts and operations approved in this section do not include the IDB Special Grant Facility.

By Sector

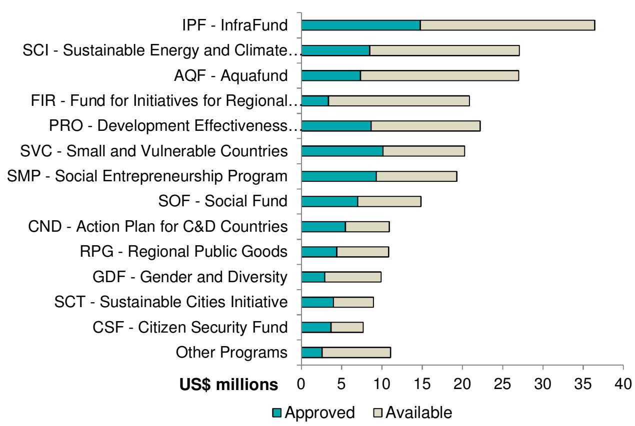
Figure 3.14 TC Program by Sector Department



- TC approvals in 2012 for **IFD** reached $35.5m, a 3% decrease from $36.5m in 2011; for **INE**, approvals reached $55.4m, a 6% decrease from $58.7m in 2011; for **INT**, approvals reached $13.9m, a 65% increase from $8.4m in 2011; for **SCL** approvals reached $32.1m, a 8% increase from $29.7m in 2011; and for **SCF** approvals reached $3.0m, a 45% increase from $2.1m in 2011.

ORC Special Programs

Figure 3.15 ORC Special programs utilization

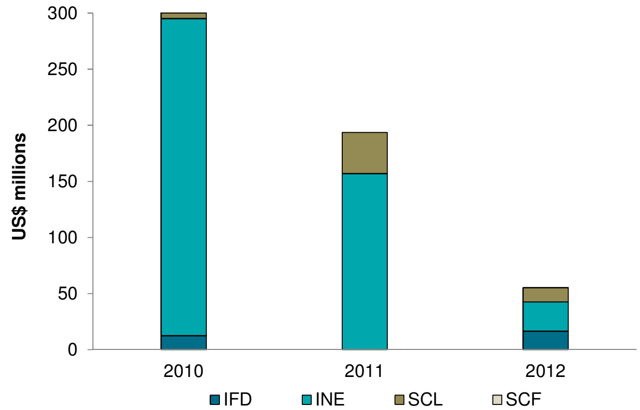


- Approvals under special programs[24] financed with Ordinary Capital (OC) reached $93.7m, 59% of the $158m available in 2012.

[24] Includes approvals and increases for Account C ADM/OC-9177-RS. As of Jan 1, 2012, Account C had $1,350,000 in uncommitted resources.

Investment Grants

Figure 3.16 Investment Grants (IGR)



- Investment Grants reached $55m, a 71% decrease from $194m in 2011. The number of operations reached 11, a 27% decrease from 15 approved in 2011.

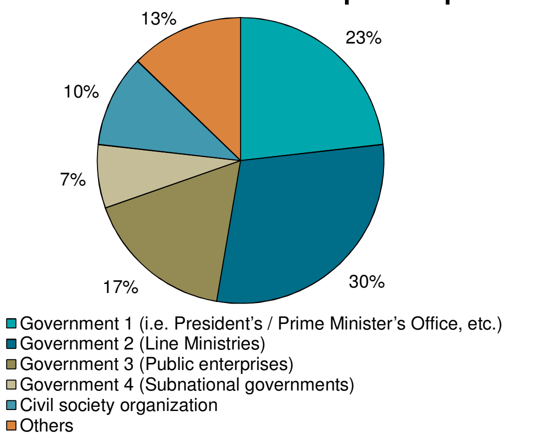
External Partners Feedback

The IDB is committed to better align its work with the needs of its development partners in each of its borrowing member countries. As part of the Ninth General Capital Increase (IDB-9), the Board of Governors mandated that the Bank implement a systematic approach to capture external feedback from civil society and public and private sectors regarding the Bank's products, services and comparative advantages.

In 2012, the IDB implemented a pilot[25] of the External Feedback System (EFS) which will be formally launched in 2013. The EFS consists of the following three key processes, supported by a targeted communications plan: 1) data gathering primarily through a family of online surveys, including Latinobarómetro; 2) data analysis by a specialized team; and 3) a governance structure involving senior staff across all Bank department to ensure that partner insights are taken into account in the improvement of Bank processes and products. The Bank will continue to report on partner satisfaction through its Corporate Results Framework in order to further its accountability and transparency agenda.

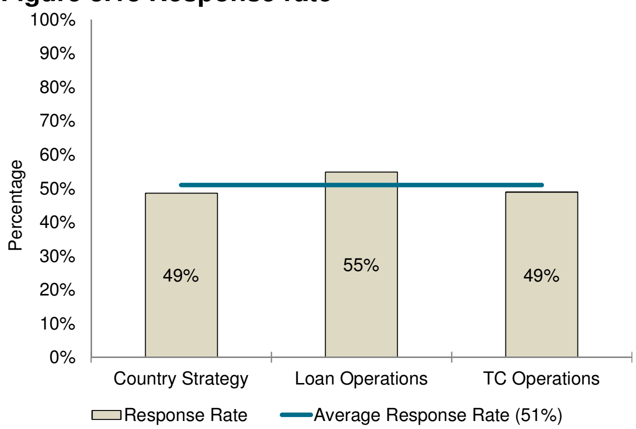
[25] In addition to providing valuable information on partner satisfaction, the pilot exercise helped Management to validate the survey instruments and survey management process, define key elements of the communications plan and the mechanisms by which the Bank will use the results to support strategic decisions as well as to improve day-to-day business practices.

Figure 3.17 External Partners sample composition



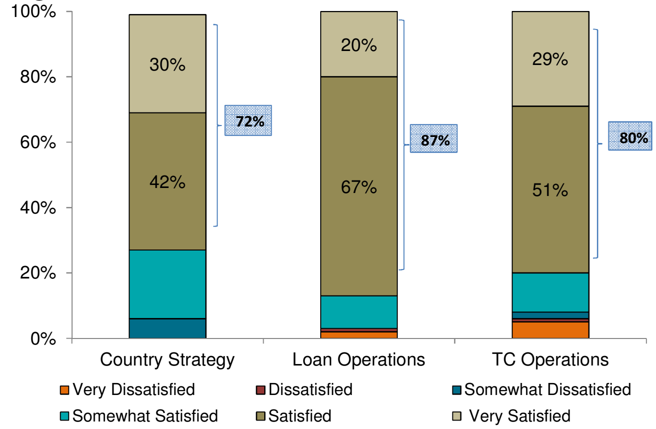
- A sample of 402 partners that completed the online surveys included government officials and civil society organizations responsible for the preparation and execution of Bank's financed operations.
- The surveys for Country Strategies also included organizations from the private sector, civil society, and education/knowledge centers.

Figure 3.18 Response rate



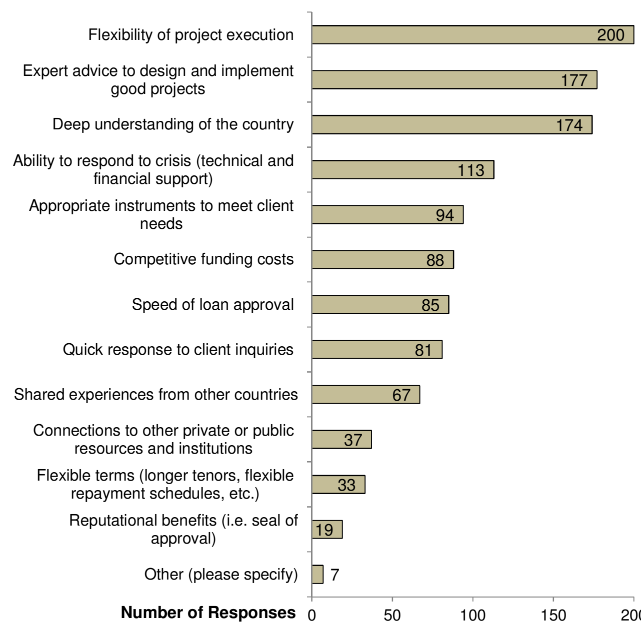
- 402 partners completed 415 online surveys of Bank-financed products that reached the milestone of approval, disbursement or completion during 2012. The overall response rate was 51%.

Figure 3.19 Level of Satisfaction



- Overall, external partners reported satisfaction with IDB-financed operations. The percent of external partners that reported satisfaction with Bank's products was 72% for country strategies, 87% for Sovereign Guaranteed operations, and 80% for technical cooperation operations.
- For non-sovereign guaranteed operations the Bank surveyed 165 external partners; 39 completed the online survey. Overall, 84% of existing clients rate their level of satisfaction at or above 6 in a scale of 1 to 10, distributed as follows: 8% rated their level of satisfaction at 10, 26% at 9, 28% at 8, 18% at 7 and 5% at 6.

Figure 3.20 External partners most important attributes for selection



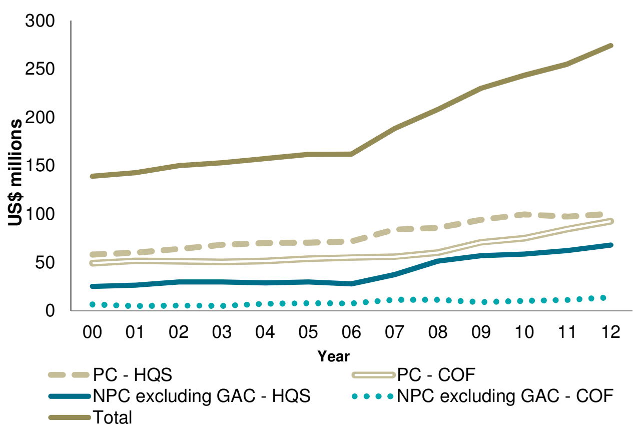
- External partners reported that the three most important attributes for the selection of a development institution are Flexibility on project execution (50% of sample), Expert advice to design and implement good projects (45% of sample), Deep understanding of the country (44% of sample).

- As part of its IDB-9 commitments, the Bank is working to improve its performance in these dimensions.

IV. Budget and Efficiency

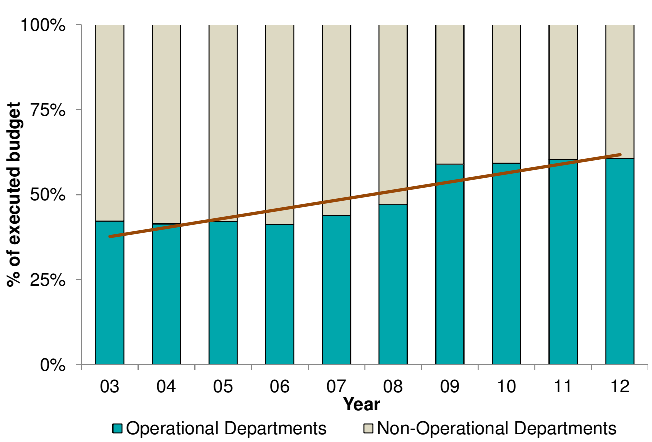
Resources (PC, NPC and FTEs)

Figure 4.1 Operational departments Budget Execution PC & NPC



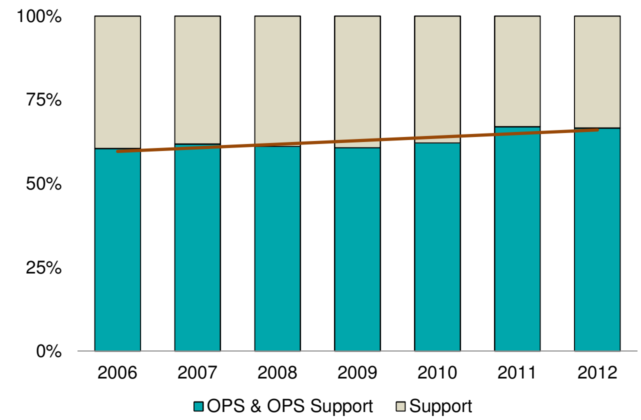
- Personnel Costs expenses for operational departments reached $192.3m, a 6% increase from $181.8m in 2011.
- Non-Personnel Cost[26] (NPC) expenses for operational Departments reached $81.7m, a 12% increase from $73.1m in 2011.

Figure 4.2 Operational vs. Non-Operational Departments budget execution



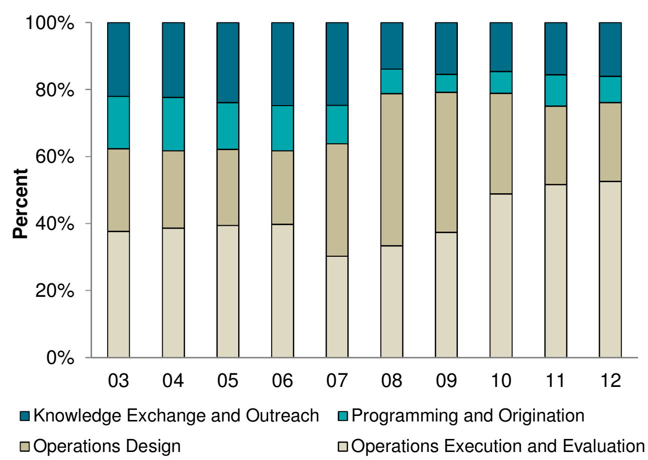
- Operations Department's executed budget as a percentage of total administrative budget was 61%, one percentage point above the level of 2011.
- Operational department's executed budget reached $294.2m, a 7% increase from $275m in 2011.

Figure 4.3 Percent of administrative expenses in operational programs RF



- The operations and operations support programs reached 67% of budget execution, same level as in 2011. Resource allocation shows a positive trend towards operations and operations support. The RF target is 68% by 2015.

Figure 4.4 Distribution of Staff Time reported to Operational programs



- Staff time reported[27] to operational programs[28] reached 1,178 FTEs, a 5% increase from 1,125 in 2011.

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[26] Excludes general administrative costs

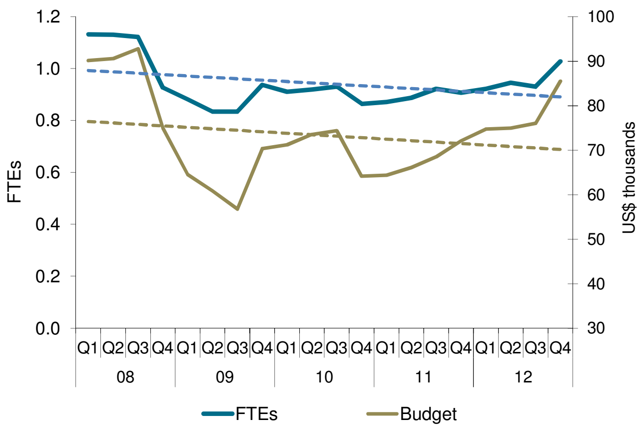
[27] Time reported is from all Bank staff and do not include consultants. The time reported excludes the following categories: Leave, Bank closures, holidays, compensatory time and training.

[28] Programming and origination, operations design, execution and evaluation and operational knowledge exchange and Outreach

- Staff time reported to execution and evaluation[29] of operations reached 620 FTEs, a 7% increase from 580 in 2011.
- Staff time reported to operation's design and Programming and Origination reached 369 FTEs, a less than 1% decrease from 370 in 2011.

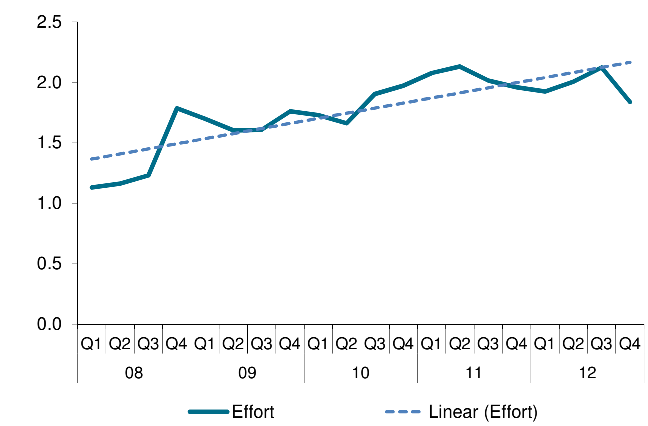
Project Efficiency

Figure 4.5 Resources for Project Approval



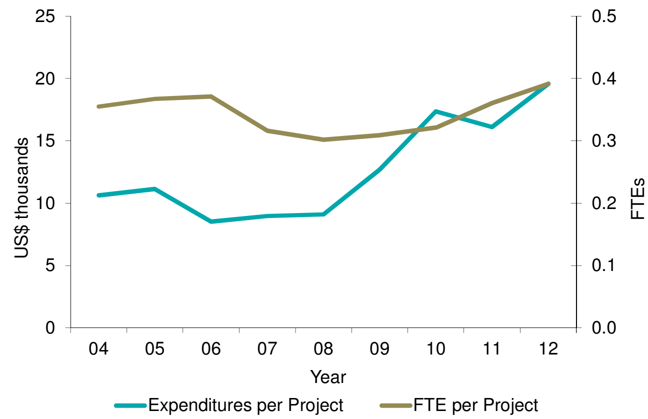
- Staff time reported to project preparation for approved operations in each quarter reached 1.03 FTEs, a 13% increase from 0.93 FTEs in 2011. NPC reached an average of $87K, an 8% increase from $81K in 2011.

Figure 4.6 Effort (FTEs / Elapsed Time)



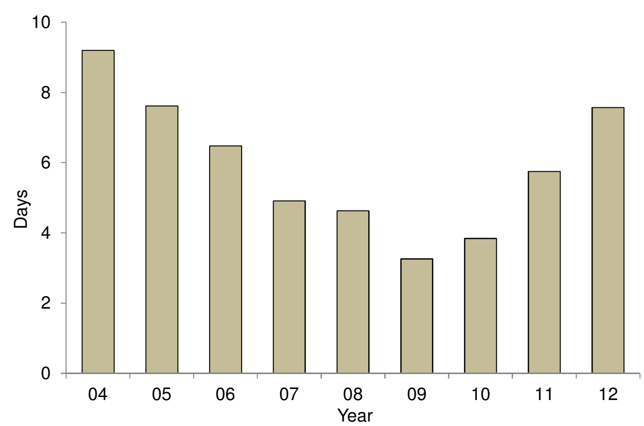
- The ratio between staff time reported and preparation elapsed time (effort), reached 1.8 in 2012, a 6% decrease from 2.0 in 2011.

Figure 4.7 Resources (Expenditures and Staff Time) per Project in Portfolio



- Staff time reported per project in the portfolio in execution reached 0.39 FTEs, a 9% increase from 0.36 in 2011.
- Expenditures per project in the portfolio in execution reached $19.6k, a 22% increase from $16.1k in 2011.

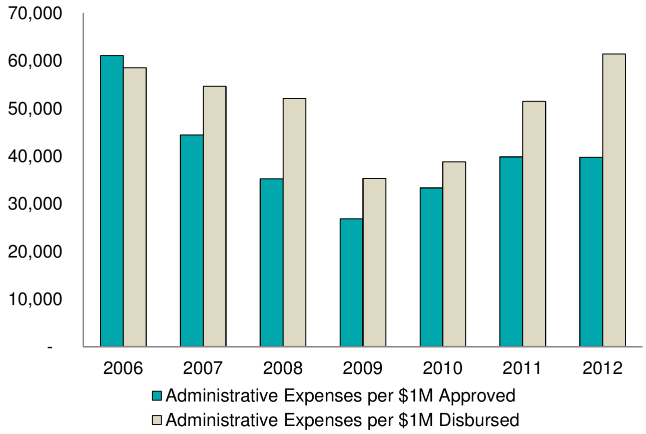
Figure 4.8 Staff time reported to Project Execution per US$ million disbursed



- Staff time reported to project execution per US$ million disbursed reached 7.6 days, a 32% increase from 5.8 days in 2011.

[29] Excludes time reported by the Office of Evaluation and Oversight (OVE)

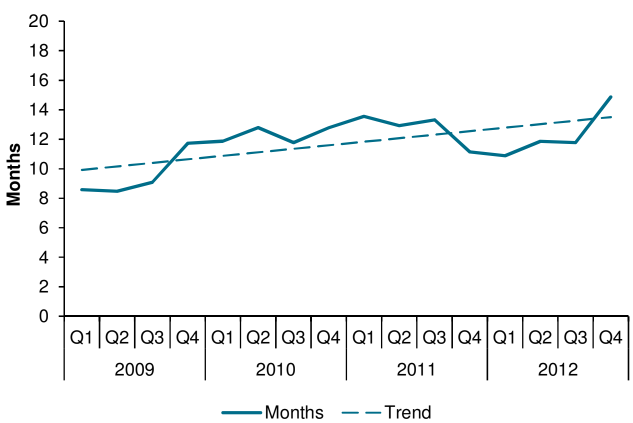
Figure 4.9 Administrative expenses per $1m approved & disbursed



- Administrative expenses per $1m approved reached $39k, same level as in 2011.
- Administrative expenses per $1m disbursed reached $61k, a 19% increase from $51k in 2011.

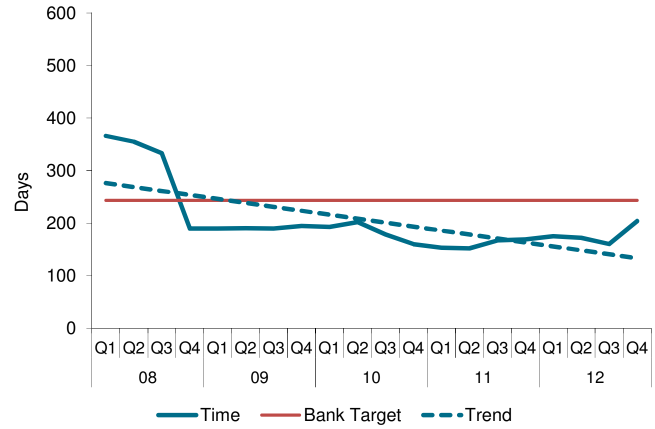
Cycle Times (efficiency)

Figure 4.10 Time elapsed from Start to Approval[30]



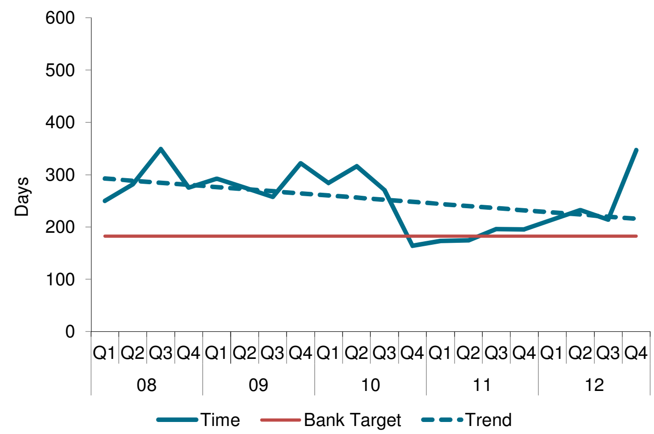
- Time elapsed from Start to Approval[31] for SG investment operations reached 14.9 months in the fourth quarter of 2012; a 34% increase from 11.1 months in the same period in 2011.

Figure 4.11 Time elapsed from Project Profile to Approval for SG Operations RF



- Time elapsed to prepare a project (from Profile to approval) reached 6.7 months, a 21% increase from 5.6 months in 2011. The RF annual target is eight months.

Figure 4.12 Time elapsed from Project Profile to Approval for NSG Operations RF

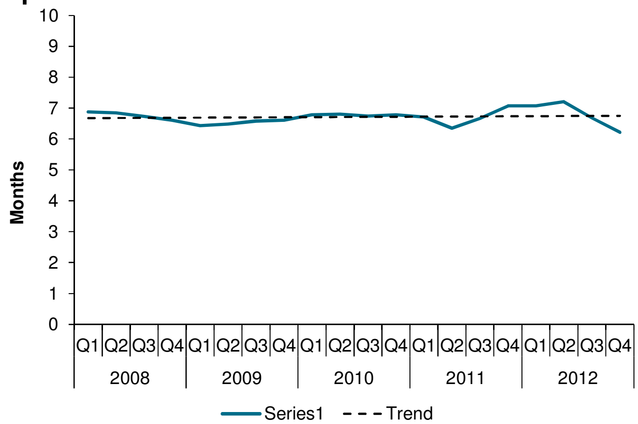


- Time elapsed to prepare a project (from Profile to approval) for NSG operations reached 11.4 months, a 77% increase from 6.4 months in 2011. The RF annual target is six months.

[30] For this graph and the next four, Time elapsed is calculated with a four quarters moving average

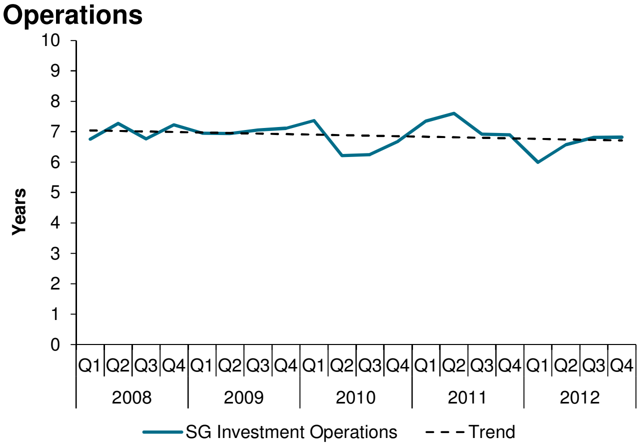
[31] Measurement based on registered Start date.

Figure 4.13 Time elapsed from Legal Effectiveness to First Disbursement for SG Investment Operations



- Time elapsed from legal effectiveness to first disbursement[32] for SG investment operations reached 6.2 months in the fourth quarter of 2012; a 12% decrease from 7.1 months in the same period in 2011.

Figure 4.14 Time elapsed from Legal Effectiveness to Last Disbursement for SG Investment Operations

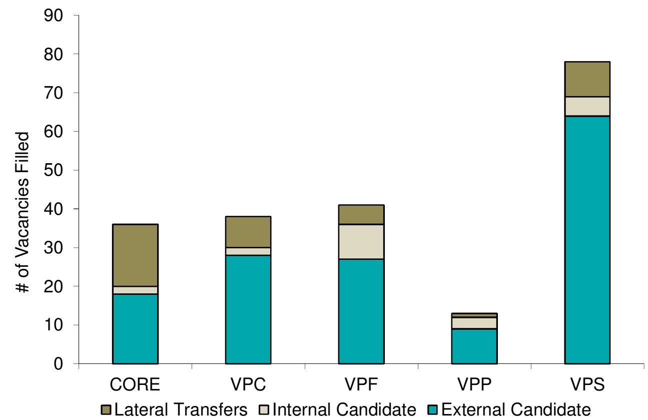


- Time elapsed from legal effectiveness to last disbursement[33] reached 7 years in the fourth quarter of 2012; a 12% increase from 6.2 years in same period in 2011.

V. Human Resources

Vacancies and New Hires

Figure 5.1 Vacancies and New Hires

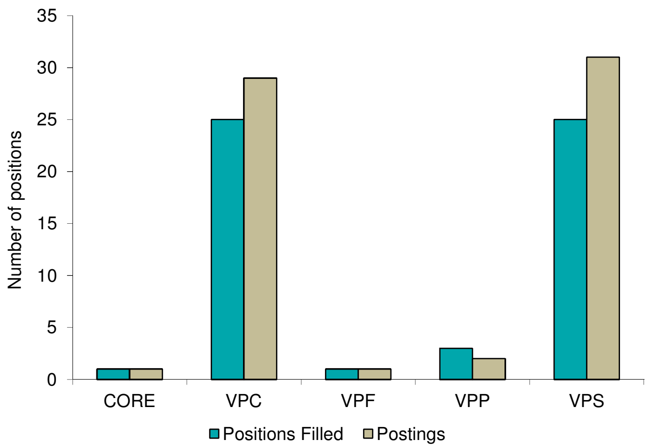


- Operational Positions (VPS, VPC, and VPP) filled reached 129 out of 206 (63%). In 2011, 246 positions were filled out of which 184 (75%) were operational.
- Positions filled with external candidates reached 146 (71%) out of which 77 (53%) were female. In 2011, 179 (73%) positions were filled with external candidates of which 82 (46%) were female.
- The remaining 60 positions (29%) were filled internally of which 39 were through lateral transfer. In 2011, 67 positions (27%) were filled internally, out of which 49 were through lateral transfer.
- Out of the 55 hires for Country Offices in 2012, 29 (53%) were females; for headquarters, out of the 91 hires, 57 (53%) were females. In 2011, out of the 64 hires for Country Offices, 25 (34%) were females; for headquarters, out of the 105 hires, 57 (54%) were females.

[32] Includes operations with a first disbursement in the period
[33] Includes operations with a last disbursement in the period

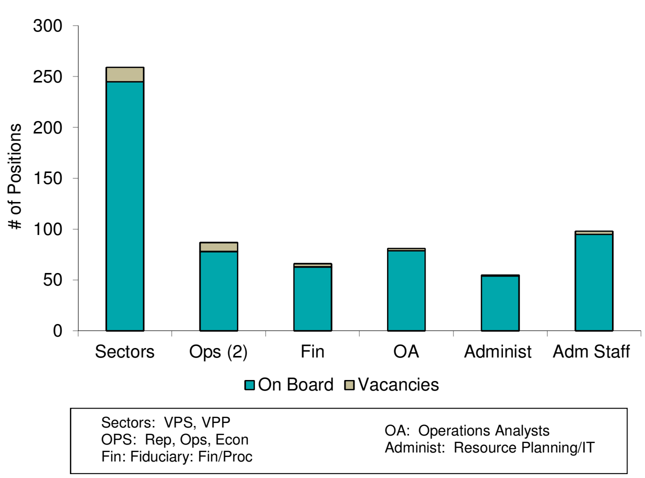
COF Strengthening

Figure 5.2 Status Positions and Filled COF



- 55 (38%) of the vacancies filled were in COFs.
- Net change of professional staff in COFs by December 31st, 2012 was an increase of 28 (6% from the beginning of the year). In 2011, net change was an increase of 53 (12% from beginning of year).
- Of the 81 external professional staff hires, 55 (68%) were for COFs of which 37 (67%) were national professionals and 18 (33%) internationals. In 2011, of the 179 external professional staff hires, 70 (44%) were for COFs of which 45 (64%) were national professionals and 25 (36%) internationals.
- By year's end 2012, VPC professional staff on board in COF with respect to 2011 increased by 1, VPS increased by 20, VPP increased by 7 and VPF maintained the same. By year's end 2011, VPC professional staff on board in COF increased with respect to 2010 by 28, VPS by 25.

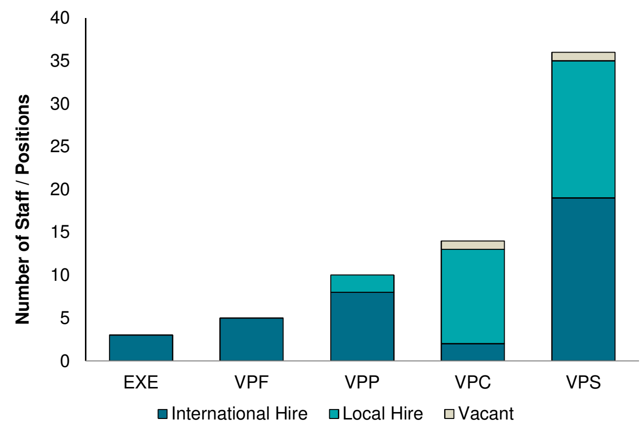
Figure 5.3 Country Office Staff Composition



- 14 (39%) VPS professional vacancies are assigned to COFs as of December 31.
- 41% of professional staff on-board in VPS is in COFs. 35% of VPS professional staff on- board in COFs is local.
- 1 of 17, which represents 6% of vacant positions in VPC/COF are for Operations Analysts (local professionals), while 14 vacancies are for professional staff.

IDB-9 Positions vs. Planned

Figure 5.4 IDB-9 Status



- 66 of the 68 (97%) GCI Positions assigned to Vice Presidencies and Strategic Core has been filled. Of the 66 staff hired, 29 are local staff in COF and 37 are International staff (27 in HQ and 10 in COF).

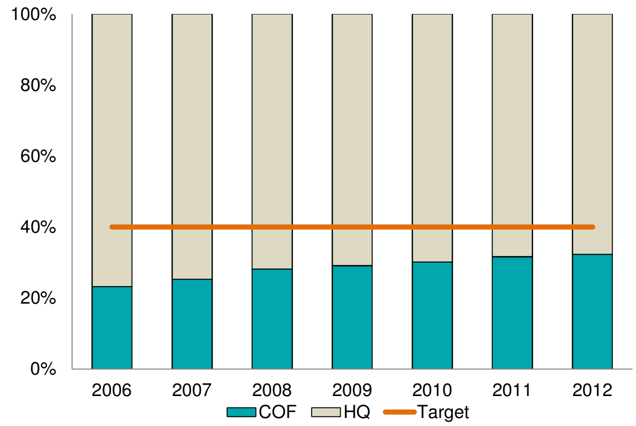
Staffing

Figure 5.5 Staffing - Professional and executive staff who are women, Grade four and above RF

- Women in grades four and above reached 35%, two percentage point increase from 2011. The RF target is 40% in 2015

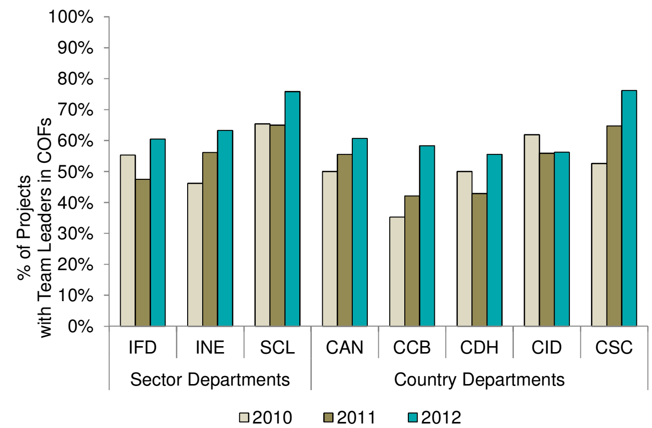
- Women in executive and representative positions reached 31%, three percentage points increase from 2011. The RF target is 38% by 2015.

Figure 5.6 Professional staff based in COF RF



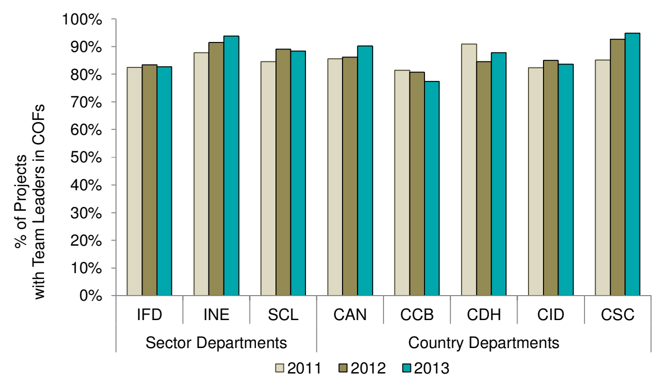
- Professional Staff in COF reached 32%, nine percentage point increase since 2006 and same level as in 2011. The RF target is 40% by 2015.
- Female professional staff in COF reached 40%, eight percentage points increase since 2006 and two percentage point increase from 38% in 2011.
- Staff from borrowing countries account for 68% of total staff, same level since 2009.
- Staff from Small and Vulnerable countries account for 41% of staff from all borrowing countries, same level since 2008.
- Staff[34] with a Doctorate degree accounted for 22% of the Executive level, 30% of the Management level and 16% of the Technical level. Of these Staff holding a PhD, 61% have an academic background from the US & Canada, 39% from borrowing countries and less than 1% from Non regional countries.
- The average years of service at the Bank for staff reached 9.7 years. Staff with 0 to ≤ 3 years accounted for 25% of all staff; 3 to ≤ 10 years 31%; 10 to ≤ 20 years 30%; and 20 years or more 14%.

Figure 5.7 Projects approved with Team Leaders in COFs



- Number of SG operations prepared by Team Leaders in COF as a percentage of total number of SG approvals reached 64% for 2012, a 9 percentage point increase from 55% in 2011.

Figure 5.8 Projects in Portfolio with Team Leaders in COFs

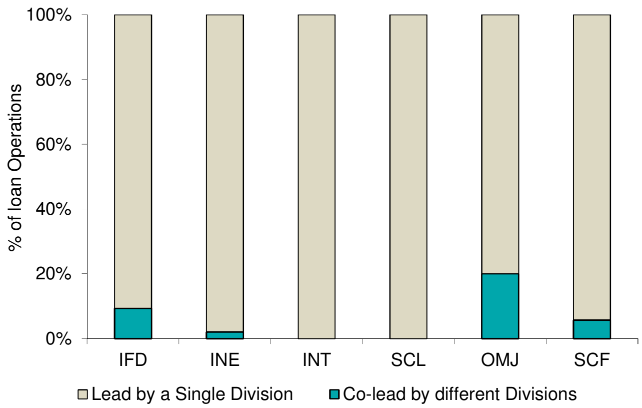


- The percentage of projects in execution with Team leaders in COFs increased from 87% at the beginning of 2012 to 88% at the beginning of 2013.
- The percentage of staff time reported to operations execution related activities from COF reached 65% in 2012, same level as 2011. The total time reported in this category[35] reached 428 FTEs, an 11% increase from 387 in 2011.

[34] These represent current budgeted positions.

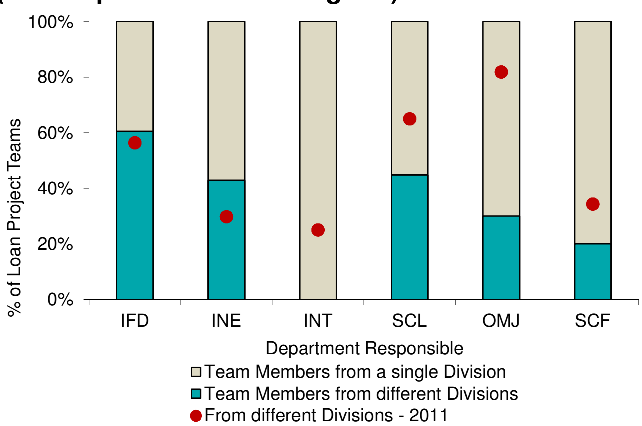
[35] Time reported accounts for the hours from staff directly charged to operations (Loans and Technical Cooperation).

Figure 5.9 Projects approved with co leadership from different Divisions



- The percentage of operations with Team Leaders that belong to different divisions reached 5.3%, a decrease from 9% in 2011.

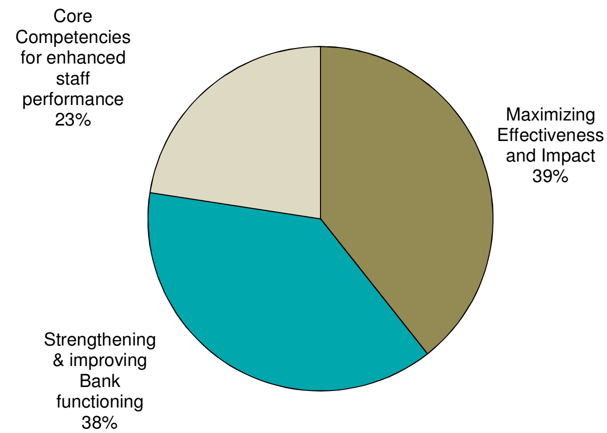
Figure 5.10 Multidisciplinary Team compositions (Loan Operations in A Program)



- Operations approved with registered specialists from different Divisions as team members reached 70, 41% of the total operations approved. For IFD, 17 (60%) operations had members from different divisions; for INE 21 (43%), SCL 13 (45%), SCF 7 (20%) and OMJ 3 (30%).

Knowledge and Learning

Figure 5.11 Staff Knowledge and learning



- Staff received an average of 7 days of K&L activities per FTE reported in 2012, a 20% decrease from 8.8 days in 2011. Time to these activities represented 3.2% of Bank's total reported time.
- Learning Activities were offered to 14,646 participants, an 8% decrease from the 15,885 registered in 2012. Time reported to these activities reach 92.9 FTEs, a 2% decrease from 94.6 FTEs in 2011.
- In 2012, 70% of the participants were professionals, one percentage point increase from 69% in 2011. 27% of the participants were from Country Offices, a decrease of 9 percentage points from 36% in 2011.
- In 2012, 63 Bank executives, 91 Managerial staff, 1,640 Technical staff, 296 Support staff and 1,081 consultants and research fellows participated in at least one K&L activity.
- On average, a Bank executive participated in 3.3 K&L activities, Managerial staff in 5.6, Technical staff in 5.3, Support staff in 4.9 and consultants and research fellows in 3.4 activities.
- In 2012, there were 4,377 registered participants from the region in capacity building programs that delivered 161,041 participant hours. 86% of these hours correspond to e-learning products and 14% corresponds to face-to-face training.
- By year end 2012, there were 76 active communities of practice, 43 are contributing to Development Effectiveness and 33 to Organizational Effectiveness & Efficiency. Nine specialized knowledge portals, built and managed by KNL, were visited by 121,575 persons, who made a total of 159,358 visits (not

including visits to http://knl; http://INDES; and http://lib).

- The first cycle of courses managed by KNL/INDES to strengthen regional participants' and organizations' capacities for planning, monitoring and leading the implementation of public programs began in February. In partnership with different sector and country departments, and with funding from outreach and capacity-building TCs, INDES offered training and disseminated specialized Bank knowledge through courses and e-learning products.

Abbreviations

AFS	Audited Financial Statements
BDA	Budget and Administrative Services Department
C&D	Countries from Group C & Group D
CAN	Country Department Andean Group (Colombia, Peru, Venezuela, Bolivia and Ecuador)
CCB	Country Department Caribbean Group (Jamaica, Trinidad and Tobago, Suriname, Guyana, Barbados and Bahamas)
CCLIP	Conditional Credit Line for Investment Projects
CID	Country Department Central America (Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica), Mexico, Panama and Dominican Republic
COF	Country Office
CPD	Country Programming Document
CSC	Country Department Southern Cone (Argentina, Brazil, Chile, Uruguay and Paraguay)
DTF	Donor Trust Funds
DEM	Development Effectiveness Matrix
EDU	Education Division
EME	Emergency Operations
FSO	Fund for Special Operations
FTE	Full Time Equivalents
FMM	Fiscal and Municipal Management Division
GCM	Grants and Co-Financing Management Unit
GEF	Global Environment Facility
HQ	Headquarters
HRD	Human Resources Department
HRG	Haiti Response Group
ICF	Institutional Capacity and Finance Sector
IDB-8	8th Replenishment
IDB-9	9th General Capital Increase
INE	Infrastructure and Environment Sector
INT	Integration and Trade Sector
INV	Investment Operations
KCP	Knowledge and Capacity Building Products
NFP	Non Financial Products
LPGS	Liquidity Program for Growth Sustainability
NPC	Non-Personnel Costs
NSG	Non-Sovereign Guaranteed
OC	Ordinary Capital
OMJ	Opportunities for the Majority Sector
OPUS	Operations Update System
ORC	Ordinary Capital
PBL	Policy Based Lending
PC	Personnel Cost
PCR	Project Completion Report
PDP	Operations Procurement Office
PFM	Portfolio Monitoring Unit
PMR	Progress Monitoring Report
PRG	Programming Product
REG	Regional
RES	Department of Research and Chief Economist
RND	Environment, Rural Development Disaster Risk Management Division
SCF	Structured and Corporate Financing Department
SCL	Social Sector
SECCI	Sustainable Energy and Climate Change Initiative
SG	Sovereign Guaranteed
SMO	Strategic Monitoring Division
SPD	Office of Strategic Planning and Development Effectiveness
SPH	Social Protection and Health Division
T&L	Time and Labor System
TC	Technical Cooperation
TFFP	Regional Trade Finance Facilitation Program
VPC	Vice President for Countries
VPF	Vice President for Finance and Administration
VPP	Vice President for Private Sector and Non-Sovereign Guaranteed Operations
VPS	Vice President for Sectors and Knowledge
WSA	Water and Sanitation Division