

2017 ANNUAL BUSINESS REVIEW



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Abbreviations

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Introduction

The ABR provides a periodic overview of the Bank's performance on outputs, lending program priorities and organizational indicators. This periodic monitoring aims at identifying any deviations from established Bank targets and enables effective implementation of measures to address them.

While reading the report, please take into consideration that the document:

- Focuses on information related to Sovereign-guaranteed (SG) loans, unless otherwise specified. Data from ABRs prior to 2016 should be exercised with caution due to the merging of the IDB's private sector operations into the IDB-Invest (formerly IIC).
- Provides comparative information of 2017 and previous years for operational and non-operational data. Using December 31st, 2017 as the cut-off date, operational and budget resources data were compiled from the Bank's Enterprise Data Warehouse and other internal sources. The remaining information was contributed separately by individual departments. All data was subject to adjustments and analysis as deemed appropriate by the corresponding business units.
- Percentages may not always appear to add up to 100%. It is also important to take into consideration that since August 2017, Haiti was reallocated from CDH to CID Department. In order to ensure valid comparisons between this and previous years, regional graphs will assume Haiti as part of CID for all periods except for the specific case of PMR graphs, which present data from 2016.

As always, we would like to hear from you. Please share your opinions to improve the ABR at QBR@IADB.ORG.

Special thanks to VPC, VPF, VPS, ORP, KNL, HRD and RMG for their contributions to this report. Human Resources (Chapter IV) data was provided by HRD and Knowledge and Learning (Chapter V) data was provided by KNL.



I. PROGRAM EXECUTION

LOAN DISBURSEMENTS

\$8.9b in disbursements for SG projects, **114%** of **\$7.9b** projected for 2017;
2% increase from \$8.7b in 2016.

\$5.9b in disbursements from Investment loan projects, **118%** of **\$5.0b** projected for
2017; 12% increase from \$5.3b in 2016.

\$3.0b in disbursements from Policy-Based loans, **108%** of **\$2.8b** projected for 2017;
10% decrease from \$3.3b in 2016.

LOAN PORTFOLIO

594¹ SG projects in portfolio in execution with **\$53.8b** in volume;
A decrease of 14 projects from 608 SG (\$52.9b) in 2016.

20 SG projects with legal effectiveness, pending eligibility (**3%** of SG portfolio in
execution);
5% decrease from 21 operations (3% of SG portfolio in execution) in 2016.

¹ The definition of SG projects in portfolio in execution was adjusted in 2017, now includes projects that have pending financial statements. It also excludes any project reclassified as "in execution" after the cut-off date for this report (December 31, 2017); as a result, the portfolio number in other reports may add up to 595 in 2017.

TECHNICAL COOPERATION (TC) DISBURSEMENTS

\$199.2m in TC disbursements;
4% increase from \$191.7m in 2016.

\$108.7m in TC OC Strategic Development Program disbursements;
4% increase from \$104.8m in 2016.

\$90.6m in disbursements for TCs of Funds Under Administration with Donor-Trust
Funds;
5% increase from \$86.4m in 2016.



II. PROGRAM STRATEGIC ALIGNMENT

LOAN APPROVALS AND DEVELOPMENT EFFECTIVENESS

\$11.4b in **90** SG loan project approvals, **120%** of **\$9.5b** programmed for 2017; **23%** increase from \$9.3b in 86 SG approvals in 2016.

\$8.0b in **73** SG Investment loan projects, **128%** of **\$6.3b** programmed for 2017; **33%** increase from \$6.0b (72 approvals) in 2016.

\$3.4b in **17²** Policy-Based Loan (PBL) projects, **105%** of **\$3.2b** programmed for 2017; **4%** increase from \$3.3b in 14 PBL approvals for 2016.

\$127m average size of SG loan projects;
17% increase from \$108m in 2016.

\$3.5b in **22** multiple-booked projects, **24%** of total approvals and **31%** of volume;
9% increase in volume from \$3.2b (28 SG approvals) in 2016.

² Includes one hybrid project that has an Investment and a PBL components.



III. BUSINESS DEVELOPMENT

PROGRAMMING AND KNOWLEDGE PRODUCTS

6 Country Strategies approved in 2017: Dominican Republic, Guatemala, Guyana, Haiti, Peru and Trinidad and Tobago;

Five country strategies were approved in 2016.

92 ESW products with **445** deliverables planned for 2017; 414 deliverables (93%) completed; 11% increase from 372 deliverables completed in 2016.

\$194.8m in **397** VPS Technical Cooperation approvals; 20% increase from \$162.5m in 355 in 2016.



IV. RESOURCE MANAGEMENT

BUDGET

99% (\$521m) of approved budget for VPs and Strategic Core has been executed as of 2017;
Same percentage as in 2016 (\$500m).

58% of the budget was executed by the operational departments (\$307m);
Same percentage as in 2016 (\$294m).

0.93 FTEs per project reported to preparation;
7% decrease from 1.0 FTEs per project in 2016.

HUMAN RESOURCES

236 Bank-wide vacancies filled as of 2017, **164** vacancies remain;
21% decrease from 281 vacancies filled in 2016.

37% of positions grades four and above filled by women;
One percentage point decrease from 38% in 2016.

32% of Professional Staff based in COF;
1 percentage points decrease from 33% in 2016.



V. KNOWLEDGE & LEARNING

PARTICIPANTS AND PRODUCTS

4,217 unique internal participants enrolled in at least one learning program; 2,212 Staff and 2,005 Contractuals;

5% decrease from 4,445 unique internal participants in 2016.

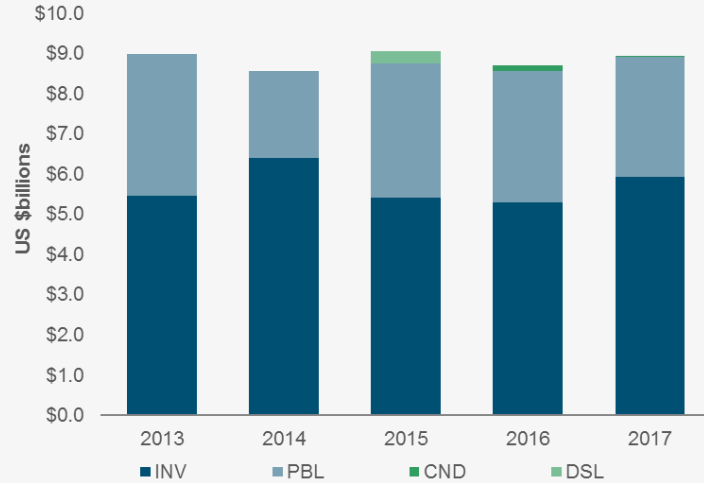
9,182 IDB Knowledge products were available in BRIK³; yielding an average of **373** visits per publication; 6% increase from 8,682 products (187 visits in average) in 2016.

28 blogs reported with an average of 2.9 million views per online journal at the end of 2017; 7% decrease from 30 blogs (2.6 million views in average) in 2016.

³ Bank Repository of Institutional Knowledge (<http://brik.iadb.org/>).

2017 ANNUAL BUSINESS REVIEW

CHAPTER I EXECUTION



SOVEREIGN-GUARANTEED LOAN DISBURSEMENTS

1.1 Total SG Loan Disbursements

Bank's disbursements reached **\$8.9b**, 115% of the projected⁴ **\$7.9b** for the year:

- 2% increase from \$8.7b in 2016.

Investment loan disbursements reached **\$5.9b**, 118% of the projected **\$5.0b** for the year:

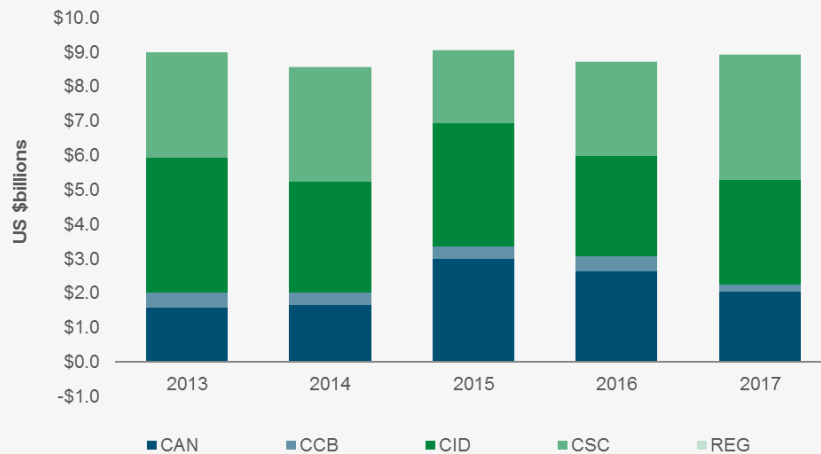
- 12% increase from \$5.3b during in 2016.

Policy Based Loan disbursements reached **\$3.0b**, 108% of the projected **\$2.8b** for the year:

- 9% decrease from \$3.3b in 2016.

Loan disbursements from Contingent facilities for natural disasters (CND) reached **\$16m**:

- 90% decrease from \$160m in 2016.



BY COUNTRY DEPARTMENT

1.2 SG Loan Disbursements by Country Department

CAN disbursements reached **\$2.0b**.

- 22% decrease from \$2.6b in 2016.

CCB disbursements reached **\$205m**.

- 52% decrease from \$430m in 2016.

CID disbursements reached **\$3.1b**.

- 4% increase from \$2.9b in 2016.

CSC disbursements reached **\$3.6b**.

- 33% increase from \$2.7b in 2016.

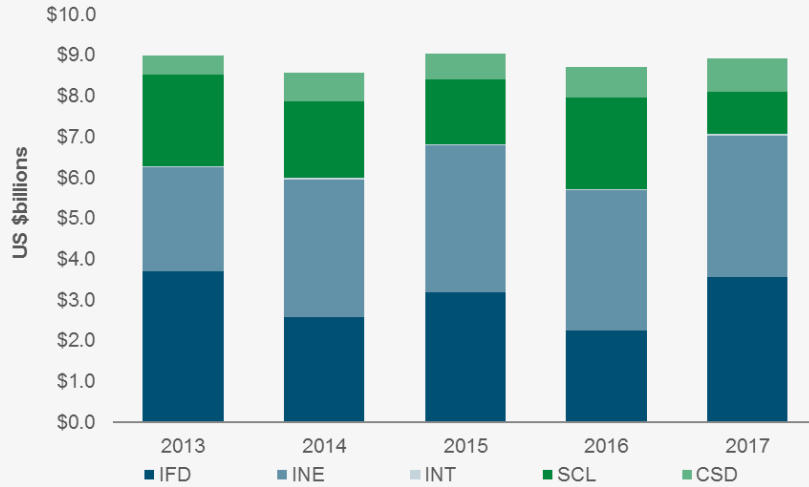
Regional disbursements reached **\$1.3m**.

- 30% decrease from \$1.9m in 2016.

⁴ The Disbursement Baseline Projection of \$7.8 billion (and its instrument subtotals), corresponds to the Actual Disbursements for January and February plus the Disbursement Projections reported at 02/28/2017 for March through December. This figure is different from the amount reported in the Long-Term Financial Plan (LTFP), which is calculated with a different methodology. For details see FN-709-1, Preview Long-Term Financial Projection 2018.

BY SECTOR

1.3 Loan Disbursements by Sector



IFD disbursements reached **\$3.6b**.

- 57% increase from \$2.3b in 2016.

INE disbursements reached **\$3.5b**.

- 1% increase from \$3.4b in 2016.

SCL disbursements reached **\$1.0b**.

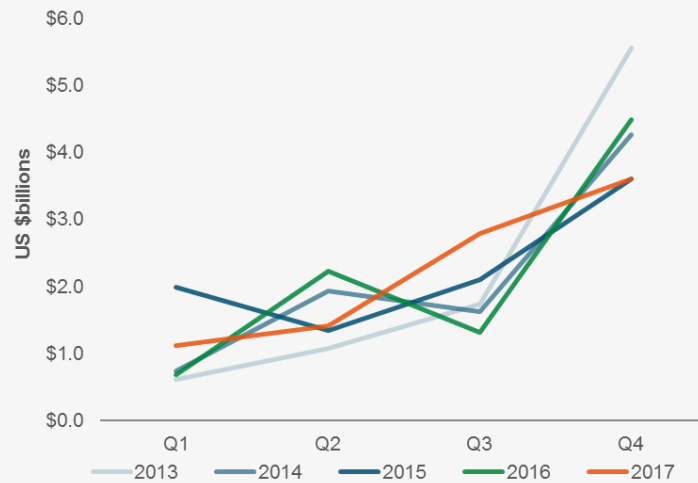
- 54% decrease from \$2.2b in 2016.

INT disbursements reached **\$39.8m**.

- 39% increase from \$28.6m in 2016.

CSD disbursements reached **\$832m**.⁵

- 10% increase from \$755m in 2016.



1.4 Cumulative SG Investment Disbursements by Quarter

Investment loan disbursements in the last quarter (2017 Q4) reached **\$3.6b**

- 20% decrease from \$4.5b in 2016
- Last quarter's Investment disbursements represented 81% of Q4 total, 30 percentage points increase from 51% in the last quarter of 2016

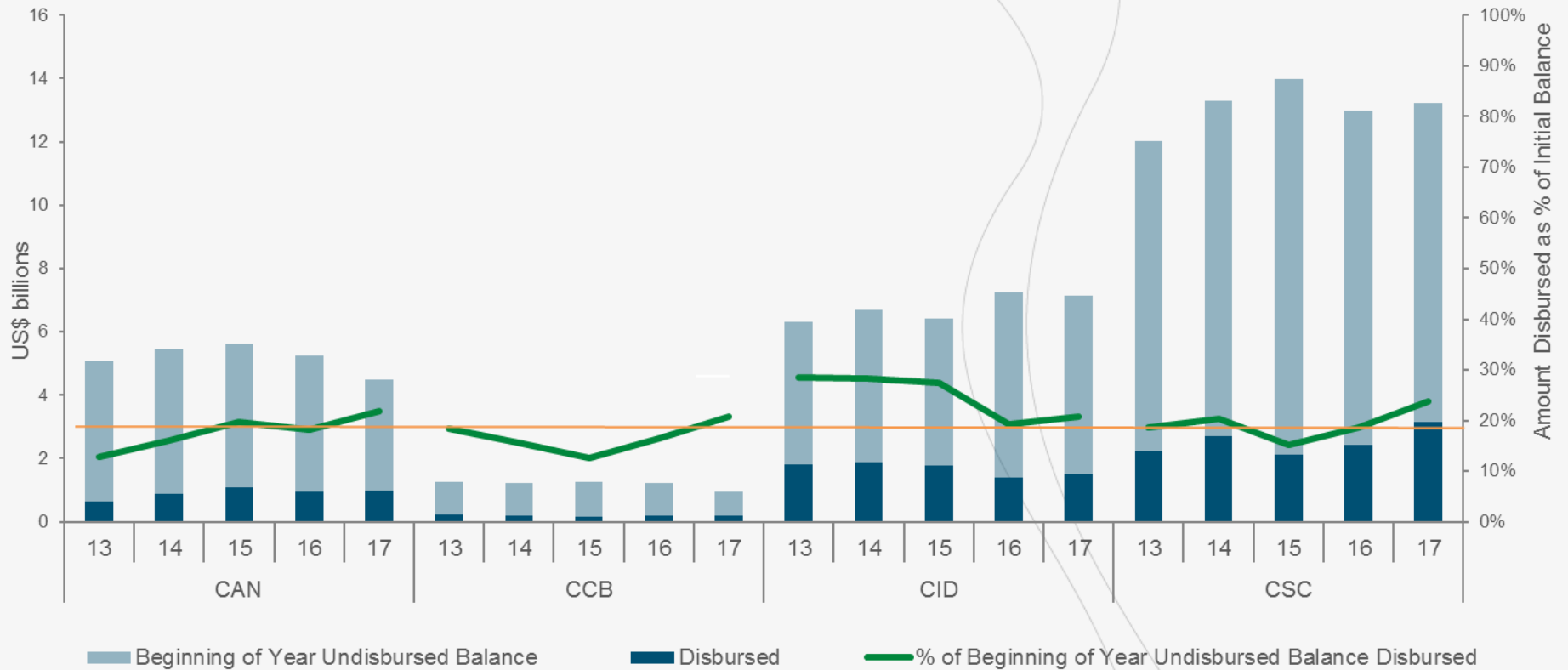
⁵ The Climate Change and Sustainable Development Sector (CSD) was created in 2016. CSD portfolio includes new approvals and operations transferred from IFD and INE portfolios.

BEGINNING OF THE YEAR UNDISBURSED BALANCE

1.5 SG Investment Disbursements vs. Beginning of Year Undisbursed Balance

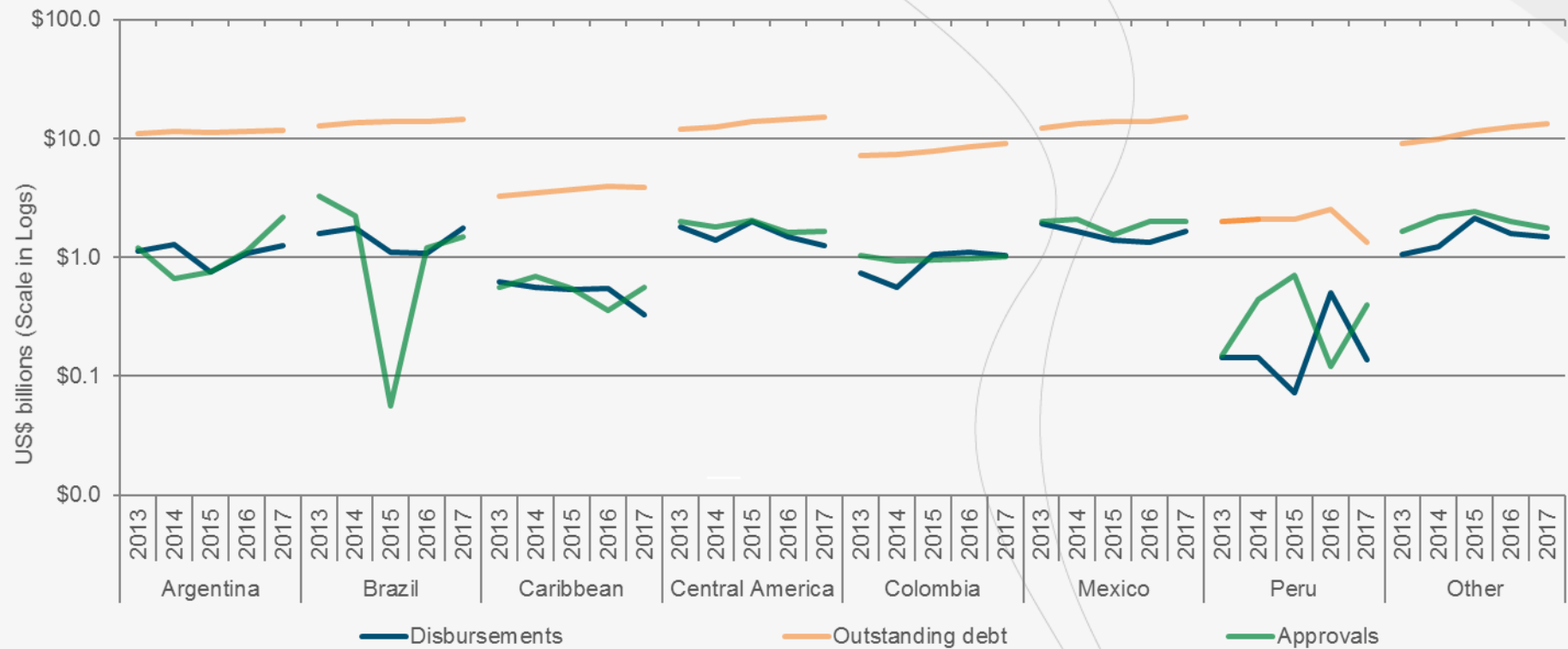
Disbursement as a percentage of beginning of year balance for SG investment projects was 22% in 2017:

- 1.4 percentage points increase from 20.6% in 2016.
- The current average for the last 5 years across the Bank is **22.4%**.
- Five-year averages by Country Group: 17.7% for CAN, 16.8% for CCB, 24.8% for CID and 19.3% for CSC.



1.6 IDB's SG Outstanding Debt, Approvals and Disbursements by Country

- Outstanding balances in the Bank's borrowing countries show an increasing trend for most countries. Except specifically for Peru.



SG LOAN PORTFOLIO IN EXECUTION⁶

1.7 By Region Department

As of December 31, 2017, there were 594 SG projects in the portfolio in execution representing **\$53.6b** in volume, 2% decrease from 608 in 2016

CAN portfolio reached **122** operations

- Same count as 2016.

CCB portfolio reached **58** operations

- 4% increase from 56 in 2016.

CID portfolio reached **159** operations

- 12% decrease from 181 in 2016.

CSC portfolio reached **250** operations

- 2% increase from 246 in 2016.

REG portfolio reached **5** operations

- 67% increase from 3 in 2016.

1.8 By Sector

IFD portfolio reached **157** operations

- 2% increase from 154 in 2016.

INE portfolio reached **210** operations

- 3% decrease from 216 in 2016.

SCL portfolio reached **95** operations

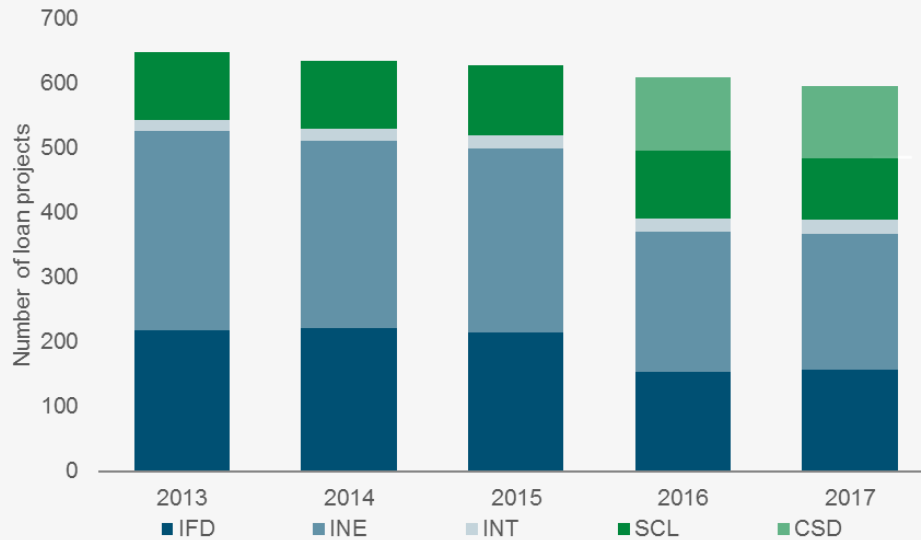
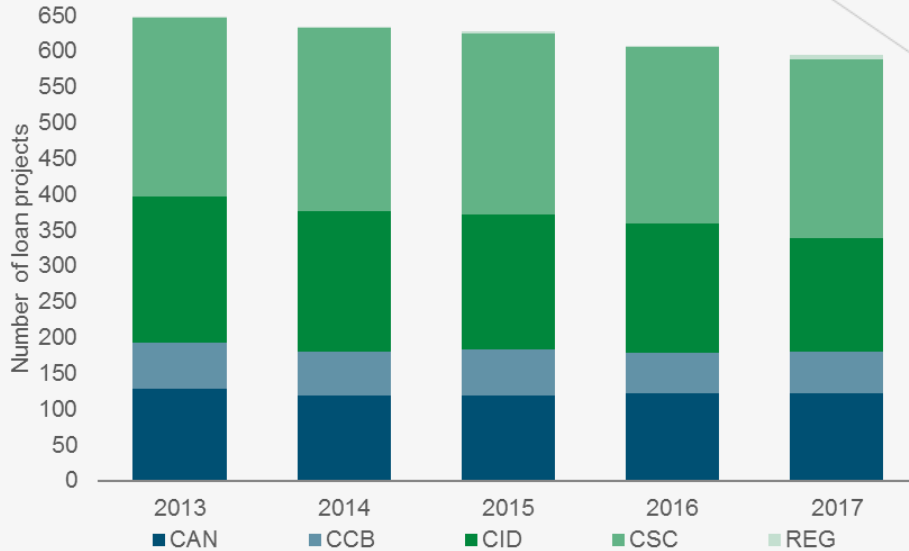
- 10% decrease from 105 in 2016.

INT portfolio reached **21** operations

- 5% increase from 20 in 2016.

CSD portfolio reached **111** operations⁷

- 2% decrease from 113 in 2016.



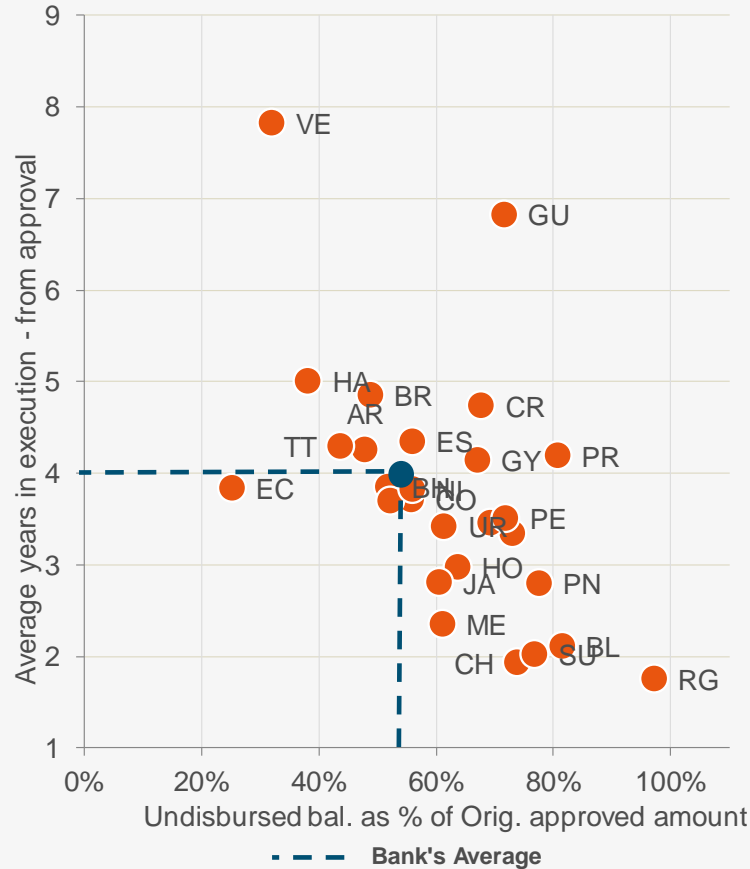
⁶ Includes operations financed by GRF.

⁷ The Climate Change and Sustainable Development Sector (CSD) was created in 2016. CSD portfolio includes new approvals and operations transferred from IFD and INE portfolios.

SG LOAN PROJECT PORTFOLIO BY COUNTRY

1.9 Number, approved amount, undisbursed balance and age of the SG portfolio

- Outstanding loan balance represents 54% of the original approved amount, same as in 2016.
- The average age, years in execution since approval, of the portfolio reached 4.0 years, 3% increase from 3.9 years in 2016.



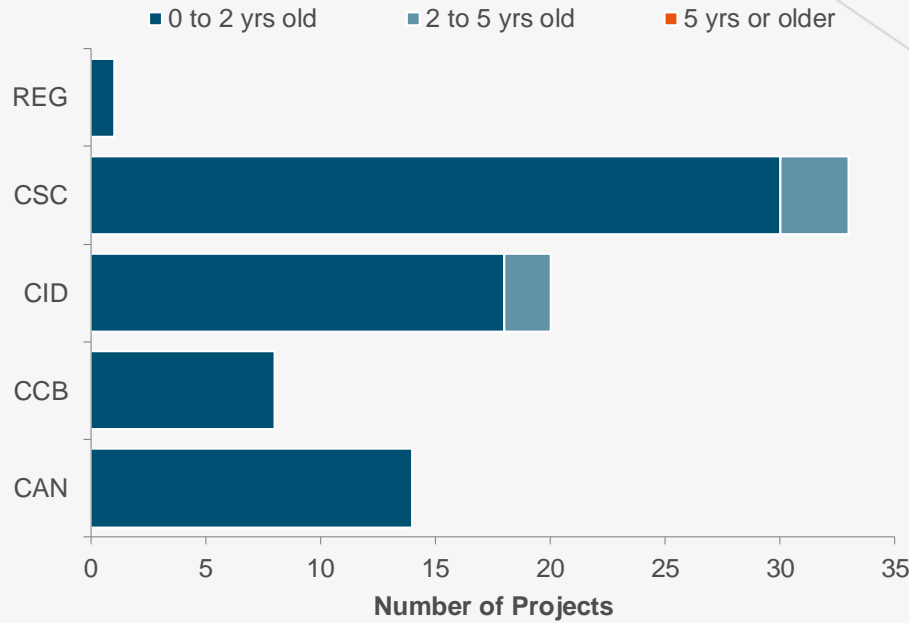
Country	Number of Projects	Original Approved \$M	Undisbursed Balance \$M	Und. Bal. / Cur. Appr.	Average Years in Execution
Argentina	63	10,099	4,837	48%	4.3
Barbados	8	191	140	73%	3.4
Bahamas	10	368	191	52%	3.9
Belize	5	72	59	82%	2.1
Bolivia	31	1,893	1,312	69%	3.5
Brazil	102	12,809	6,267	49%	4.9
Chile	12	783	578	74%	1.9
Colombia	29	2,158	1,206	56%	3.7
Costa Rica	10	1,487	1,009	68%	4.7
Dominican Republic	16	1,425	744	52%	3.7
Ecuador	30	2,671	677	25%	3.8
El Salvador	11	585	328	56%	4.4
Guatemala	10	787	564	72%	6.8
Guyana	12	230	155	67%	4.1
Haiti	38	1,283	491	38%	5.0
Honduras	14	647	413	64%	3.0
Jamaica	13	631	383	61%	2.8
Mexico	19	4,591	2,808	61%	2.4
Nicaragua	22	1,194	668	56%	3.8
Peru	28	1,726	1,242	72%	3.5
Panama	14	1,203	935	78%	2.8
Paraguay	32	1,592	1,288	81%	4.2
Regional	5	460	447	97%	1.8
Suriname	7	166	127	77%	2.0
Trinidad and Tobago	8	550	240	44%	4.3
Uruguay	41	2,837	1,744	61%	3.4
Venezuela	4	1,350	433	32%	7.8
All	594	53,788	29,284	54%	4.0

SG LOAN PORTFOLIO PENDING SIGNATURE

1.10 SG Portfolio Pending Signature by Country Department and Approval Year

76 SG operations are pending signature⁸, representing \$9.0b in volume, of which:

- 7 were approved between 2013 and 2015 (2 to 5 years old).
- 68 were approved between 2016 and 2017 (0 to 2 years old).
- CID & CSC countries accounted for 70% (53) of the total number of SG loan operations pending signature (76)



	0 to 2 yrs old			2 to 5 yrs old			5 yrs or older		
	Orig. Appr. M\$	Num.	%	Orig. Appr. M\$	Num.	%	Orig. Appr. M\$	Num.	%
CAN	1,233	14	100%	0	0	0%	0	0	0%
CCB	363	8	100%	0	0	0%	0	0	0%
CID	2,495	18	90%	350	2	10%	0	0	0%
CSC	3,987	30	91%	331	3	9%	0	0	0%
REG	280	1	100%	0	0	0%	0	0	0%
Total	8,358	71	93%	681	5	7%	0	0	0%

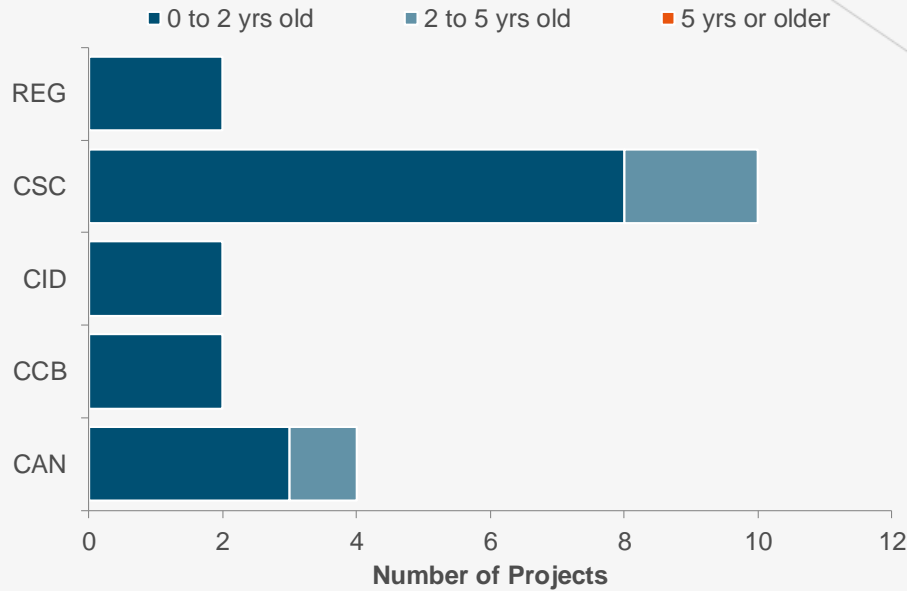
⁸ Excludes operations pending ratification

LOAN PORTFOLIO PENDING ELIGIBILITY

1.11 SG Operations Legally Effective, Pending Eligibility by Country Department and Approval Year

20 SG operations with legal effectiveness are pending eligibility, representing 3% of the total SG portfolio (594 operations), of which:

- 3 were approved between 2013 and 2015 (2 to 5 years old)
- 17 were approved between 2016 and 2017 (0 to 2 years old)
- CSC countries accounted for 40% (8) of the total portfolio pending eligibility (20).



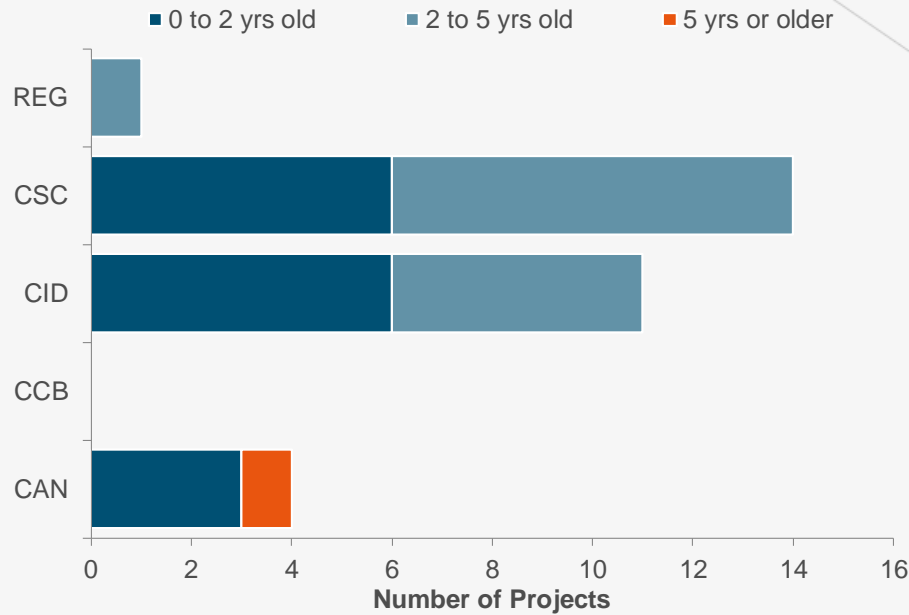
	0 to 2 yrs old			2 to 5 yrs old			5 yrs or older		
	Orig. Appr. M\$	Num.	%	Orig. Appr. M\$	Num.	%	Orig. Appr. M\$	Num.	%
CAN	190	3	75%	300	1	25%	0	0	0%
CCB	54	2	100%	0	0	0%	0	0	0%
CID	191	2	100%	0	0	0%	0	0	0%
CSC	691	8	80%	80	2	20%	0	0	0%
REG	140	2	100%	0	0	0%	0	0	0%
Total	1,266	17	85%	380	3	15%	0	0	0%

LOAN PORTFOLIO PENDING FIRST DISBURSEMENT

1.12 Number of SG Operations Pending First Disbursement by Country Department and Approval Year

30 SG eligible operations are pending first disbursement representing 5% of the total SG portfolio in execution (594 operations), of which:

- 1 was approved on or before the year 2012 (5 years or older)
- 14 were approved between 2012 and 2015 (2 to 5 years old)
- 15 were approved between 2016 and 2017 (0 to 2 years old)
- CSC countries accounted for 47% (14) and CID for 37% (11) of the portfolio pending first disbursement (30)



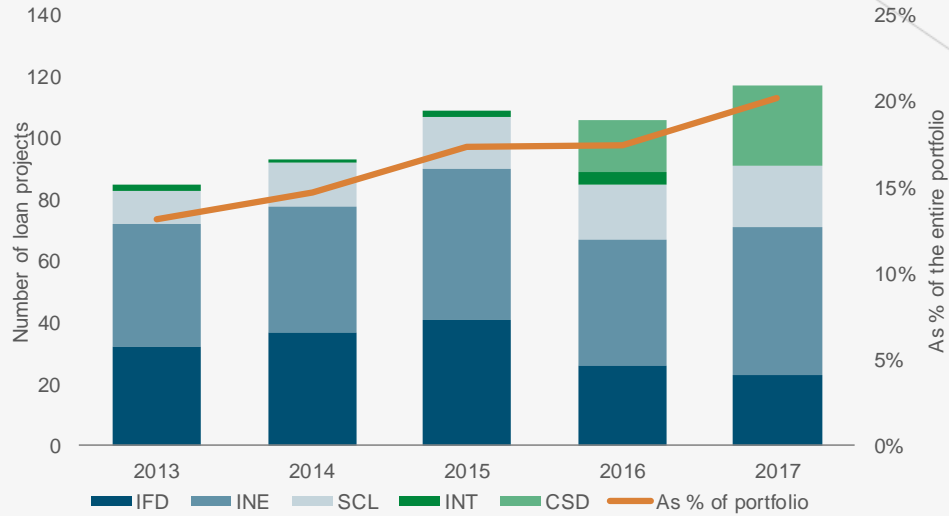
	0 to 2 yrs old			2 to 5 yrs old			5 yrs or older		
	Orig. Appr. M\$	Num.	%	Orig. Appr. M\$	Num.	%	Orig. Appr. M\$	Num.	%
CAN	148.3	3	75%	0.0	0	0%	60.0	1	25%
CCB	0.0	0	0%	0.0	0	0%	0.0	0	0%
CID	900.0	6	55%	585.8	5	45%	0.0	0	0%
CSC	505.0	6	43%	1,159.0	8	57%	0.0	0	0%
REG	0.0	0	0%	20.0	1	100%	0.0	0	0%
Total	1,553	15	50%	1,765	14	47%	60.0	1	3%

LAST DISBURSEMENT EXTENSIONS

1.13 SG Investment Projects Extended 24+ Months

120 SG investment projects have extensions of 24 months or more from the original last disbursement date, representing \$2.4b of undisbursed balance

- 13% increase from 106 in 2016.
- Undisbursed balance of these operations represents 8% of the portfolio's total undisbursed balance, same percentage as last year.



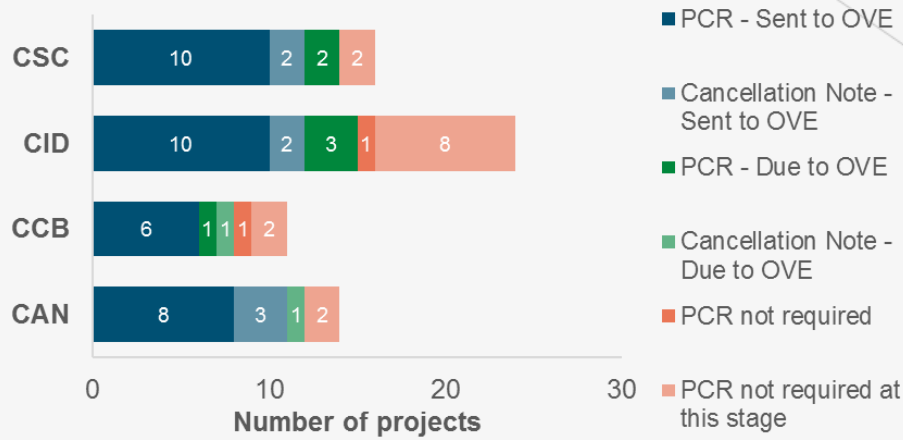
Number of loan projects

Year	IFD	INE	SCL	INT	CSD	Total	As % of portfolio
2013	32	40	11	2		85	13.1%
2014	37	41	14	1		93	14.7%
2015	41	49	17	2		109	17.4%
2016	26	41	18	4	17	106	17.4%
2017	23	48	20	3	26	120	20.2%
Change 2016/2017	-12%	17%	11%	-25%	53%	13%	16%

PROJECT COMPLETION REPORTS

1.14 PCR status for projects that closed in 2016

- 40 PCRs for projects that closed in 2016 will be validated by OVE.
- 85% of these PCRs been sent to OVE. The rest are to be validated by the Office of Evaluation and Oversight by March 2018.



ENVIRONMENTAL AND SOCIAL IMPACT

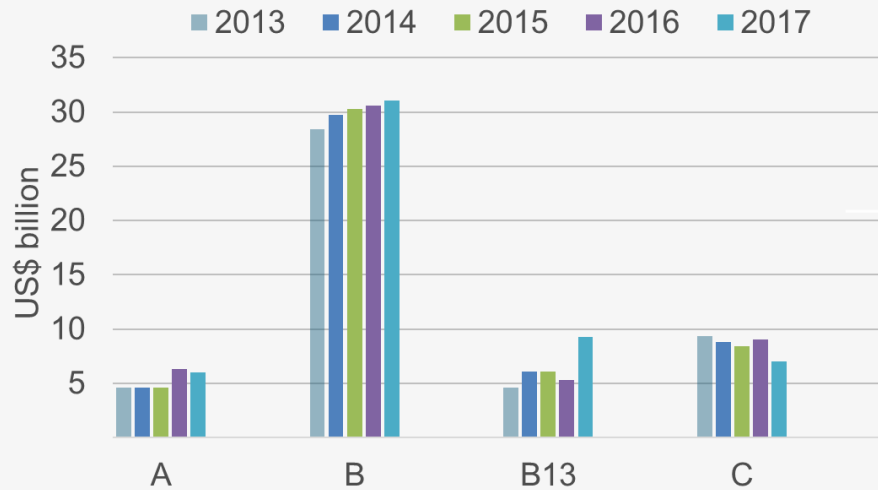
1.15 SG Portfolio by Environmental and Social Impact

37 projects in execution for \$6.0b have been assigned an “A” Environmental and Social Impact risk classification

- 6% of the entire portfolio as of December 31, 2017 (595), same percentage as last year.

326 projects in execution for \$31.0b have been assigned a “B” Environmental and Social Impact risk classification

- 55% of the entire portfolio in execution as of December 31, 2017 (595), same percentage as last year.

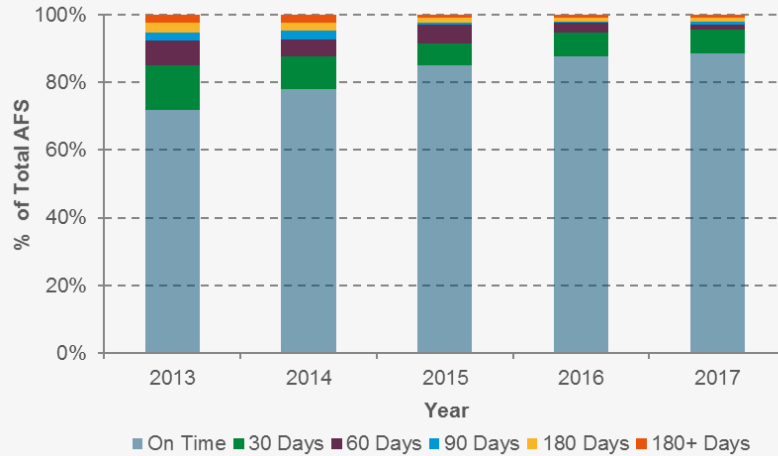


AUDITED FINANCIAL STATEMENTS⁹

1.16 Audited Financial Statements Compliance

89% of Audited Financial Statements (AFS) were delivered on time (by April 30 deadline)

- 1 percentage point increase from 88% in 2016.
- 4 percentage points increase from 85% in 2015.

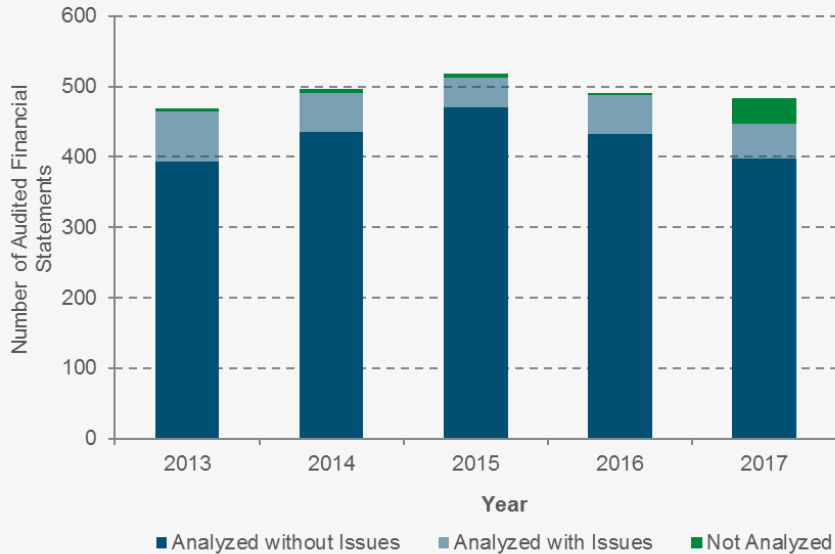


1.17 Analysis Status of Audited Financial Statements

447 (92%) of the 484 expected AFS were analyzed by auditors.

Of the 447 AFS analyzed, 89% (397) were classified as “without issues”.

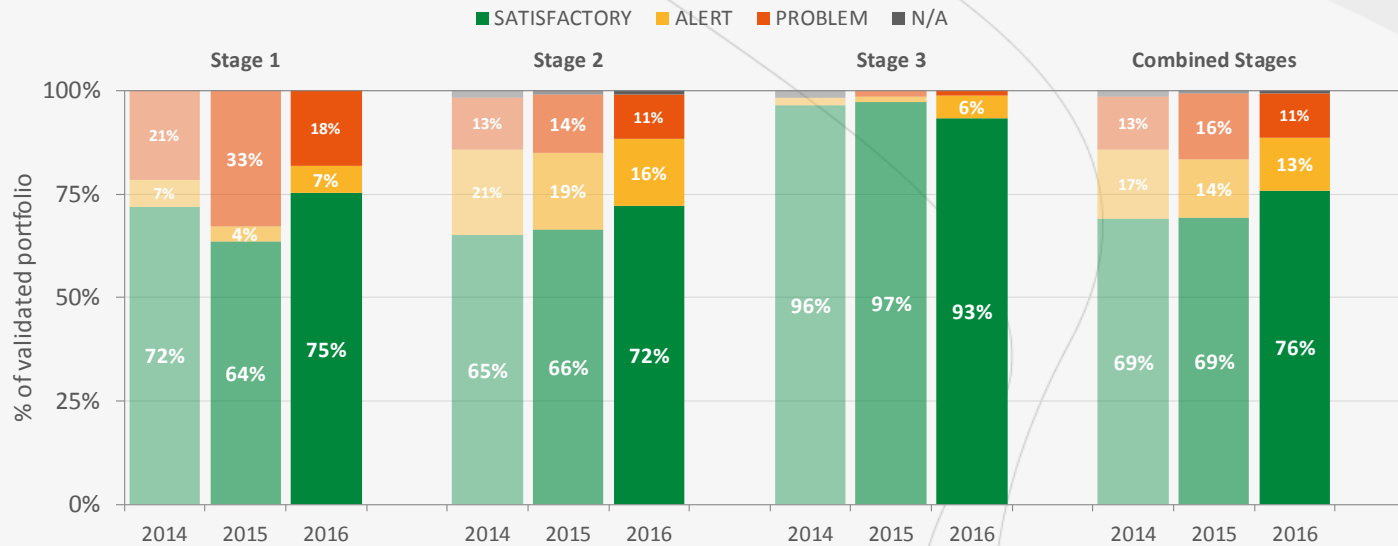
- Same percentage as last year.



⁹ "Year" refers to AFS delivered during that year, corresponding to the previous fiscal year.

PROGRESS MONITORING REPORT FOR SG LOAN OPERATIONS (PMR)¹⁰

1.18 Validated Classification of Active Portfolio¹¹



Count of validated projects by Stage

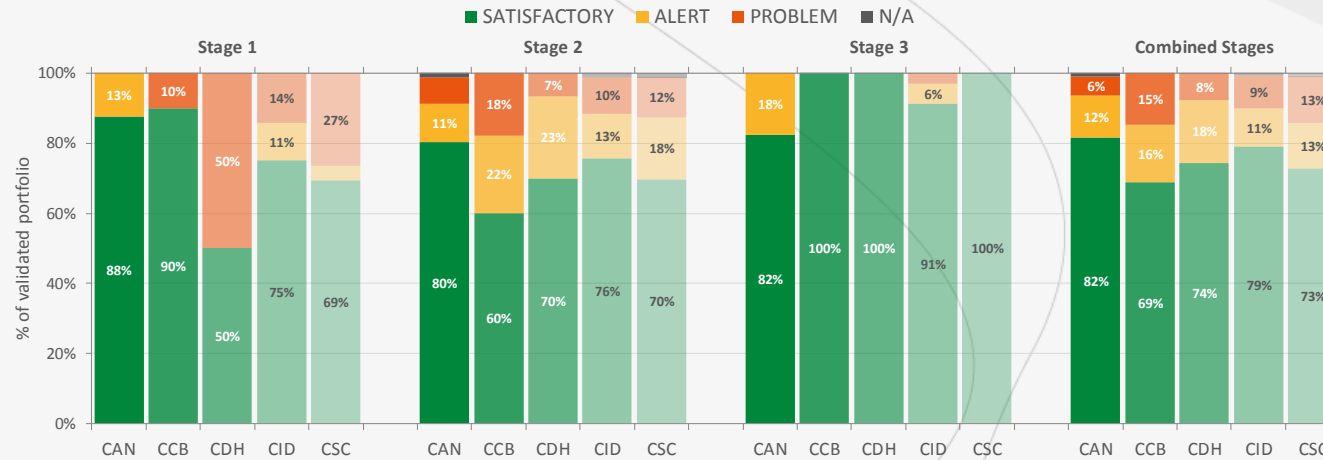
		Stage 1	Stage 2	Stage 3	Combined Stages	% annual change of combined stages
2016	Satisfactory	79	302	82	463	2%
	Alert	7	67	5	79	-15%
	Problem	19	45	1	65	-37%
	N/A	0	4	0	4	-20%
2015	Satisfactory	70	314	69	453	1%
	Alert	4	88	1	93	-15%
	Problem	36	66	1	103	23%
	N/A	0	5	0	5	-44%
2014	Satisfactory	77	317	53	447	n/a
	Alert	7	101	1	109	n/a
	Problem	23	61	0	84	n/a
	N/A	0	8	1	9	n/a

¹⁰ Current PMR Cycle (March 2017) was executed as of December 2016. Information in these PMR graphs show execution years for the last three cycles.

¹¹ Projects classified as "N/A" have not yet received a classification because their results matrix does not cover the year that is being evaluated, nor previous years.

PROGRESS MONITORING REPORT FOR SG LOAN OPERATIONS (PMR)

1.19 Validated classification of active portfolio by Region

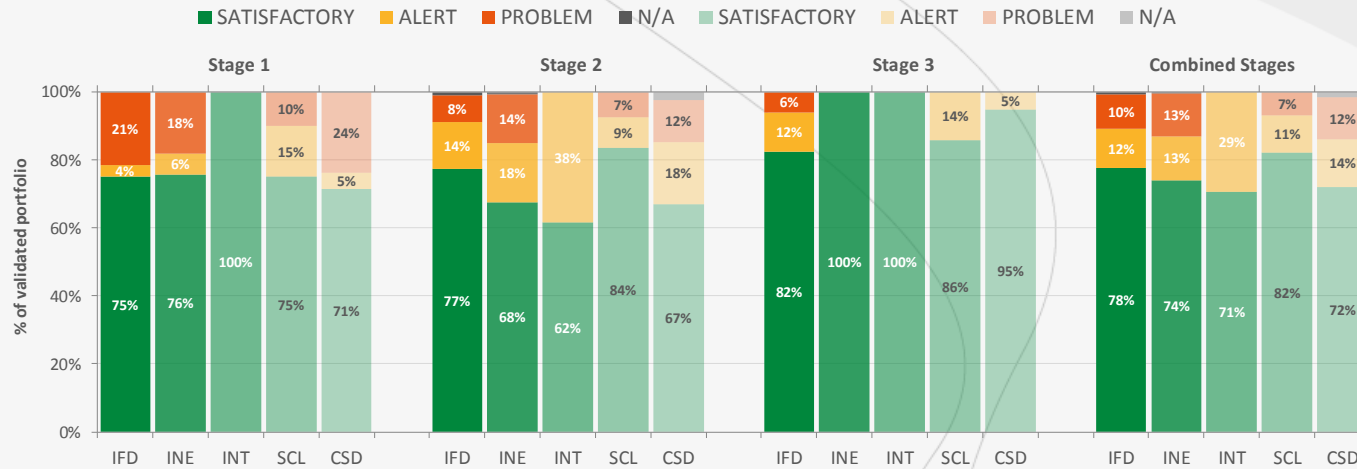


Count of validated projects by Stage

		2016				2015	
		Stage 1	Stage 2	Stage 3	Combined Stages	Combined Stages	% Change 2015-16
CAN	Satisfactory	14	74	14	102	87	17%
	Alert	2	10	3	15	21	-29%
	Problem	0	7	0	7	18	-61%
	N/A	0	1	0	1	0	n/a
CCB	Satisfactory	9	27	6	42	43	-2%
	Alert	0	10	0	10	10	0%
	Problem	1	8	0	9	11	-18%
	N/A	0	0	0	0	1	-100%
CDH	Satisfactory	1	21	7	29	35	-17%
	Alert	0	7	0	7	10	-30%
	Problem	1	2	0	3	6	-50%
	N/A	0	0	0	0	1	-100%
CID	Satisfactory	21	65	31	117	129	-9%
	Alert	3	11	2	16	10	60%
	Problem	4	9	1	14	16	-13%
	N/A	0	1	0	1	2	-50%
CSC	Satisfactory	34	115	24	173	154	12%
	Alert	2	29	0	31	42	-26%
	Problem	13	19	0	32	52	-38%
	N/A	0	2	0	2	1	100%
TOTAL*		105	418	88	611	649	-6%

PROGRESS MONITORING REPORT FOR SG LOAN OPERATIONS (PMR)

1.20 Validated classification of active portfolio by Sector



Count of validated projects by Stage

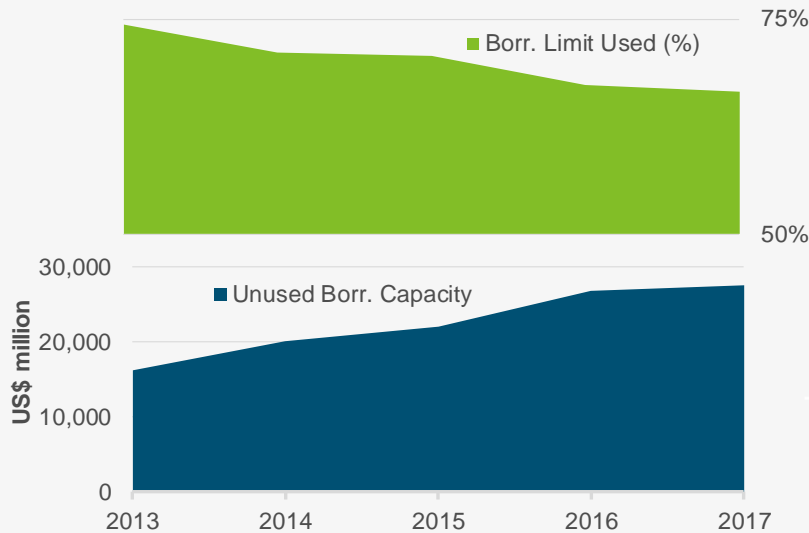
		2016				2015	
		Stage 1	Stage 2	Stage 3	Combined Stages	Combined Stages	% Change 2015-16
IFD	Satisfactory	21	79	14	114	138	-17%
	Alert	1	14	2	17	31	-45%
	Problem	6	8	1	15	36	-58%
	N/A	0	1	0	1	2	-50%
INE	Satisfactory	25	104	37	166	223	-26%
	Alert	2	27	0	29	48	-40%
	Problem	6	22	0	28	52	-46%
	N/A	0	1	0	1	3	-67%
INT	Satisfactory	3	8	1	12	12	0%
	Alert	0	5	0	5	2	150%
	Problem	0	0	0	0	4	-100%
	N/A	0	0	0	0	0	n/a
SCL	Satisfactory	15	56	12	83	80	4%
	Alert	3	6	2	11	12	-8%
	Problem	2	5	0	7	11	-36%
	N/A	0	0	0	0	0	n/a
CSD	Satisfactory	15	55	18	88	0	n/a
	Alert	1	15	1	17	0	n/a
	Problem	5	10	0	15	0	n/a
	N/A	0	2	0	2	0	n/a
TOTAL		105	418	88	611	654	-7%

IDB ORDINARY CAPITAL – BORROWING CAPACITY AND LENDING CREDIT CONCENTRATION¹²

The Bank manages loan credit risk by maintaining limits on lending capacity, allocating adequate capital to cover unexpected changes in the loan portfolio, and by maintaining policies for managing non-performing loans.

1.21 Borrowing capacity

- Net Borrowings is the amount of borrowings (after swaps), plus gross guarantee exposure, less qualified liquid assets including special reserve assets. (*)
- Non-borrowing countries: Borrowing Policy Limit = callable capital of non-borrowing countries –Includes temporary callable capital of Canada. (**)

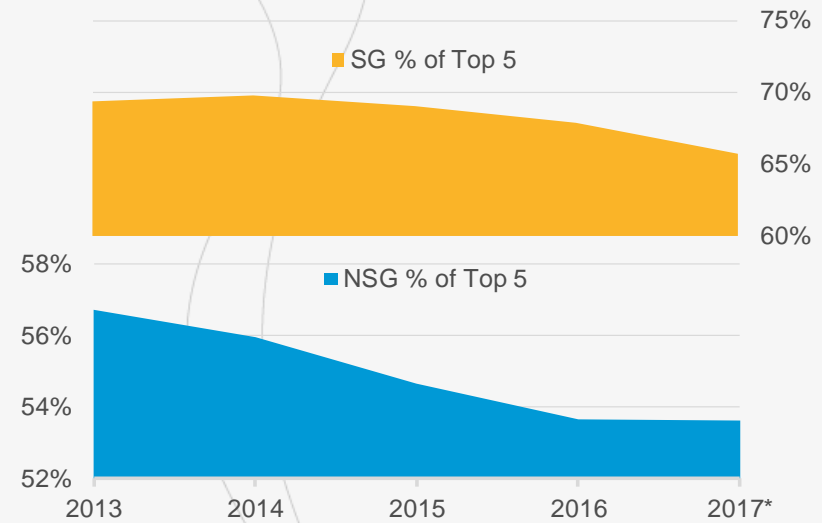


All in US\$ million

Year	Net Borrowings*	Callable Capital **	Borr. Limit Used (%)	Unused Borr. Capacity	Change
2013	47,203	63,439	74%	16,236	4,654
2014	49,882	70,095	71%	20,213	3,977
2015	53,499	75,601	71%	22,102	1,888
2016	55,548	82,429	67%	26,881	4,779
2017	54,846	82,429	67%	27,583	702
Change %	-1%	0%	-1%	3%	

1.22 Concentration – The top 5 countries in 2017:

- SG: Mexico 16.8%, Brazil 16.4%, Argentina 13.3%, Colombia 10.3% & Ecuador 4.3% After exposure-exchange agreements (EEA).¹³
- NSG: Brazil 19.5%, Peru 8.0%, Mexico 9.9%, Costa Rica 8.0%.



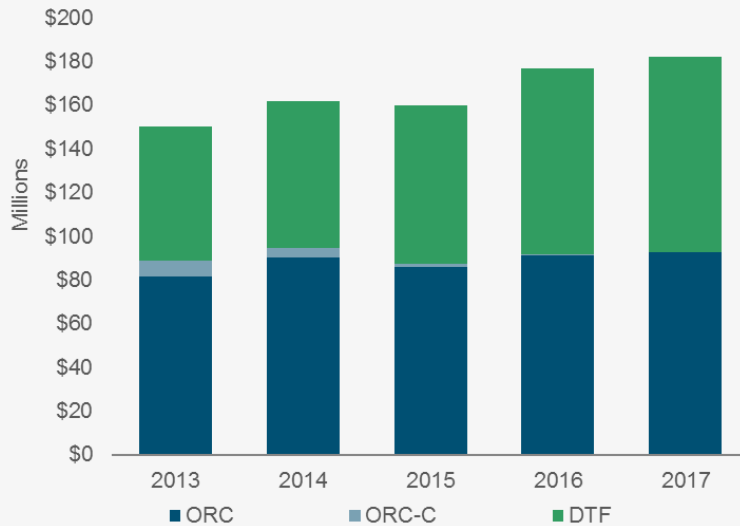
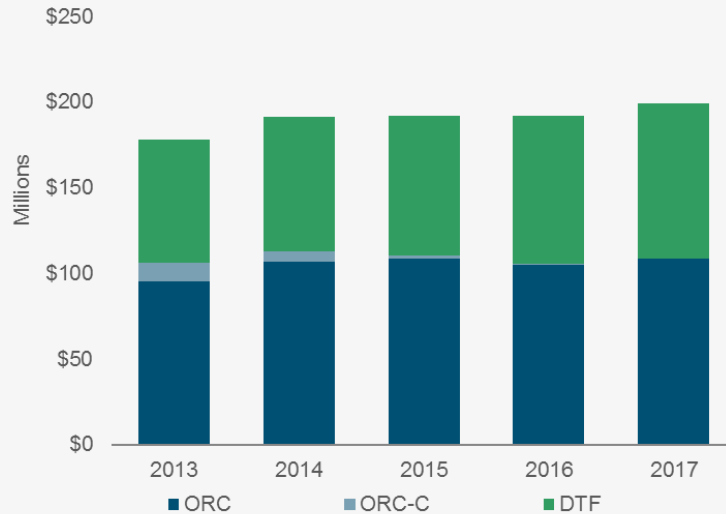
All in US\$ million

Year	All SG Outstanding	SG % of Top 5	All NSG Outstanding	NSG % of Top 5
2013	65,369	69%	6,037	57%
2014	68,674	70%	6,028	56%
2015	72,765	69%	5,999	55%
2016	76,081	68%	5,979	54%
2017*	83,240	66%	6,205	54%
Change %	4.6%	-1.7%	-0.3%	-1.8%

¹² Both borrowing capacity and Concentration graphs include preliminary information for 2017.

¹³ For more details see Resolution DE-133/15.

TECHNICAL COOPERATIONS



DISBURSEMENTS

1.23 Technical Cooperation Disbursements

Total TC Disbursements reached **\$199.2m**

- 4% increase from \$191.7m in 2016.

Those financed through **Ordinary Capital (OC) Strategic Development Programs¹⁴** reached **\$108.7m**

- 4% increase from \$104.8m in 2016.
- 55% of total TC disbursements in 2017.

Those financed with **Donor Trust Funds (DTF)** reached **\$90.6m**

- 5% increase from \$86.4m in 2016.
- 45% of total TC disbursements in 2017.

1.24 VPS Technical Cooperation Disbursements

VPS TC Disbursements reached **\$182.1m**

- 3% increase from \$176.8m in 2016.

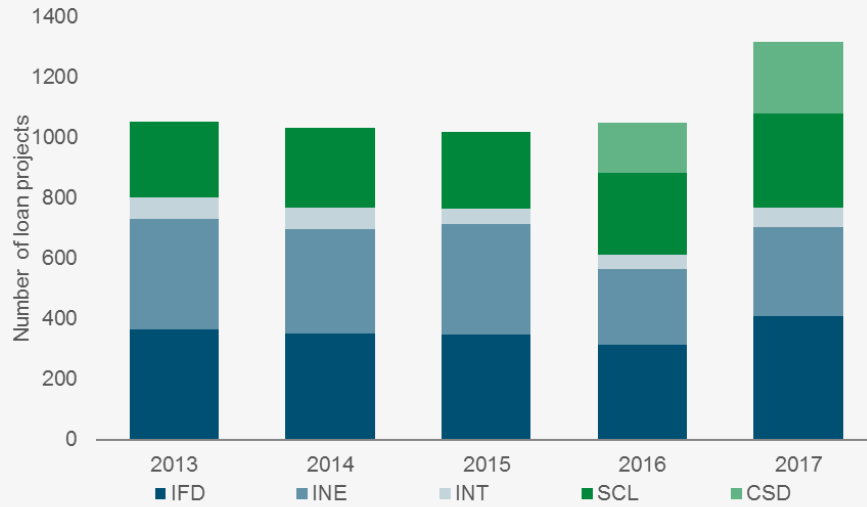
Those financed through **Ordinary Capital (OC) Strategic Development Programs** reached **\$92.4m**

- 2% increase from \$91m in 2016.
- 51% of VPS TC disbursements in 2017.

Those financed with **Donor Trust Funds (DTF)** reached **\$89.7m**

- 5% increase from \$85.3m in 2016.
- 49% of VPS TC disbursements in 2017.

¹⁴ Per Resolution DE-180/15, the Ordinary Capital Special Programs/Grants were renamed Ordinary Capital Strategic Development Programs as of January 1, 2016

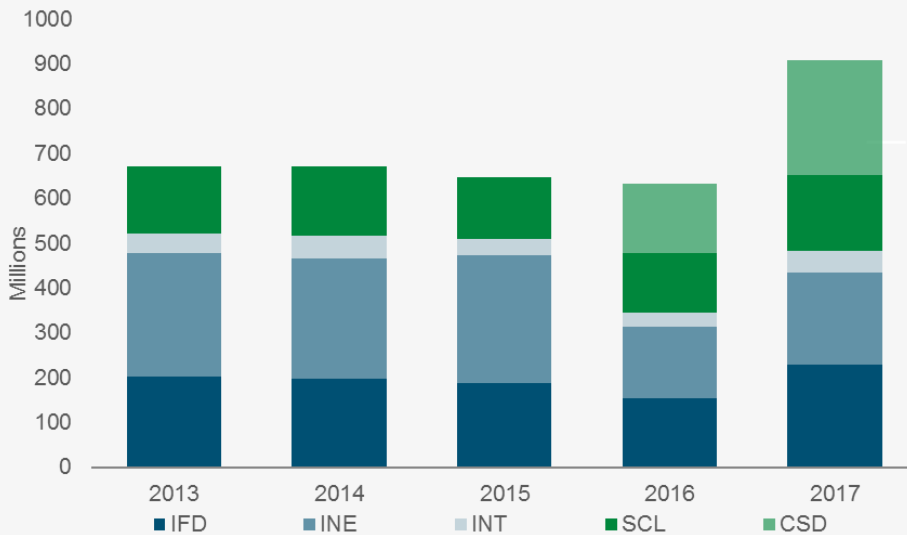


TC PORTFOLIO IN EXECUTION

1.25 TC Operations under VPS supervision by Sector and Approval Year

TC operations under VPS supervision reached **1,314** operations:

- 409 operations in IFD, 31% increase from 313 in 2016.
- 294 operations in INE, 17% increase from 252 in 2016.
- 63 operations in INT, 37% increase from 46 in 2016.
- 312 operations in SCL, 15% increase from 272 in 2016.
- 236 operations in CSD, 45% increase from 163 in 2016.



1.26 TC Operations volume under VPS supervision by Sector and Approval Year

TC operations under VPS supervision reached **\$908.4m** in volume.

- \$228.3m in IFD, 48% increase from \$154.3m in 2016.
- \$206.0m in INE, 29% increase from \$160.1m in 2016.
- \$48.4m in INT, 59% increase from \$30.4m in 2016.
- \$169.0m in SCL, 28% increase from \$131.7m in 2016.
- \$256.6m in CSD, 66% increase from \$154.8m in 2016.

2017 ANNUAL BUSINESS REVIEW

CHAPTER II

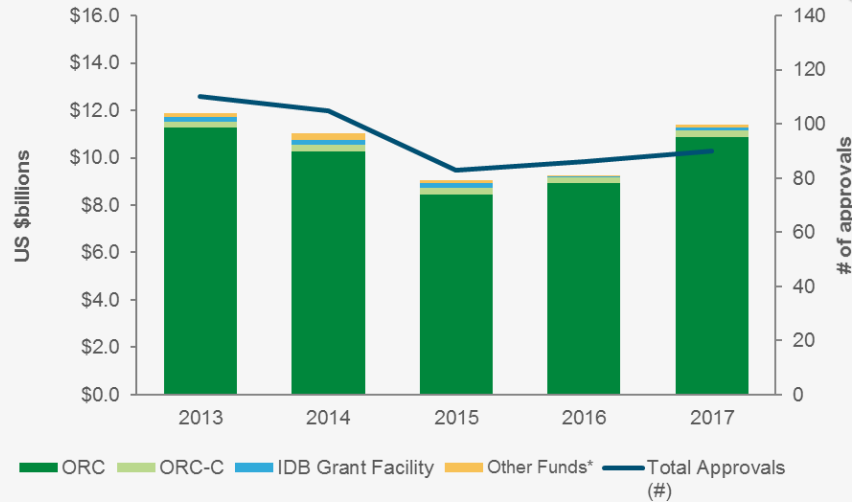
STRATEGIC ALIGNMENT

LOAN APPROVALS¹⁵

2.1 SG Approvals by Fund

- SG approvals reached **\$11.4b** in **90** operations
- 23% increase from \$9.3b in 2016.
 - 5% increase from 86 projects approved in 2016.
 - The average operations size was **\$127m**, a 17% increase from \$108m in 2016.
 - **Ordinary Capital (ORC)** approvals reached **\$10.9b**, a 22% increase from \$8.9b in 2016.
 - **Concessional Ordinary Capital (ORC-C)** approvals reached **\$260m**, a 5% increase from \$247m in 2016.
 - **IDB Grant Facility (GRF)** approvals reached **\$128m**, an 540% increase from \$20m in 2016.

* "Other Funds" represent Funds under Administration by the IDB, such as the Clean Technology Fund, Strategic Climate Fund, and the China Co-financing Fund.



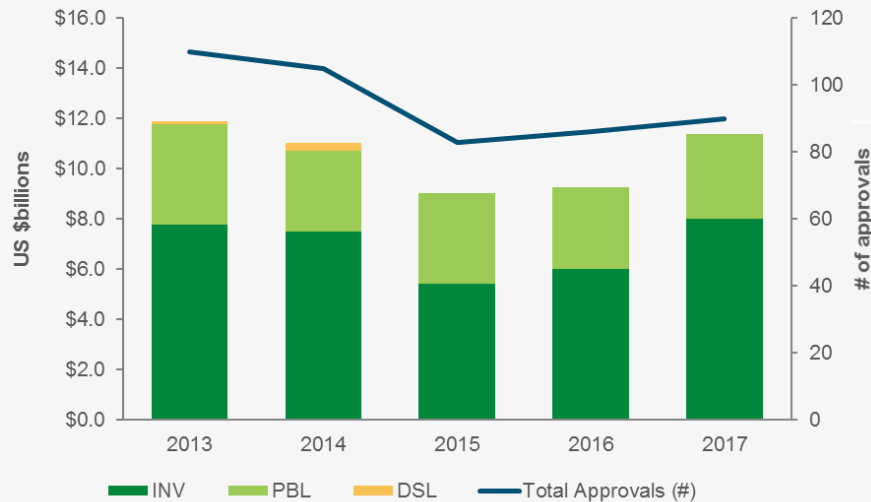
BY INSTRUMENT

2.2 SG Approvals by Instrument

- Investment loan** approvals reached **\$8.0b** in **74** operations
- 33% increase from \$6.0b in 2016.
 - 3% increase from 72 operations in 2016.
- Policy Based Loan** approvals reached **\$3.4b** in **17** operations
- 4% increase from \$3.3b in 2016.
 - 21% increase from 14 operations in 2016.

There were no operations of **Contingent Credit line for Sustainable Development** approved

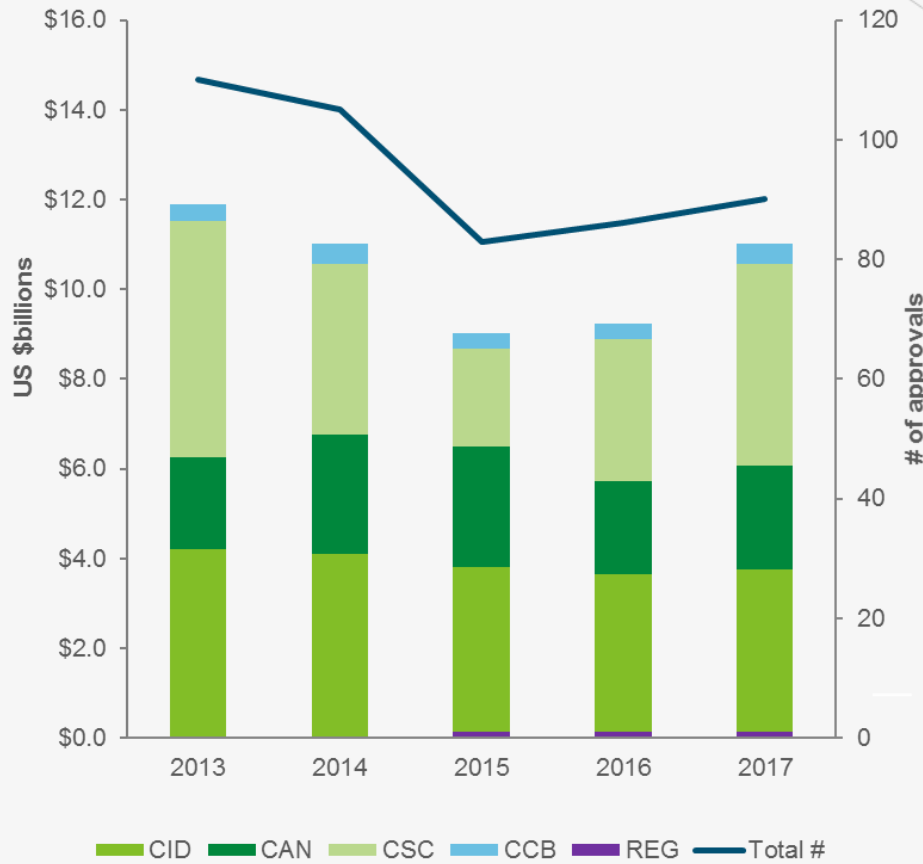
- The last such approval was in 2014 for \$300m.



¹⁵ 2016 SG approvals do not include EC-L1216, an Investment loan (INV) of the modality Contingent Loan for Natural Disaster (CND), which was approved on April 19, 2016 for \$160 million from the Ordinary Capital Fund (ORC).

BY COUNTRY GROUP

2.3 SG Approvals by Country Group



- CAN reached **\$2.3b** in **21** operations
 - 10% increase from \$2.1b in 2016.
 - 11% increase from 19 operations in 2016.
- CCB reached **\$436m** in **10** operations
 - 30% increase from \$334m in 2016.
 - Same number of operations as 2016.
- CID reached **\$3.8b** in **23** operations
 - 3% increase from \$3.6b in 2016.
 - 4% decrease from 24 operations in 2016.
- CSC reached **\$4.5b** in **34** operations
 - 43% increase from \$3.2b in 2016.
 - 6% increase from 32 operations in 2016.
- Regional operations reached **\$380m** in **2** operations
 - 850% increase from \$40m in 2016.
 - 100% increase from 1 operation in 2016.

BY SECTOR

2.4 SG Approvals by Sector

IFD approvals reached **\$4.4b** in **34** operations

- 42% increase from \$3.1b in 2016.
- 48% increase from 23 operations in 2016.

INE approvals reached **\$4.3b** in **28** operations

- 54% increase from \$2.8b in 2016.
- 4% increase from 27 operations in 2016.

SCL approvals reached **\$913m** in **9** operations

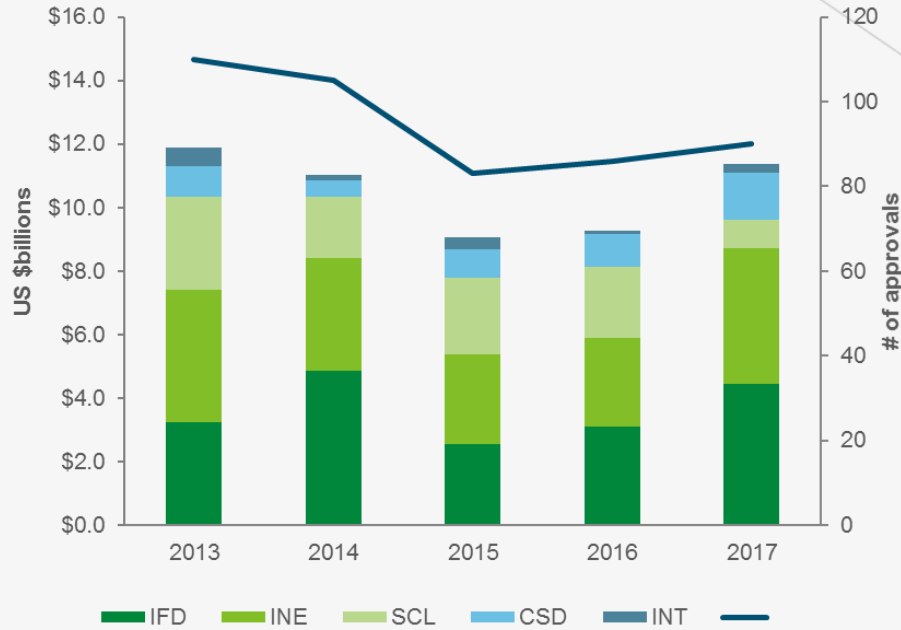
- 59% decrease from \$2.2b in 2016.
- 50% decrease from 18 operations in 2016.

INT approvals reached **\$277m** in **2** operations

- 231% increase from \$84m in 2016.
- Same operation count as in 2016.

CSD approvals reached **\$1.5b** in **17** operations

- 42% increase from \$1.1b in 2016.
- 6% increase from 16 operations in 2016.



CUMULATIVE LENDING APPROVALS

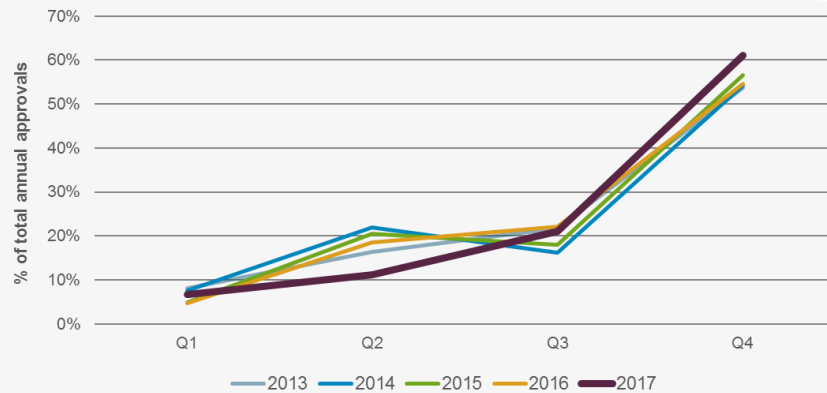
2.5 Cumulative Lending Approvals by Quarter

55 projects for **\$6.5b** were approved during the last quarter of 2017

- 17% increase from 47 operations in 2016.

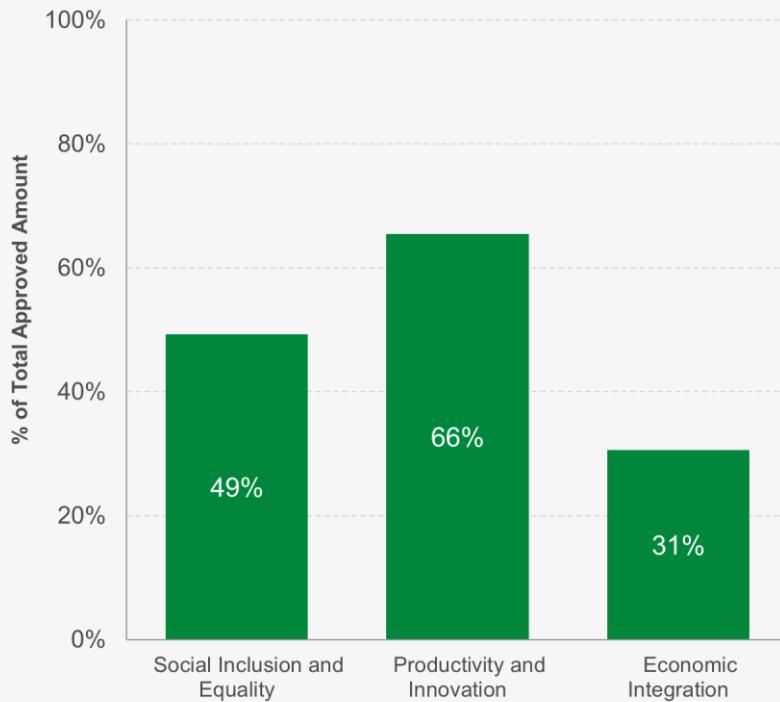
As a percentage of the total number of projects approved:

- Number of approvals in Q4 2017 reached 61%, six percentage points increase from 55% in 2016.



CRF STRATEGIC ALIGNMENT

- According to the CRF Technical Guidance: “Strategic alignment will be justified by a connection between the project’s expected results and the challenge(s) and/or cross-cutting theme(s). The justification must provide a clear argument on how the vertical logic and theory of change of the operation connects with the corresponding UIS challenge or cross-cutting theme.
- The justification must also identify an indicator from the operation’s results matrix (this may be any indicator - CRF or not) that relates to the corresponding challenge or cross-cutting theme. The indicator used to justify strategic alignment may be at any level – output, outcome, or impact. In the case of SG loan projects, the indicator must be included in the results matrix of the project.”



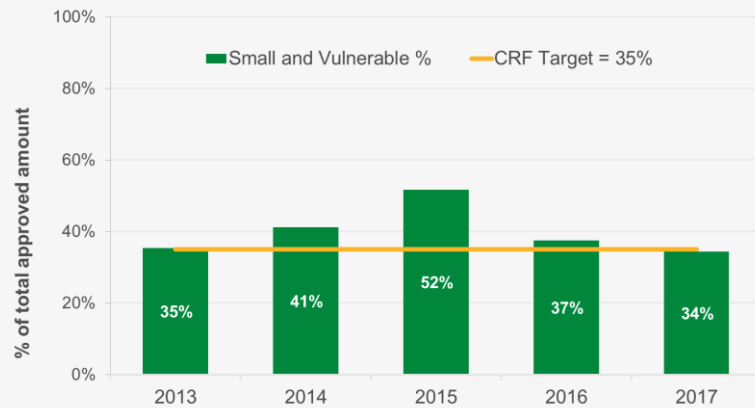
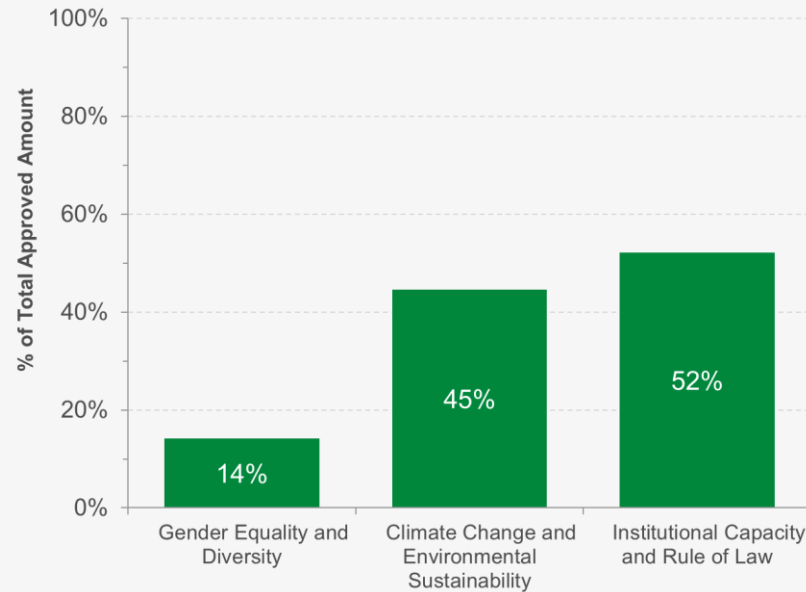
DEVELOPMENT CHALLENGES

2.6 Approvals aligned to the Update to the Institutional Strategy 2016-2019, by Challenge

Of the **90** SG loans approved in 2017, totaling **\$11.4b**:

- **49%** was strategically aligned to the Challenge “**Social Inclusion and Equality**” (\$5.6b in 36 projects).
- **66%** was strategically aligned to the Challenge “**Productivity and Innovation**” (\$7.5b in 55 projects).
- **31%** was strategically aligned to the Challenge “**Economic Integration**” (\$3.4b in 23 projects).

In addition, 99.8% of the volume of approved SG loan projects was aligned with at least one challenge or cross-cutting theme.



CROSS-CUTTING THEMES

2.7 Approvals strategically aligned to the Update to the Institutional Strategy 2016-2019, by Cross-Cutting Theme

Of the **90** SG loan projects approved in 2017, totaling **\$11.4b**:

- **14%** was strategically aligned to the Cross-Cutting Theme “**Gender Equality and Diversity**” (\$1.6b in 18 projects).
- **45%** was strategically aligned to the Cross-Cutting Theme “**Climate Change and Environmental Sustainability**” (\$5.1b in 51 projects).
- **52%** was strategically aligned to the Cross-Cutting Theme “**Institutional Capacity and Rule of Law**” (\$5.9b in 53 projects).

In addition, 99.8% of the volume of approved SG loan projects was aligned with at least one challenge or cross-cutting theme.

SMALL AND VULNERABLE COUNTRIES

2.8 Lending to Small and Vulnerable Countries¹⁶

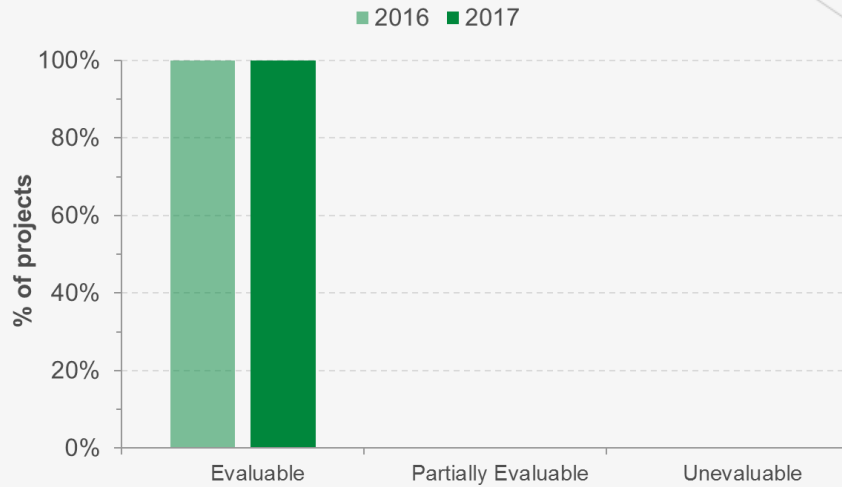
Lending to small and vulnerable countries represented 34% (\$3.8b) of the total approval amount for SG loan projects, corresponding to 44 approvals.

- 9% more volume lending than in 2016.

¹⁶ Small and vulnerable countries include types “C” and “D” countries: Barbados, Bahamas, Costa Rica, Jamaica, Panama, Suriname, Trinidad and Tobago, Uruguay, Belize, Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Nicaragua, and Paraguay.

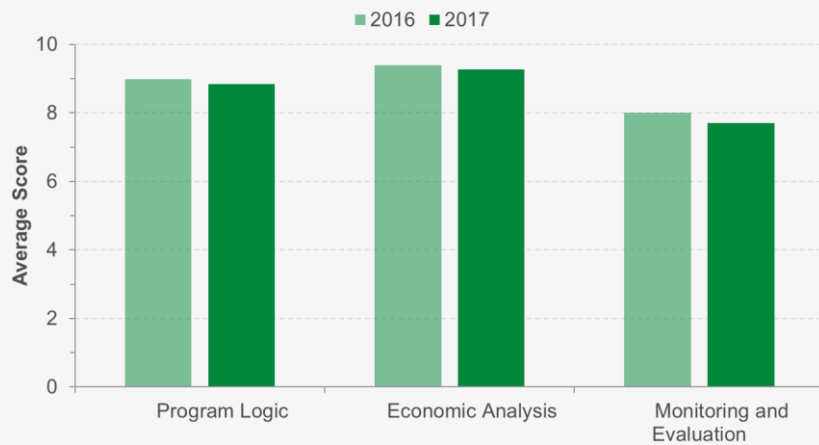
DEVELOPMENT EFFECTIVENESS – DEM

2.9 Development Effectiveness Matrix Evaluability Levels



According to the DEM¹⁷, out of 90 SG projects approved in 2017, **100%** were considered “Evaluable”.

- Same distribution as in 2016, 100% Evaluable projects (86).



2.10 Development Effectiveness Matrix Ratings

Average DEM scores at entry in 2017 for SG loan projects:

- **Program Logic** scored **8.9** points, 13% decrease from 9.0 points in 2016.
- Operations with **Economic Analysis** reached **9.3** points, 13% decrease from 9.4 points in 2016.
- **Monitoring and Evaluation** scored **7.7** points, 30% decrease from 8.0 in 2016.

*Maximum score for each area is 10 points.

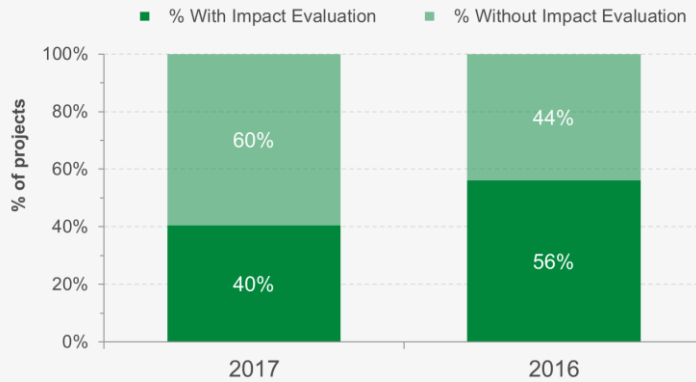
¹⁷ The Development Effectiveness Matrix (DEM) is a checklist of information requirements that should be included in the Proposal for Operational Development (POD) and its mandatory annexes to ensure that the Bank can measure the achievement of outputs and results of the operations it finances.

DEVELOPMENT EFFECTIVENESS – DEM

2.11 Ex-Ante Impact Evaluation

Approved projects with an Impact Evaluation reached 40%.

- 16 percentage point decrease from 56% in 2016.



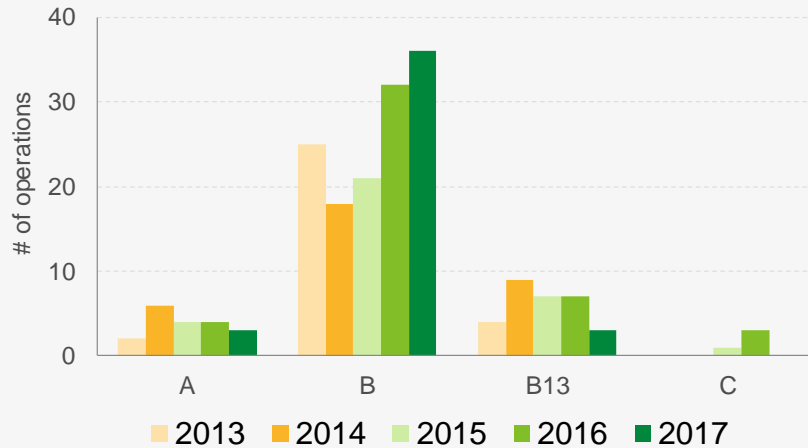
ENVIRONMENTAL AND SOCIAL SAFEGUARDS

2.12 Environmental and Social Safeguards in Approved Projects Per Category¹⁸

80% of all SG projects considered to have high environmental and social risks have been rated satisfactory in the implementation of mitigation measures.¹⁹

Loan operations that had assistance from an Environmental and Social Safeguards Specialist from ESG reached 42

- 9% decrease from 46 in 2016.
- **Category A** operations with Specialist assistance reached 3
- 25% decrease in Cat. A operations from 4 in 2016.
- **Category B** operations with Specialist assistance reached 36
- 13% increase in Cat. B operations from 32 in 2016.
- **Category C** operations with Specialist assistance reached 0
- 100% decrease in Cat. C operations from 3 in 2016.
- **Category B13** operations with Specialist assistance reached 3
- 57% decrease in Cat. B13 operations from 7 in 2016.



*Projects that do not receive an ESG class include Investment loans of the modality IRF (Immediate Response Facility for Emergencies) and of the modality CND (Contingent Loan for Natural Disasters).

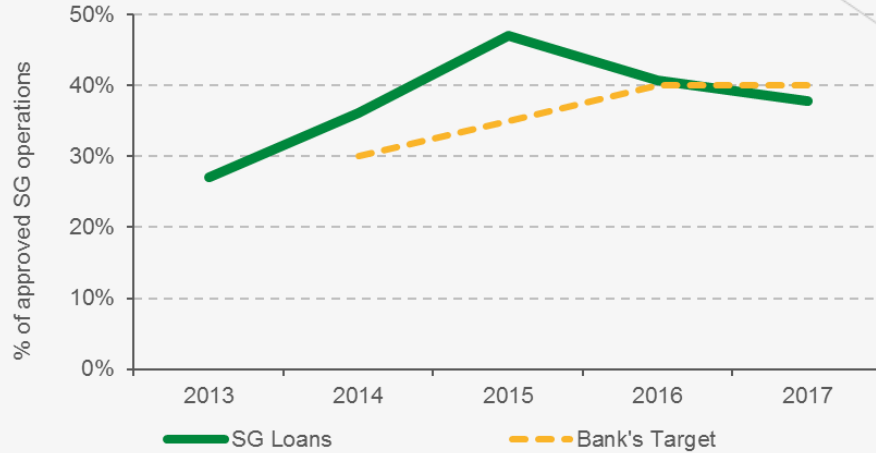
¹⁸ Values provided by ESG department for 2012-2016 corresponds only to SG operations with assistance from an Environmental and Social Safeguards Specialist from ESG

¹⁹ See the IDB's [Environment and Safeguards Compliance Policy \(2006\)](#). Environmental and Social Safeguard (ESG) classifications are as follows:

- A: Operations likely to cause significant negative impacts, or have profound implications
- B: Operations Likely to cause mostly local and short-term negative impacts
- B13: Uncategorized Directive
- C: Operations likely to cause minimal or no negative impacts

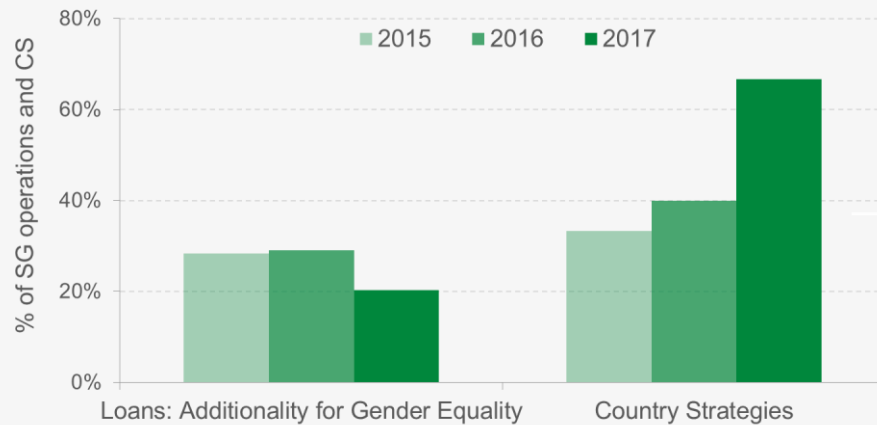
GENDER AND DIVERSITY

2.13 Gender Related Results in SG Loan Result Matrices



Approved SG projects with gender-related results in their results matrix reached **38%**²⁰:

- 2 percentage point below the Bank's 2017 target (40%) set in the updated Gender Action Plan.²¹
- 3 percentage-point decrease from 41% in 2016.



2.14 SG Projects and Country Strategies: Promoting Gender Equality and Disaggregating Indicators

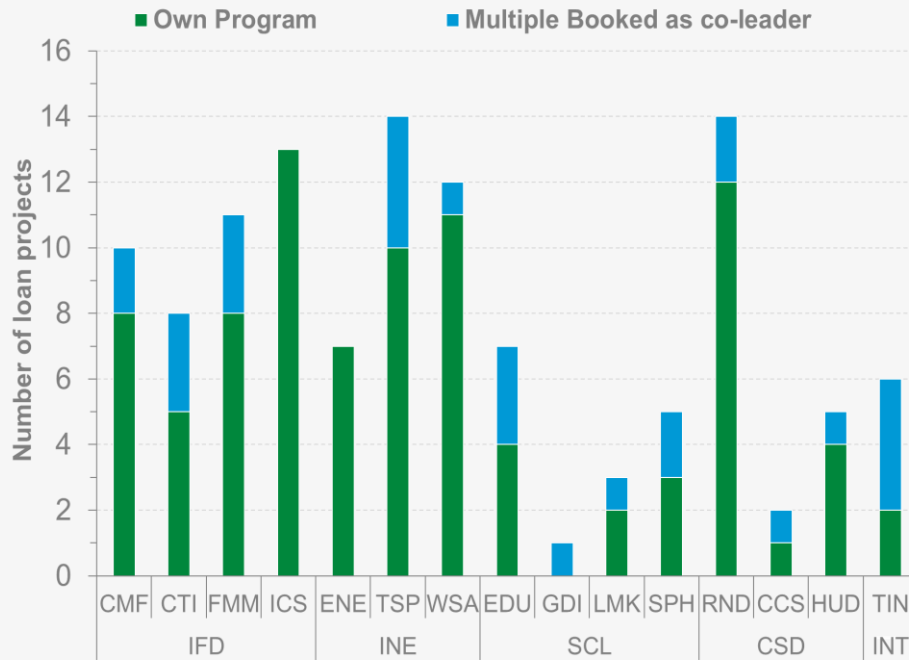
From the Development Effectiveness Matrixes (DEM) of SG projects and Country Strategies Result Matrices:

- **20%** of loan approvals (18 of 90) in 2017 were flagged as promoting IDB gender equality (additionally), nine percentage points decrease from 29% in 2016.
- **67%** of Country Strategies (4 of 6) approved in 2017 included one or more gender or diversity related indicator in their result matrix, twenty-seven percentage points increase from 2016.

²⁰ Based on new Methodology - Gender Action Plan 2014-2016, GN-2531-14, June 2014.

²¹ Detailed Gender Action Plan for Operations 2017-2019, released in September 2017.

MULTIPLE BOOKING AND COLLABORATION



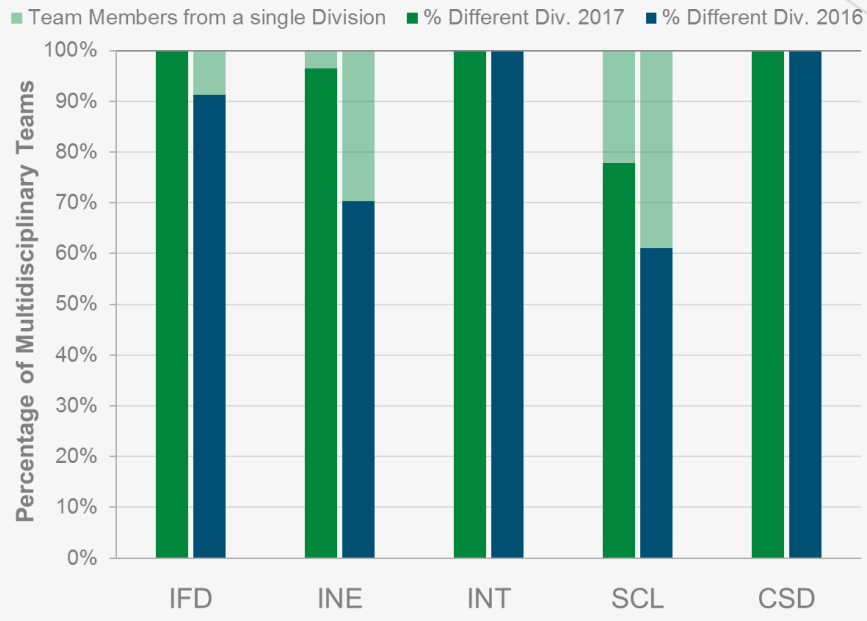
2.15 Approvals Including Multiple Bookings

- Multiple-Booked unique projects²² reached **22** for **US\$3.5b**. They represent 24% and 31% of the 2017 approvals in number and volume, respectively.
- Own program and multiple-booked equivalent approvals reached **118** projects for **\$15.8b**.

Dept.	Div.	Own Program		Multiple Booked As co-leader		Total	
		#	\$M	#	\$M	#	\$M
IFD	CMF	8	1,445.7	2	500.0	10	1,945.7
	CTI	5	1,060.0	3	342.0	8	1,402.0
	FMM	8	990.0	3	260.0	11	1,250.0
	ICS	13	934.6	0	0.0	13	934.6
INE	ENE	7	1,201.1	0	0.0	7	1,201.1
	TSP	10	1,725.8	4	263.0	14	1,988.8
	WSA	11	1,344.5	1	300.0	12	1,644.5
SCL	EDU	4	270.0	3	537.6	7	807.6
	GDI	0	0.0	1	50.0	1	50.0
	LMK	2	260.0	1	187.0	3	447.0
	SPH	3	383.0	2	243.6	5	626.6
CSD	RND	12	564.9	2	600.0	14	1,164.9
	CCS	1	600.0	1	40.0	2	640.0
	HUD	4	327.0	1	600.0	5	927.0
INT	TIN	2	277.0	4	455.0	6	732.0
Total		90*	11,383.7	28*	4,378.2	118	15,761.9

* includes a hybrid project consisting of JA-L 1073 and JA-L 1078

²² Multiple booked projects are projects led in cooperation by two or more Team Leaders from different Divisions. Multiple booking supports multi-sectoriality, one of the six guiding principles of the Update to the Institutional Strategy.



2.16 Multidisciplinary Team Compositions (Loan Projects)

- The number of projects approved with registered specialists from different Divisions as team members reached **87***, 97% of the total projects approved.
- For IFD, 34 (100%) projects had members from different divisions; for INE 27 (96%), INT 2 (100%), SCL 7 (78%) and CSD 17 (100%).

* Includes a hybrid project consisting of two operations: JA-L1073 and JA-L1078

2017 ANNUAL BUSINESS REVIEW

CHAPTER III

BUSINESS DEVELOPMENT

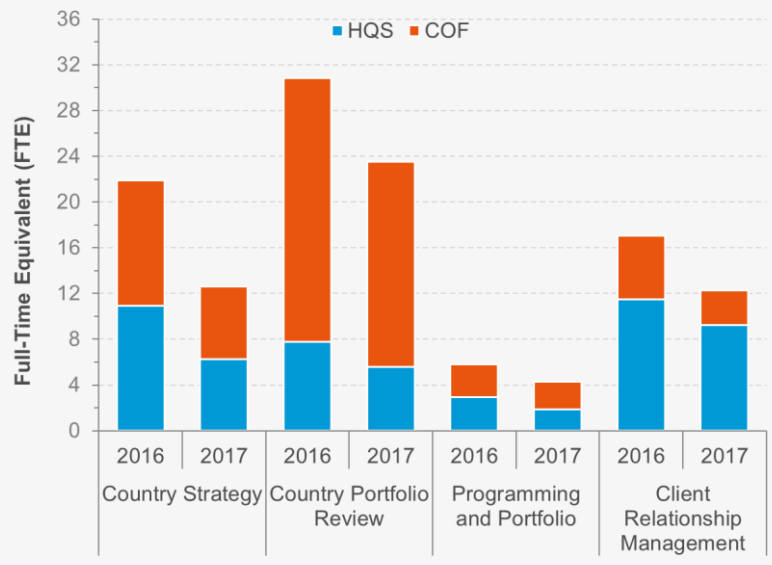
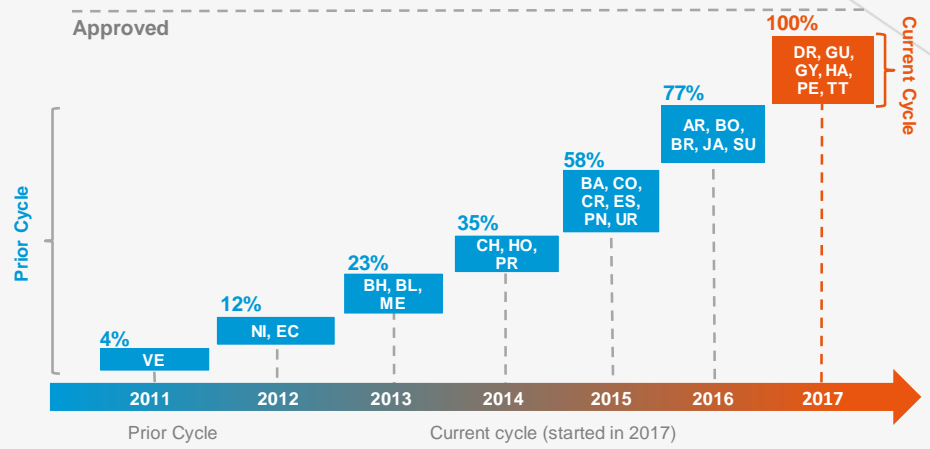
COUNTRY POLICY DIALOGUE

3.1 Results-based Country Strategies

- **6** Country Strategies were approved by the Board in 2017: Dominican Republic, Guatemala, Guyana, Haiti, Peru and Trinidad and Tobago.
- Based on the validated Development Effectiveness Matrix for Country Strategies, in terms of **strategic alignment**, the objectives of the approved Country Strategies are consistent with the countries' development challenges and priorities. (**100%** of alignment.)
- In terms of **effectiveness**,²³ all six Country Strategies were based on high quality country diagnostics. Each of the Country Strategies identified strategic objectives that respond to the challenges and opportunities identified in the corresponding sector diagnostics.
- **26** Country Program Documents were prepared in 2017 Q4 and are expected to be approved by the Board in 2018 Q1.

3.2 Staff Time Reported to Programming Products

- Staff Time reported to strategy, programming and portfolio management activities reached **52.7 FTEs**²⁴
- 30% decrease from 75.6 FTEs reported in 2016.
- Country Strategies accounted for 24% (12.6 FTEs).
- Country Portfolio Reviews and Programming and Portfolio activities accounted for 53% (27.8 FTEs).
- Client Relationship Management²⁵ activities accounted for 23% (12.3 FTEs).
- **56%** of time reported to these activities originated from the **COFs**:
- Same percentage as in 2016.



²³ The evaluation summary of the Development Effectiveness Matrices is included as an annex in the approved Country Strategy documents (GN-2812, GN-2832, GN-2829, GN-2828, GN-2838 and GN-2836)

²⁴ FTE – Full Time Equivalent Staff Years.

²⁵ Customer Relationship Management refers to the provision of timely, high quality services to borrowing countries, donors and other key constituencies. Manage client expectations under a scenario of scarcity of resources.

SG LOAN PIPELINE DEVELOPEMENT

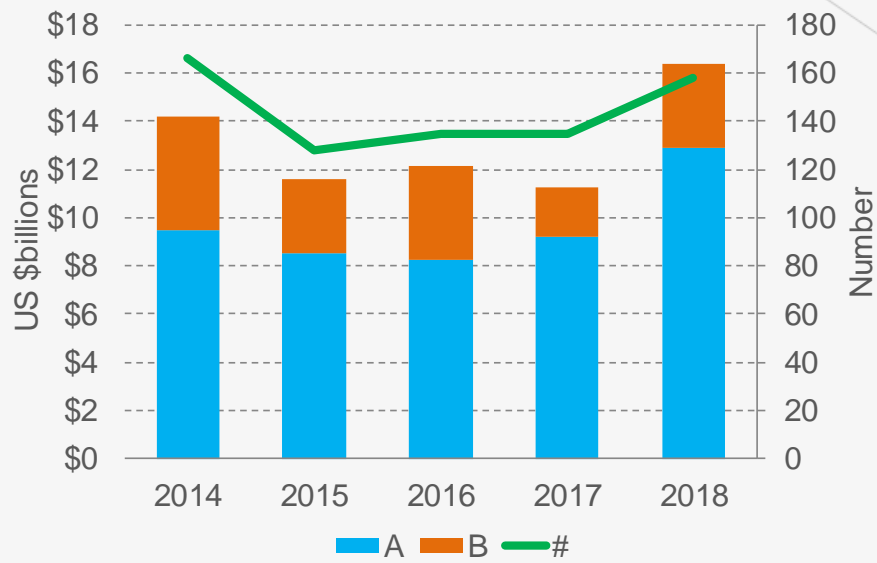
3.3 Pipeline Development

As of January 1, 2018, the entire pipeline for 2018²⁶ contained **158** SG projects for **\$16.4b**

- 17% increase from 135 projects in January 1, 2017.
- 46% increase from \$11.2b on January 1, 2017.

The 2017 category pipeline “A” contains **124** SG projects for **\$12.9b**

- 14% increase from 109 operations at the beginning of 2017.
- 41% increase from \$9.2b at the beginning of 2017.



All amounts in USD billion

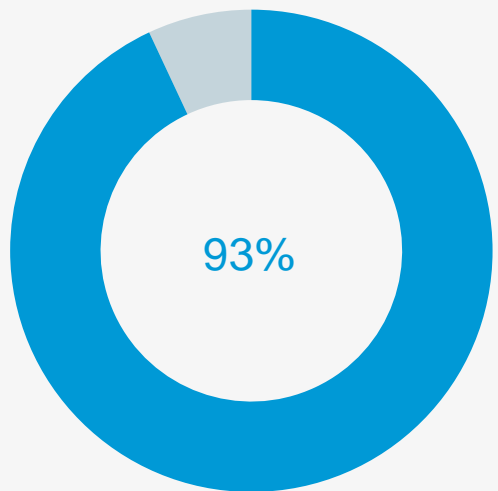
Year	A		B		Total	
	\$US Bil	#	\$US Bil	#	\$US Bil	#
2013	9.4	132	8.5	80	17.9	212
2014	9.5	109	4.7	57	14.2	166
2015	8.5	94	3.1	34	11.6	128
2016	8.2	102	3.9	33	12.1	135
2017	9.2	109	2.1	26	11.2	135
2018	12.9	124	3.4	34	16.4	158

²⁶ Project pipeline includes projects categorized as A and B unless specifically noted.

VPS ECONOMIC & SECTOR WORK (ESW) AND CORPORATE INPUT PRODUCTS (CIP)

3.4 ESW and CIP status

ESW Deliverables Completed as % of total planned



Deliverables completed in 2017
414

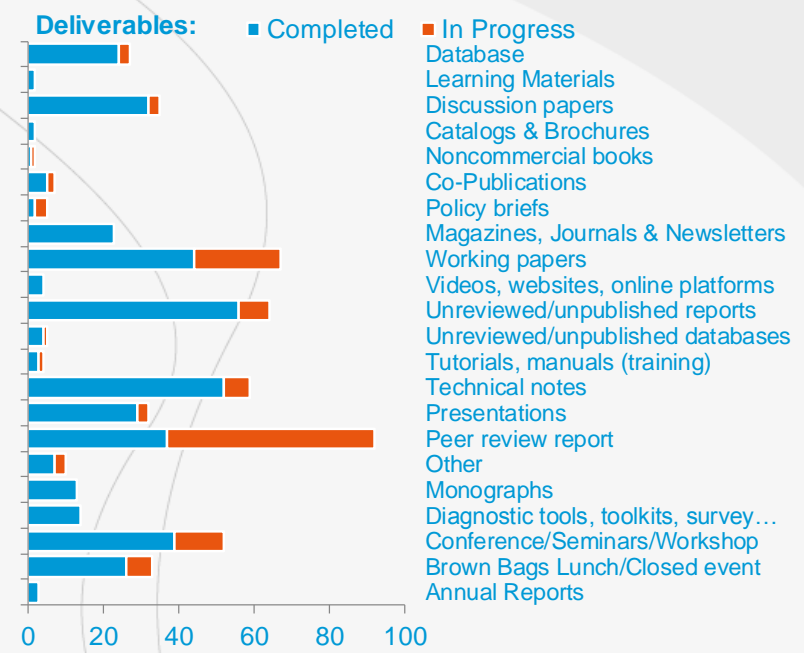
Deliverables planned for 2017
445

Deliverables completed in 2016
372

91%
of the 409 planned for 2016

ESW products for 2017
92

CIP for 2017
42

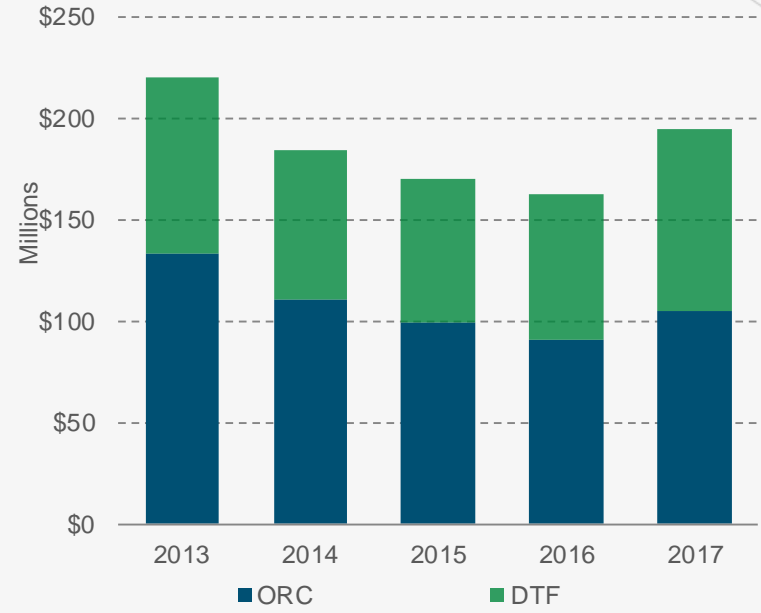


ESW products by Priority Area and Department

	INE	RES	SCL	INT	VPS	IFD	CSD	Total 2017	Total 2016	% Change	
Social Policy for Equity and Productivity	0	3	16	0	1	0	0	20	17	18%	
Institutions for Growth and Societal Welfare	3	2	1	0	0	19	4	29	15	93%	
Competitive Regional and International Integration	1	0	0	6	0	0	0	7	5	40%	
Infrastructure for Competitiveness and Social Welfare	8	0	0	0	1	0	2	11	5	120%	
Protecting the Environment and responding the Climate Change	0	1	0	0	1	0	5	7	4	75%	
Other	3	11	2	1	1	0	0	18	26	-31%	
Total	15	17	19	7	4	19	11	92	72	28%	
Effort Reported to ESW products	FTEs	1.9	17.0	6.1	12.5	0.2	4.2	2.4	44.3	46.7	-5%

VPS & VPC TECHNICAL COOPERATION PROGRAM

3.5 TC Program by Fund



All amounts in US\$ million

Year	ORC	DTF	Total Approved
2013	133.1	87.0	220.1
2014	110.8	73.3	184.1
2015	99.6	70.2	169.8
2016	90.3	72.1	162.5
2017	105.4	89.4	194.8
Change 2016/2017	17%	24%	20%

Technical Cooperation approvals reached **397** for **\$194.8m**

- 20% increase from the \$162.5m approved in 2016.
- 12% increase from 355 in 2016.
- Average size of TCs approved reached \$491K, a 7% increase from \$458K in 2016.

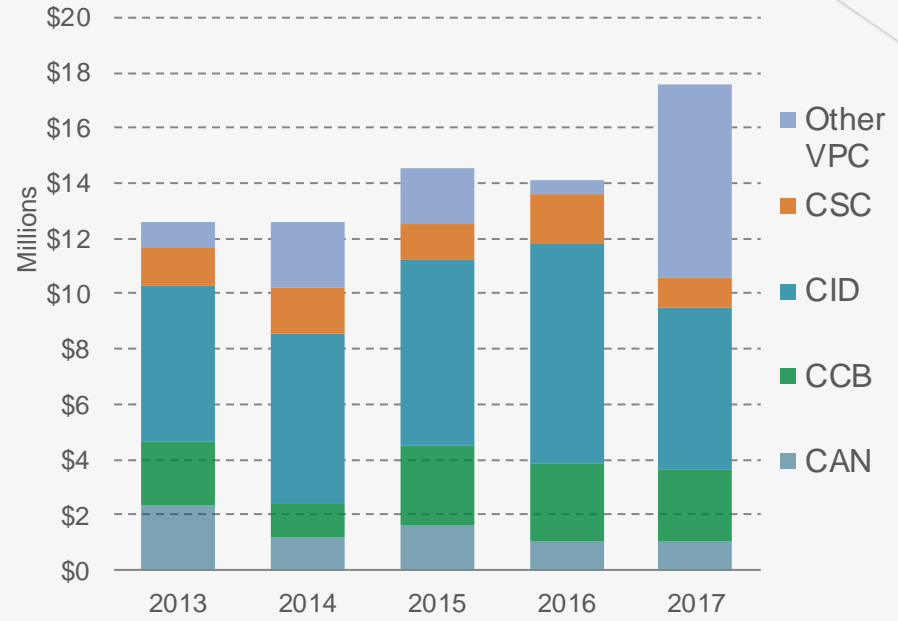
Donor Trust Funds (DTF) financed TC approvals reached **102** for **\$89.4m**

- 24% increase from \$72.1m in 2016.
- 6% decrease from 108 in 2016.

TC PROGRAM BY RESPONSIBILITY UNIT

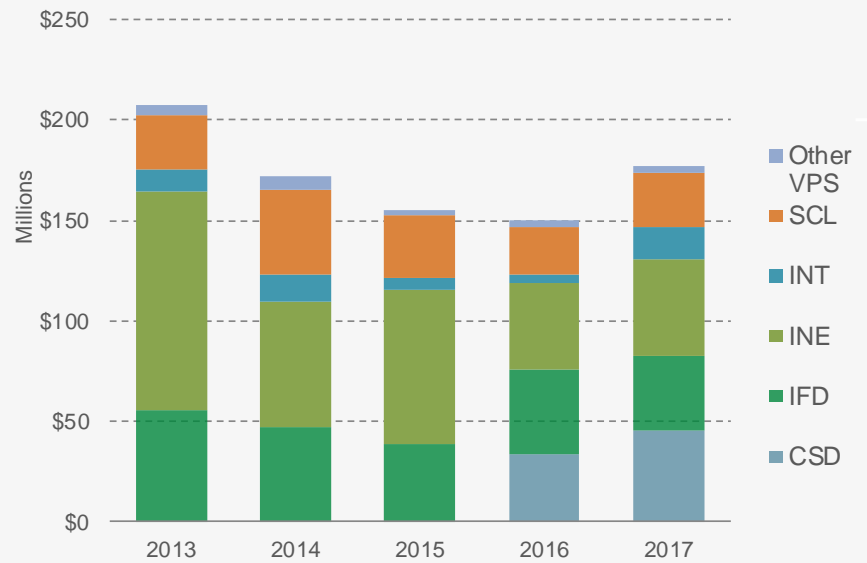
3.6 TC Program by Country Department

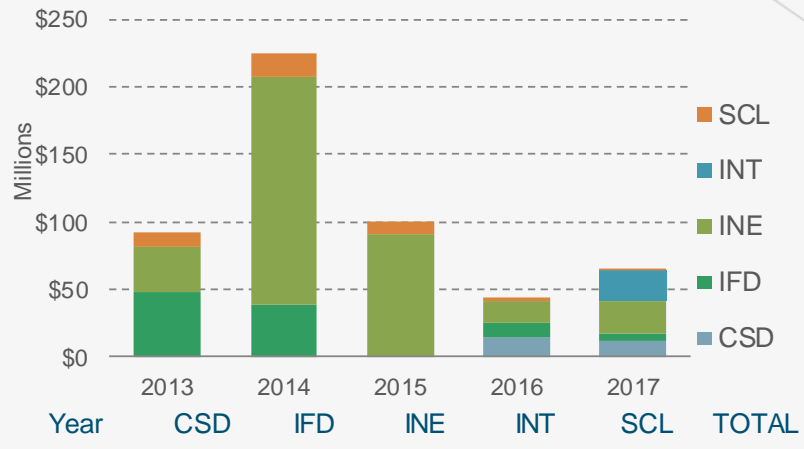
Approvals volume reached **\$17.6m** in 39 TCs.
 • 25% increase from \$14.1m in 45 TCs in 2016.



3.7 TC Program by Sector

Approvals volume reached **\$177.2m** in 358 TCs.
 • 18% increase from \$149.8m in 310 TCs in 2016.





INVESTMENT GRANTS (VPS)

3.8 Investment Grants (IGR)

Approvals volume reached **\$65.3m** in 7 Investment Grants

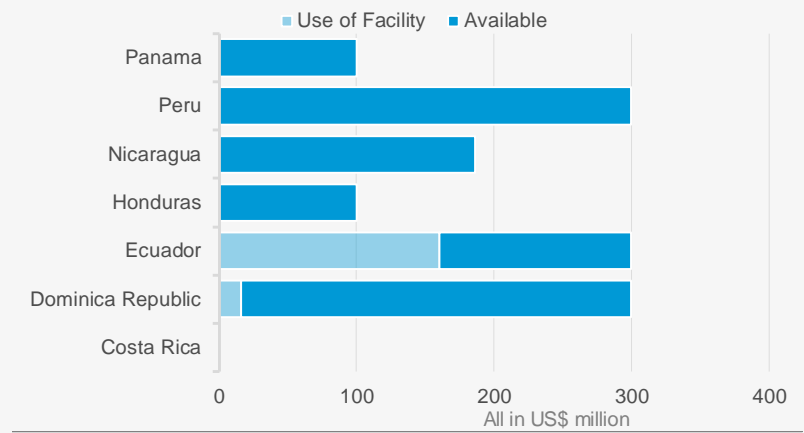
- 48% increase from \$44.1m in 2016.
- 13% decrease from 8 IGRs approved in 2016.

FACILITIES

3.9 Contingent Credit Facility for Natural Disaster Emergencies (CCF)

Total amount reached **\$1.3b** in **6** countries

- 86% available of the amount available.
- 1% (\$16m) utilized in Dominican Republic in 2017.



	Dates			Approved		Use of Facility	
	Approval	Eligibility	Expiration	Original	Current	Facility	Available
Costa Rica	Dec-12	Cancelled		100.0	0.0		
Dominica Republic	Nov-09	Aug-11	Dec-20	100.0	300.0	16.0	284.0
Ecuador	Dec-14	Sep-15	Jun-20	100.0	300.0	160.0	140.0
Honduras	Nov-11	Mar-13	Dec-17	100.0	100.0	0.0	100.0
Nicaragua	Nov-13	Jun-14	Mar-19	186.0	186.0	0.0	186.0
Peru	Dec-13	Oct-14	Jan-19	300.0	300.0	0.0	300.0
Panama	Feb-12	Oct-12	May-17	100.0	100.0	0.0	100.0
Total				986.0	1,286.0	176.0	1,110.0

2017 ANNUAL
**BUSINESS
REVIEW**

CHAPTER IV

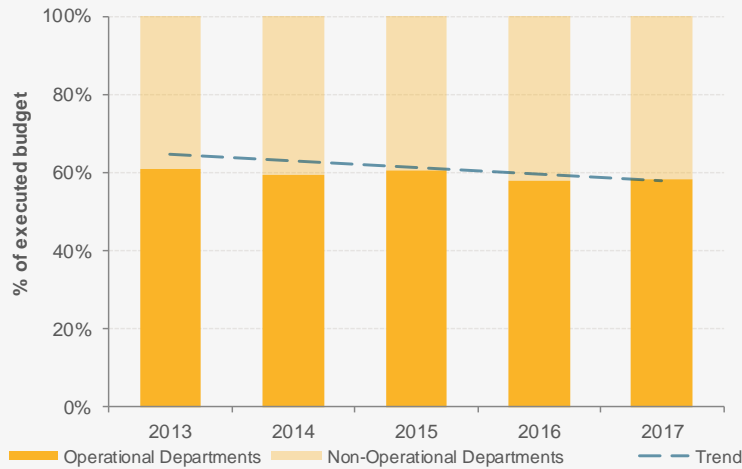
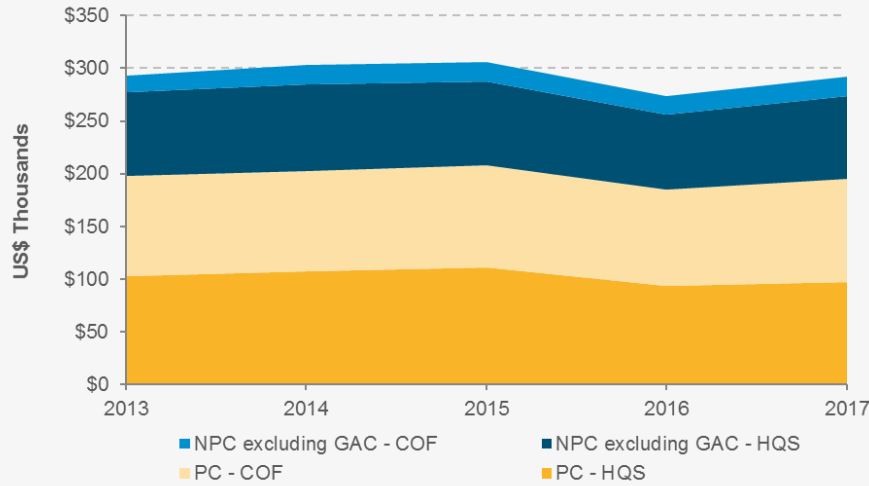
RESOURCE MANAGEMENT

A. OPERATIONAL EFFICIENCY

RESOURCES (PC, NPC & FTES)

4.1 Operational Departments Budget Execution PC and NPC

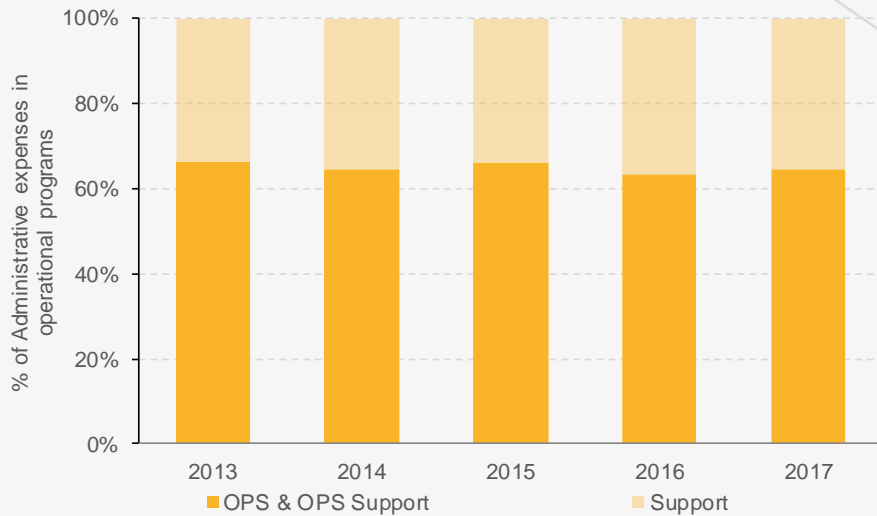
- Personnel Costs (PC) expenses for operational departments reached **\$195m**
5% increase from \$185m in 2016.
- Non-Personnel Cost²⁷ (NPC) expenses for operational departments reached **\$98m**.
10% increase from \$89m in 2016.



4.2 Operational vs. Non-Operational Department Budget Execution

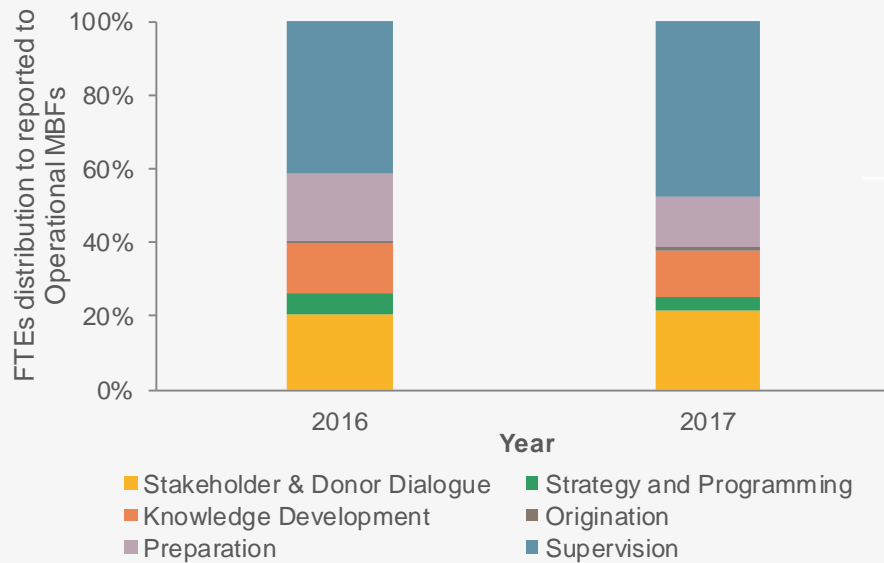
- Operational and non-operational expenses reached \$526m, 4% increased from \$508m in 2016.
- Operational departments executed budget as a percentage of total administrative budget shows a decreasing trend. It was **58% (\$307.1m)** in 2017.
- Same percentage as in 2016 (\$293.5m).

²⁷ Excludes general administrative costs.



4.3 Percentage of administrative expenses in operational programs²⁸

- Operational and operational support programs reached **65%** (\$340.0m)
- 2 percentage points increase from 63% in 2016.

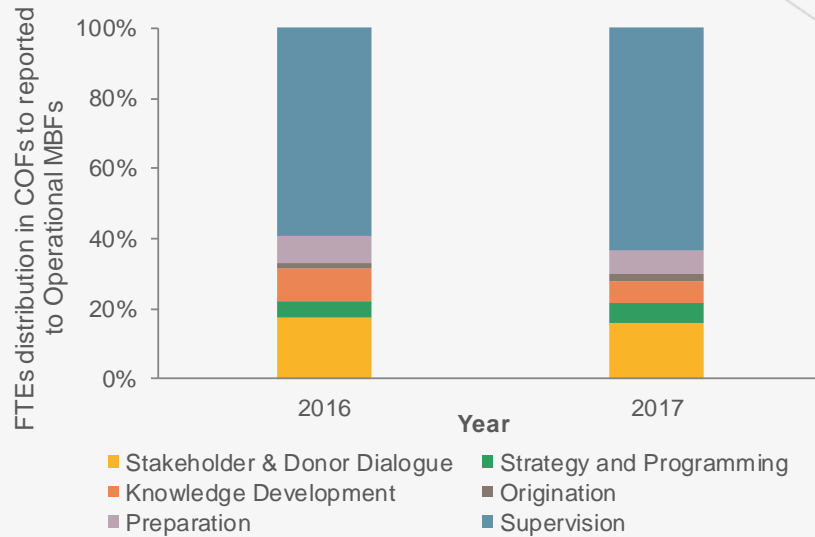


4.4 Distribution of staff time reported to Operational Main Business Functions

- Staff time reported to supervision²⁹ of projects reached **468 FTEs**.
- Staff time reported to preparation of projects reached **134 FTEs**.
- Staff time reported to origination activities reached **10 FTEs**.
- Staff time reported to knowledge development reached **122 FTEs**.
- Staff time reported to strategy and programming reached **39 FTEs**.
- Staff time reported to stakeholder & donor dialogue reached **209 FTEs**.

²⁸ Operational and Operational support programs are no longer valid, values shown for 2016 and 2017 are approximations of expenditures based in their Main Business Function.

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



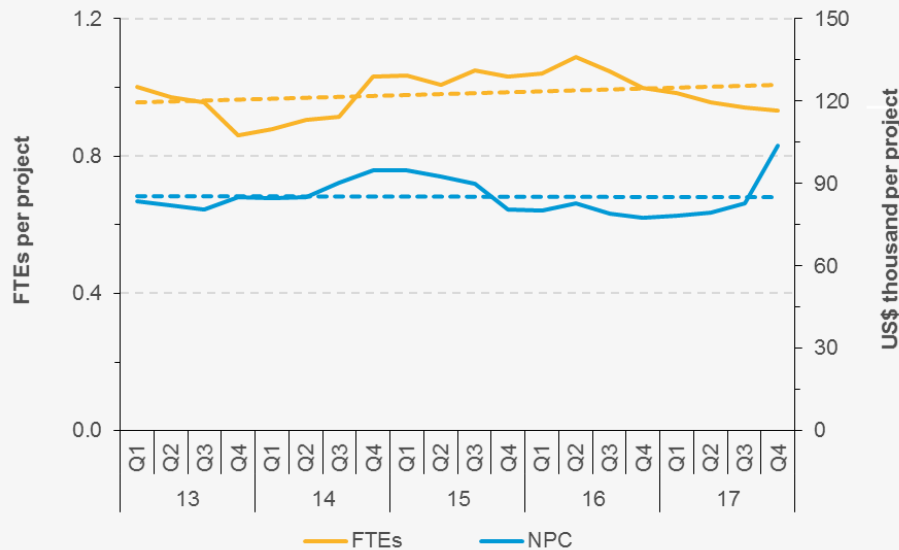
4.5 Distribution of COFs staff time reported to Operational Main Business Functions

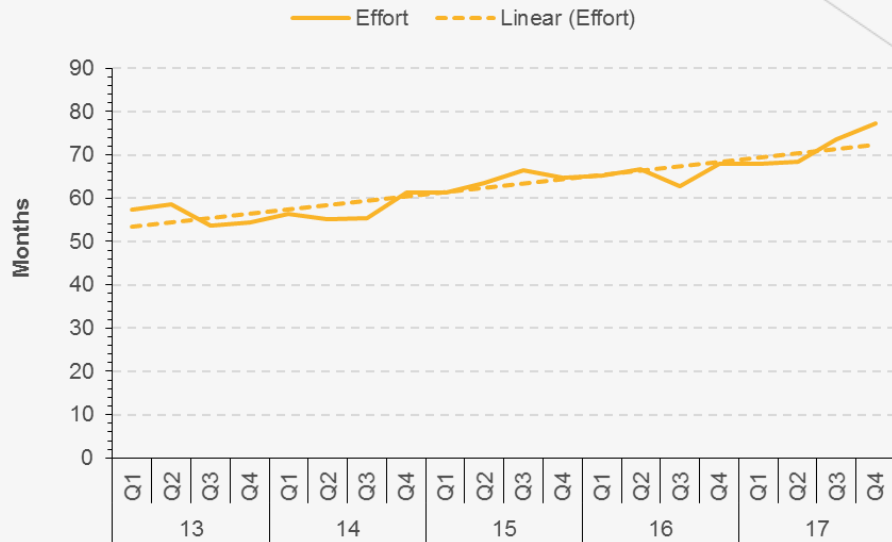
- Staff time reported to supervision of projects reached **114 FTEs**
- Staff time reported to preparation of projects reached **13 FTEs**
 - Staff time reported to origination activities reached **3 FTEs**
 - Staff time reported to Knowledge development reached **12 FTEs**
 - Staff time reported to strategy and programming reached **10 FTEs**
 - Staff time reported to stakeholder & donor dialogue reached **29 FTEs**

PROJECT EFFICIENCY

4.6 Resources for Project Approval

- Staff time reported to project preparation reached **0.93 FTEs** per project.
- 7% decrease from 1.00 FTEs per project approved in 2016.
- NPC reached an average of **\$103.9K per project approved**
- 34% increase from **\$77.4K** in 2016.

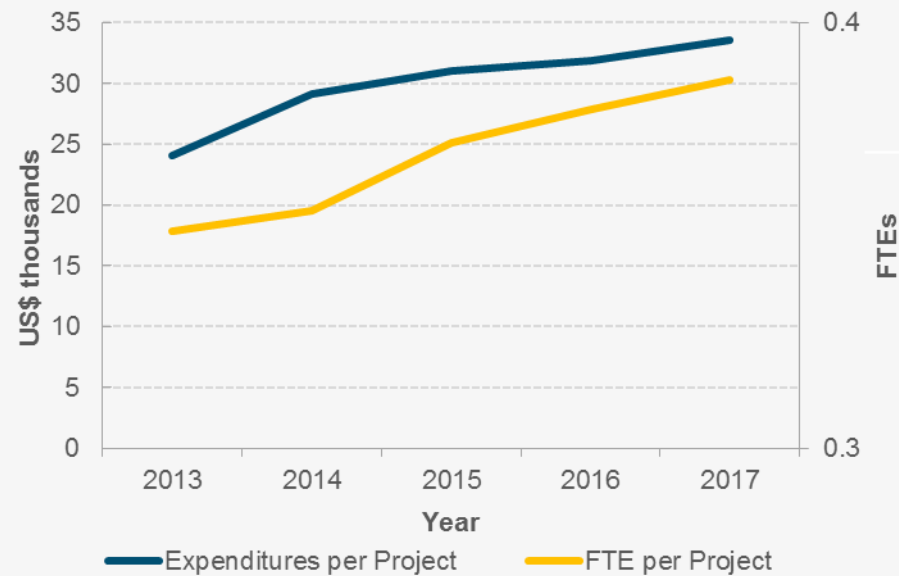




4.7 Effort (FTEs/Elapsed Time)

The ratio between staff time reported and preparation elapsed time (Effort), reached **77.2** in 2017

- 14% increase from 68.0 in 2016.



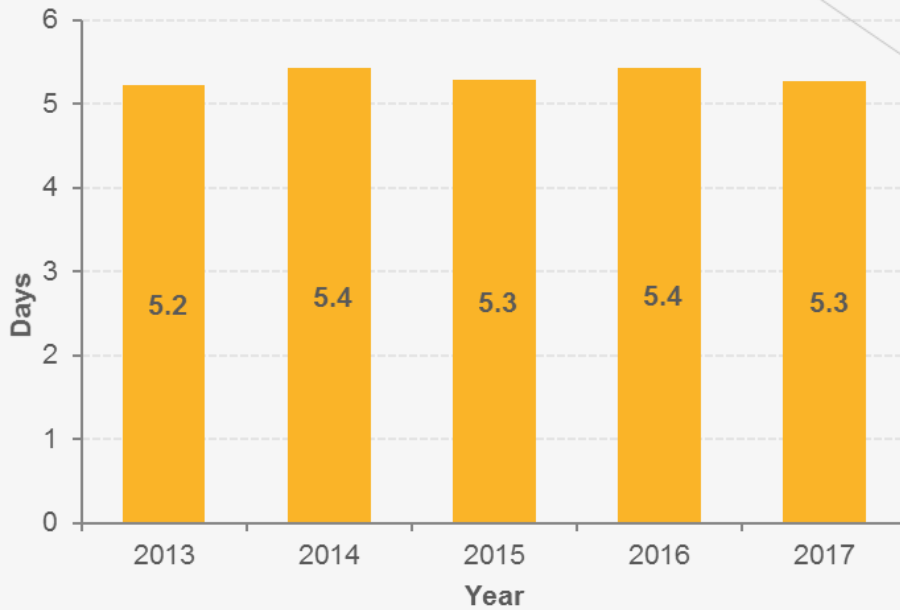
4.8 Resources (Expenditures and Staff Time) per Project in Portfolio

Staff time reported per project in the portfolio in execution reached 0.387 FTEs

- 2% increase from 0.380 in 2016.

NPC expenditures per project in the portfolio in execution reached \$19.9k

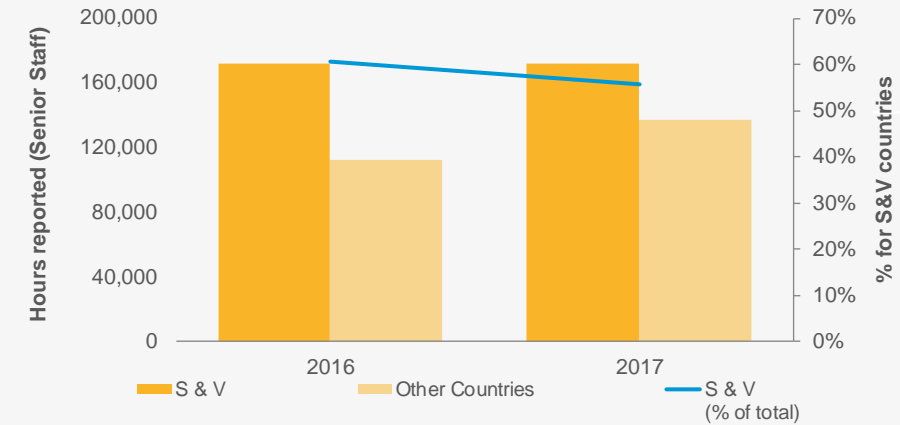
- 3% increase from \$19.4k in 2016.



4.9 Staff Time Reported to Project Execution per US\$ Million Disbursed

Staff time reported to project execution per US\$ million disbursed reached **5.3** days.

- 2% decrease from 5.4 days in 2016.



4.10 Senior Staff Time reported to Small & Vulnerable Countries

Data pertinent to last year:

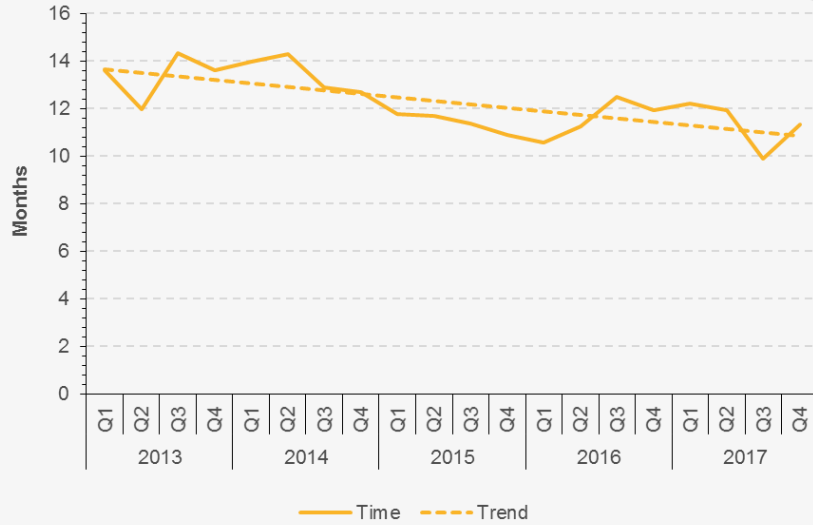
- Senior Staff time reported to S&V countries reached 172.2k hours (56% of total) in 2017.
- 4 percentage points decrease from 60% (171.9k hours) in 2016.

All amounts in number of hours

	S & V	Other countries	Total	S & V (% of total)
2016	171,871	112,339	284,210	60%
2017	172,119	137,573	309,692	56%

CYCLE TIMES (EFFICIENCY)³⁰

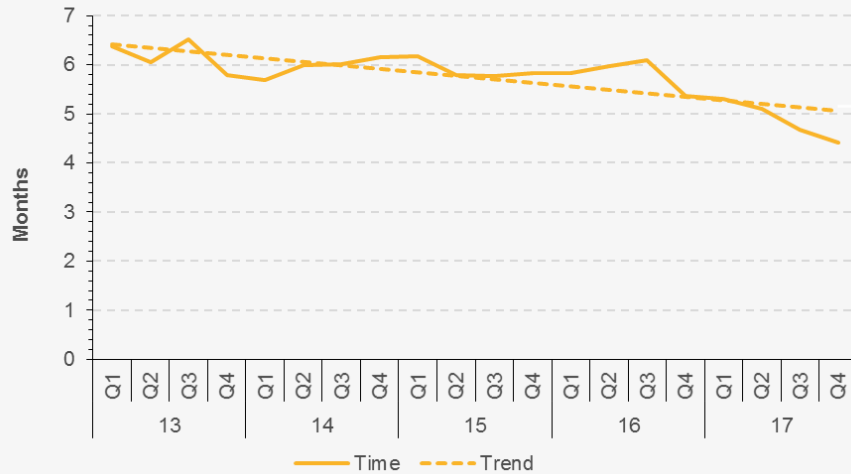
4.11 Time Elapsed from Start to Approval



Time elapsed from Start to Approval³¹ for SG investment operations reached 11.3 months in 2017.

- 5% decrease from 11.9 months in same period in 2016.

4.12 Time Elapsed from Project Profile to Approval for SG Operations

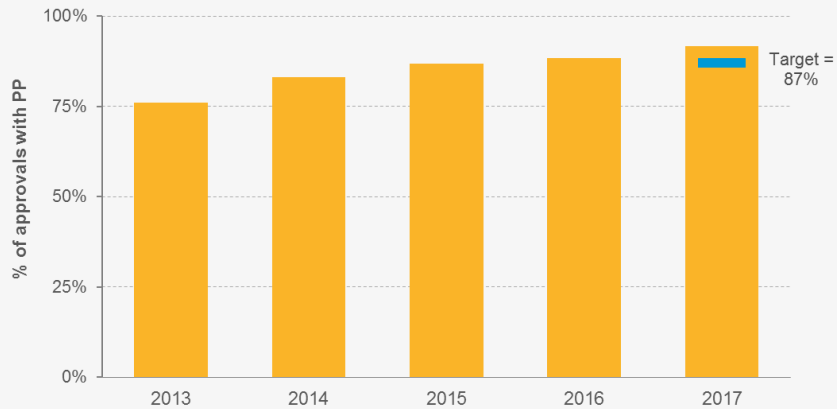


Time elapsed to prepare a project (from Profile to Approval) for SG operations reached **4.4 months**

- 19% decrease from 5.4 months in same period in 2016.

³⁰ For this graph and the following four, Time elapsed is calculated with a four-quarter moving average

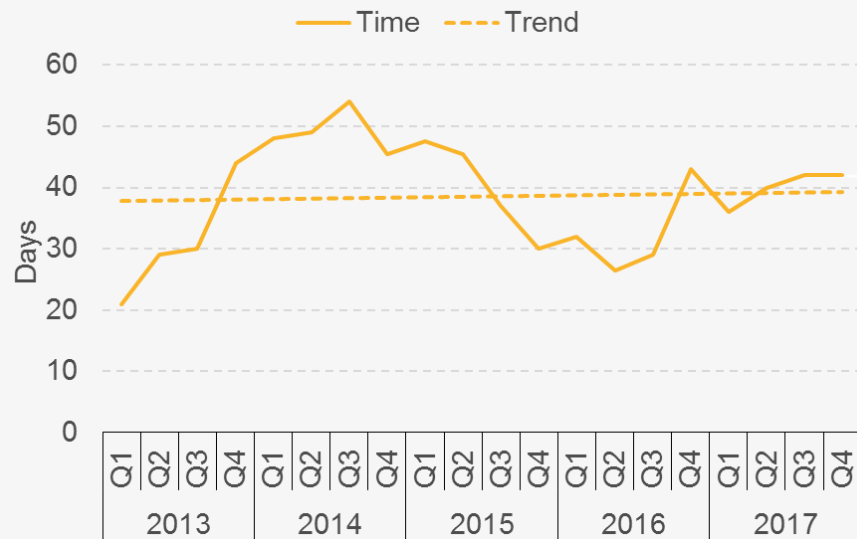
³¹ Time calculated as number of calendar days from registered Start date to approval. Start date is auto-calculated based on the number of hours reported to the operation by team member and the first milestone completed in the life cycle of the project.



4.13 SG Loan projects meeting target preparation time

The percentage of SG project with project profile (PP) meeting preparation time reached **92% in 2017**, 8 percentage points above the CRF target.

- 4% percentage point increase from 88% in 2016.



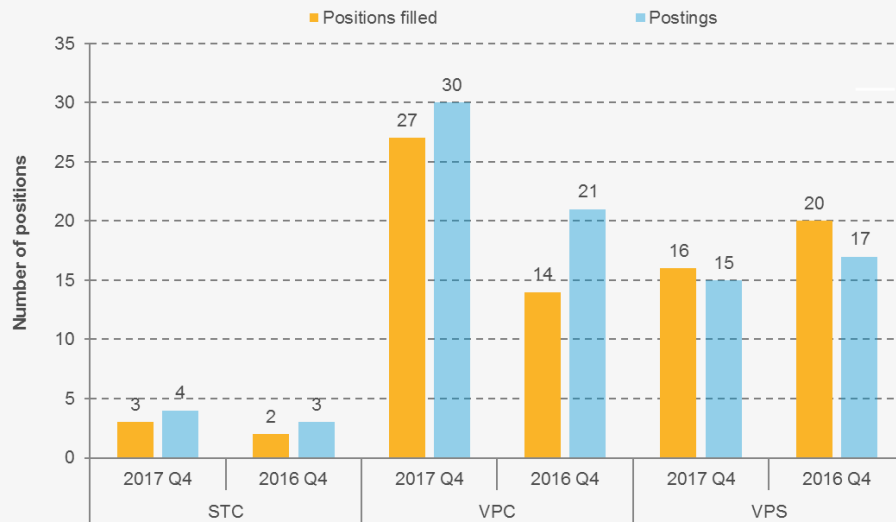
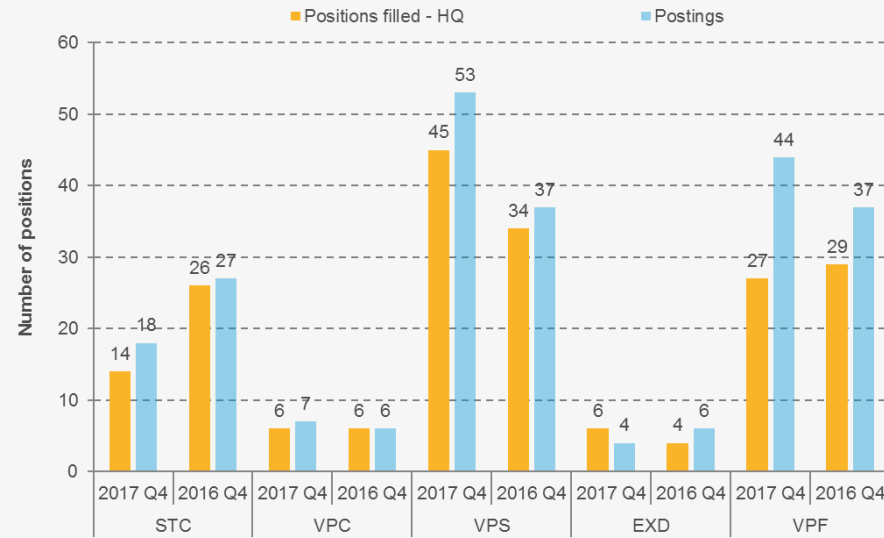
4.14 Time Elapsed from Eligibility to First Disbursement for SG Investment Operations

Time elapsed from eligibility to first disbursement³² for SG investment operations reached **42 days**.

- 2% decrease from 43 days in 2016.

³² Only operations that actually disbursed

HUMAN RESOURCES



VACANCIES AND NEW HIRES

4.15 Status of Positions Posted

- 236 Bankwide vacancies filled in 2017, 164 vacancies remain unfilled (includes 14 vacant positions allocated in the Central Pool – SRE/VAC).³³
- 149 (63%) of vacancies filled were for VPS and VPC.
- 144 (61.0%) of the filled positions went to external candidates. 92 positions were filled by transfers (45 by concurso, 47 by lateral transfer). Of the 144 external hires, 79 (54.9%) were female.
- 141 (81%) positions to be filled were posted as international positions.

4.16 Status of Positions Posted and Filled in the COFs

- Net number of professional³⁴ staff on-board in the COFs increased by 6.
- Professional staff on board in VPC and VPS increased by 13 and 2, respectively, while CORE and VPF decreased by 6 and 3, respectively.
- Of the 15 external hires of professionals in COF in this period, 9 were national professionals and 6 were international.
- Local professional staff in the COFs increased by 2.
- 10 (40%) of VPS professional vacancies as of December 31, 2017 are assigned to COFs.

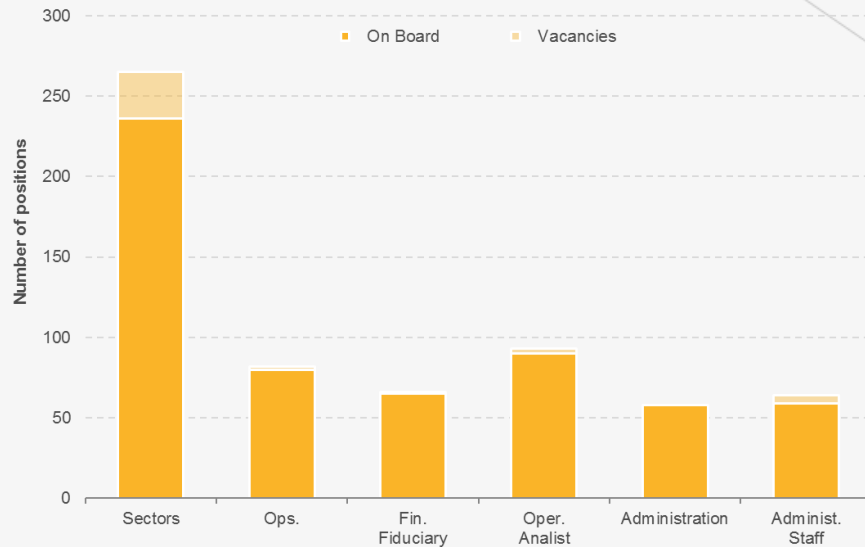
³³ Board approved Positions: 116 vacancies remain unfilled

³⁴ Professional Staff: Grades 9 and above (Bankwide).

COF STRENGTHENING

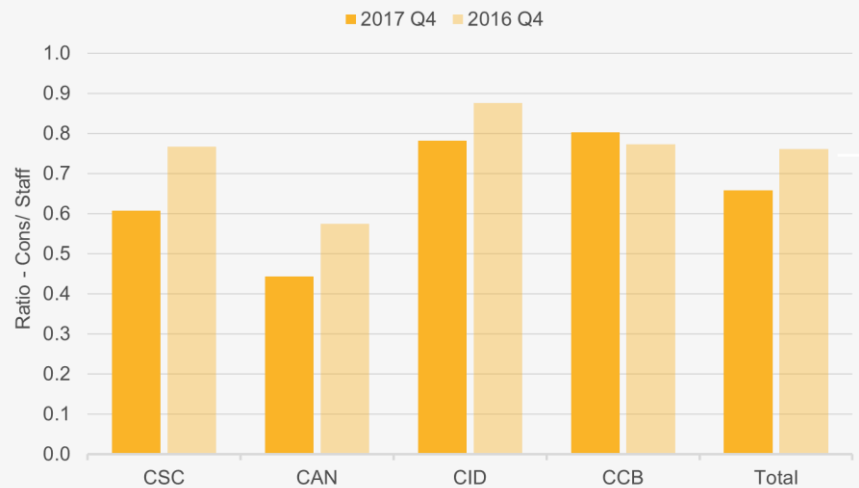
4.17 Country Office Staff Composition³⁵

- 36% of professional staff on-board in VPS is in the COFs. 34% of VPS professional staff on-board in the COFs is local.
- 3 of 11, which represents 27% of vacant positions in COFs in VPC are for Operations Analysts (local professionals – Grades 9 to 6). 6 VPC vacancies in COFs are for professional staff.

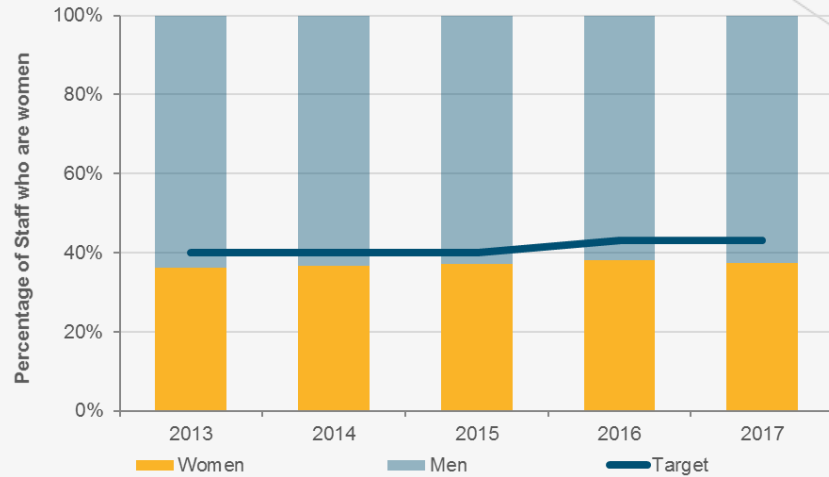


4.18 Number of Professional Staff and Consultants (Excluding Firms)

- As of December 31, 2017, there were 334 active consultants in the COFs with contracts over 150 days.
- equivalent to 327.5 FTEs
- 16% decrease from 399 (equivalent to 506.5 FTEs) for the same period in 2016.
- There are 606 active DTCs on board across the Bank
- 5% decrease from 636 DTCs as of Q4 2016.
- 428 are in HQ and 172 in the COFs.



³⁵ Sectors: VPS, MIF. Ops.: Rep, Ops, Econ.



EXECUTIVE AND MANAGERIAL WOMEN

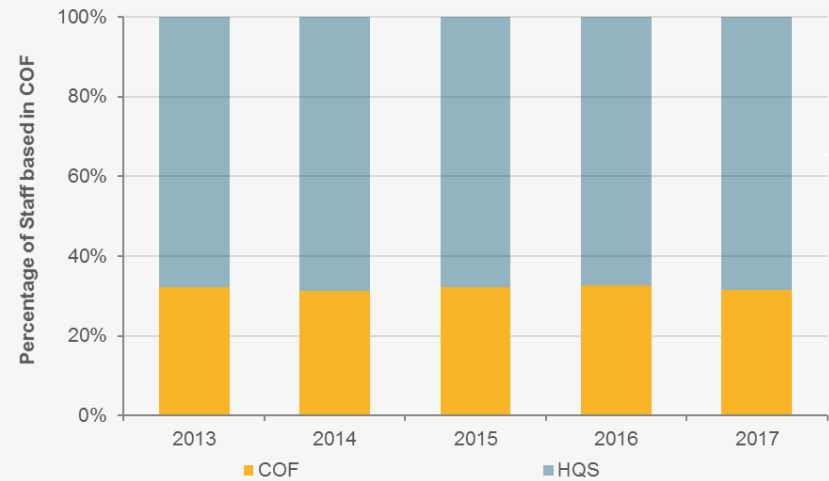
4.19 Percentage of Professional and Executive Staff who are Women, Grade Four and Above

Women in grades four and above reached **37%**

- One percentage point decrease from 38% in 2016.
- 2 percentage points increase from 35% in 2012
- The **2019 CRF** target is 43%.

Women in executive and representative positions reached **32%**

- 2 percentage point decrease from 34% in 2016.
- The **2019 CRF** target is 38%.



STAFF COMPOSITION

4.20 Percentage of Professional Staff Based in the COFs

Professional Staff in the COFs reached **32%**

- One percentage point decrease from 33% in 2016.
- Same percentage as in 2012

TEAM LEADERS

4.21 Projects Approved with Team Leaders in the COFs

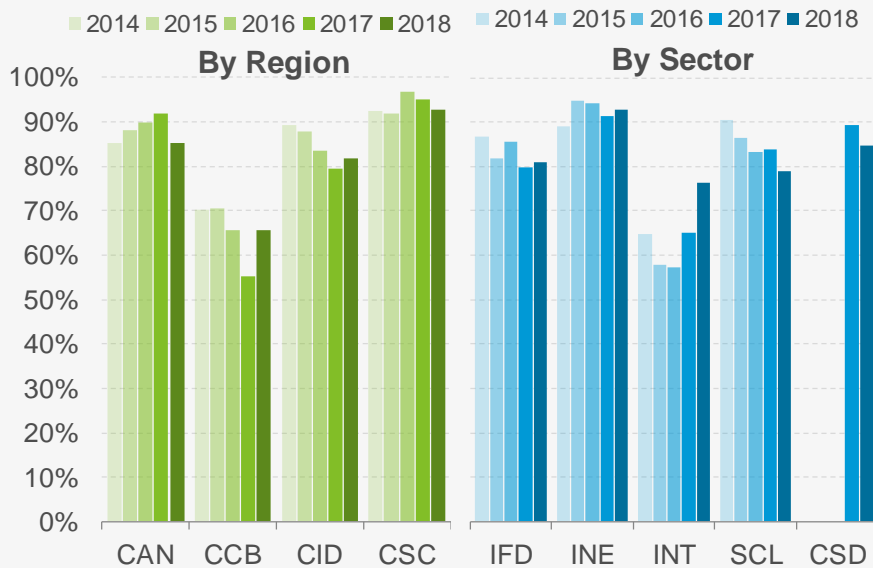
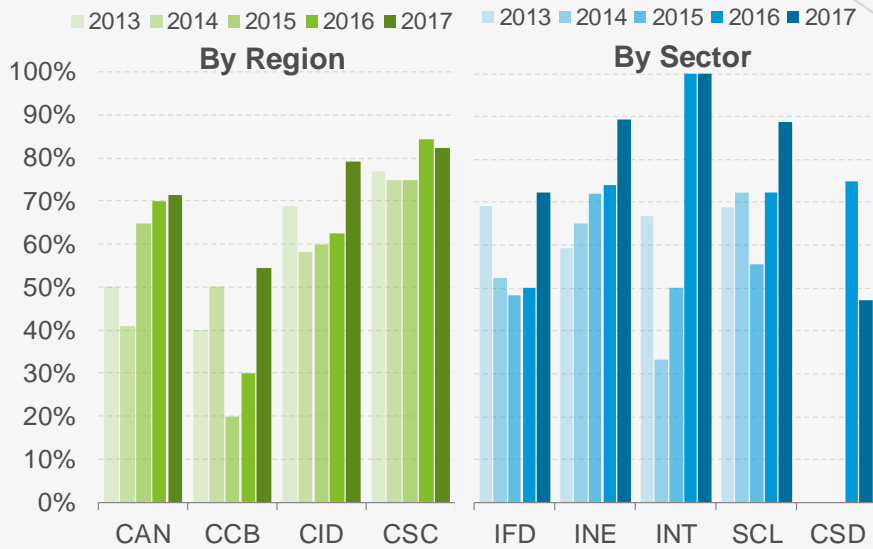
Number of SG loan operations prepared by Team Leaders in COF as a percentage of total number of SG approvals reached **75%** for 2017

- 7 percentage point increase from 68% in 2016.

4.22 Projects in Execution with Team Leaders in COFs

85% of Team Leaders for projects in execution are located in the COFs

- 1 percentage point decrease from 86% at the beginning of 2017



2017 ANNUAL BUSINESS REVIEW

CHAPTER V

KNOWLEDGE & LEARNING

PROGRAM EXECUTION

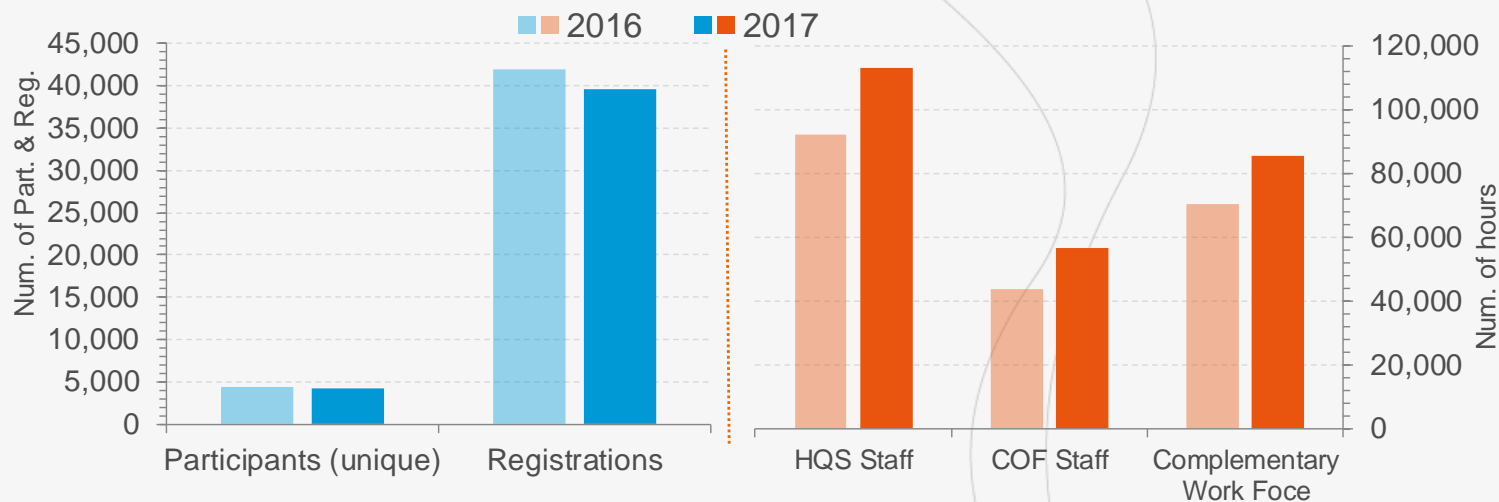
5.1 Registrations and unique participants

In 2017, **4,217** unique participants enrolled in at least one training program

- 5% decrease from 4,445 participants for 2016.

255,056 participant hours were reported in the KNL System from **39,695** registrations:

- 24% increase from 206,255 participant hours in 2016.



	Participants		Hours				Total Hours
	(unique)	Registrations	All Staff	HQS Staff	COF Staff	Complementary Work Force	
2017	4,217	39,695	169,448	112,840	56,608	85,608	255,056
2016	4,445	41,970	135,765	92,015	43,750	70,490	206,255
% Change (2017/2016)	-5%	-5%	25%	23%	29%	21%	24%

Delivery for External Clients

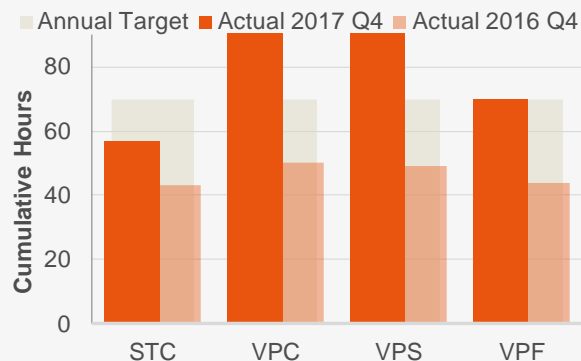
	Online	Face-to-face
2017	84%	16%
2016	84%	16%

A. LEARNING ACTIVITIES – INTERNAL CLIENTS

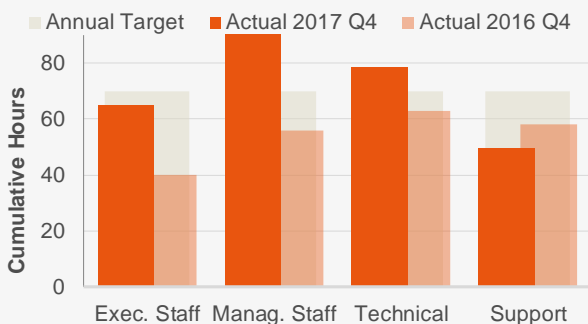
5.2 Average KNL Hours per Participant

Bank staff reported an average number of **79** hours to K&L activities, 113% of the indicative target for the year (70 hours):

- VPC reported 92 hours, 131% of the indicative target.
- VPS reported 96 hours, 137% of the indicative target.
- VPF reported 70 hours, 100% of the indicative target.
- STC reported 57 hours, 81% of the indicative target.



Dept.	Actual 2017 Q4	Actual 2016 Q4	Annual Target	% Change 2016/15
STC	57	43	70	33%
VPC	92	50	70	84%
VPS	96	49	70	96%
VPF	70	44	70	59%



By track and Location	Actual 2017 Q4	Actual 2016 Q4	Annual Target	% Change 2016/15
Exec. Staff	65	40	70	62%
Manag. Staff	108	56	70	93%
Technical	78	63	70	24%
Support	50	58	70	-15%
HQS	73	46	70	59%
COF	86	46	70	87%

5.3 Average Training Hours per Participant

Bank wide, the average of hours reported to training activities was **75** hours, 107% of the indicative target for the year (70 hours).

- Executive reported 65 hours, 93% of the indicative target.
- Managerial reported 108 hours, 154% of the indicative target.
- Technical reported 78 hours, 111% of the indicative target.
- Support reported 50 hours, 71% of the indicative target.

By location:

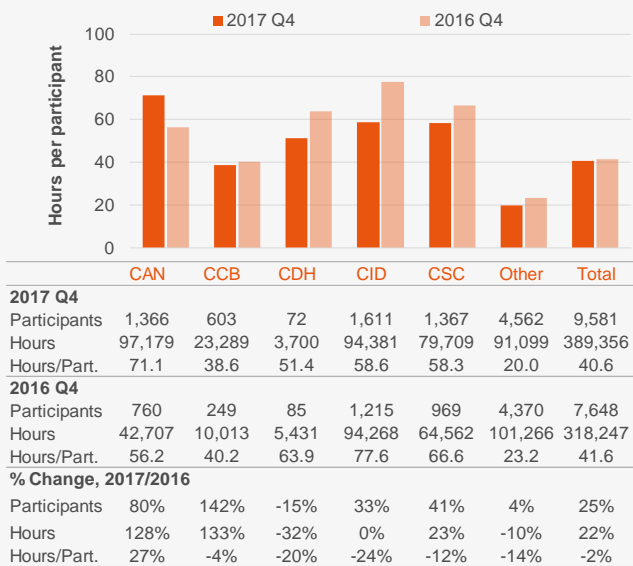
- HQS reported 73 hours, 104% of the indicative target.
- COF reported 86 hours, 123% of the indicative target.

B. CAPACITY BUILDING ACTIVITIES – EXTERNAL CLIENTS

5.4 External Client Participation in KNL Activities

5,019 registered participants from the Region, representing 52% of 9,581 total registered participants (or 77% of 389,356 total hours of training):

- 53% increase from 3,278 registered participants from the Region in 2016.



DISSEMINATION AND COMMUNICATION

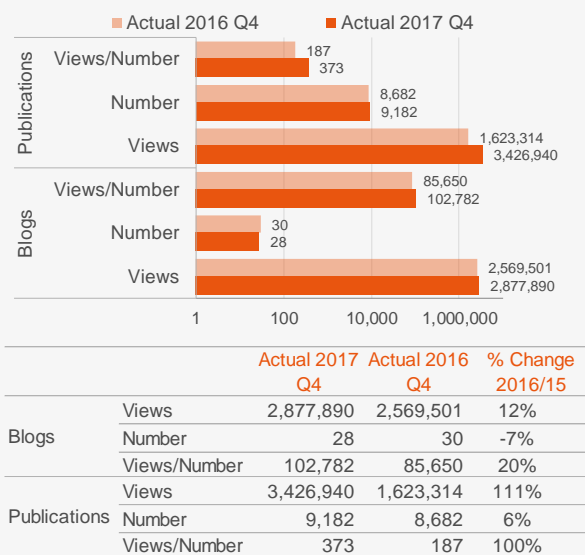
5.5 Number of Views per Dissemination Tool

A total of 9,182 IDB Knowledge products were available in BRIK:

- 6% increase from 8,682 knowledge products in 2016.
- Total visits to these publications were 3.4 million yielding an average of **373** visits per publication
- At the end of 2017, there were **28 Blogs** with more than **2.9** million views

<http://blogs.iadb.org/>

<http://blogs.iadb.org/abierto-al-publico/>



Abbreviations

AFS	Audited Financial Statements	PDP	Operations Procurement Office
BDA	Budget and Administrative Services Department	PFM	Portfolio Monitoring Unit
C&D	Countries from Group C & Group D	PI	Performance Index
CAN	Country Department Andean Group (Colombia, Peru, Venezuela, Bolivia and Ecuador)	PMR	Progress Monitoring Report
CCB	Country Department Caribbean Group (Jamaica, Trinidad and Tobago, Suriname, Guyana, Barbados and Bahamas)	PRG	Programming Product
CCF	Contingent Credit Facility for Natural Disasters	REG	Regional
CCLIP	Conditional Credit Line for Investment Projects	RES	Department of Research and Chief Economist
CID	Country Department Central America (Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica, Mexico, Panama, Dominican Republic and Haiti)	CRF	Corporate Result Framework
COF	Country Office	RMG	Office of Risk Management
CPD	Country Programming Document	RND	Environment, Rural Development Disaster Risk Management Division
CND	Contingent Loan for Natural Disasters	SCF	Structured and Corporate Finance Department
CSC	Country Department Southern Cone (Argentina, Brazil, Chile, Uruguay and Paraguay)	SCL	Social Sector
CSD	Climate Change and Sustainable Development Sector	SECCI	Sustainable Energy and Climate Change Initiative
CRF	Corporate Results Framework 2016-2019	SG	Sovereign Guaranteed
DTF	Donor Trust Funds	SMO	Strategy Monitoring Division
DEM	Development Effectiveness Matrix	SPD	Office of Strategic Planning and Development Effectiveness
EDU	Education Division	SPH	Social Protection and Health Division
EME	Financial Emergency Loans	STC	Strategic Core
EFS	External Feedback System	T&L	Time and Labor System
ESW	Economic and Sector Work	TC	Technical Cooperation
FSO	Fund for Special Operations	TFFP	Trade Finance Facilitation Program
FTE	Full Time Equivalents	VPC	Vice Presidency for Countries
FMM	Fiscal and Municipal Management Division	VPF	Vice Presidency for Finance and Administration
FOB	Funds of the Bank (ORC, FSO, GRF)	VPP	Vice Presidency for Private Sector and Non-Sovereign Guaranteed Operations
FUA	Funds under Administration	VPS	Vice President for Sectors and Knowledge
GCM	Grants and Co-Financing Management Unit	WSA	Water and Sanitation Division
GRF	IDB Grant Facility	AR	Argentina
HQS	Headquarters	BA	Barbados
HRD	Human Resources Department	BH	Bahamas, The
HRG	Haiti Response Group	BL	Belize
ICF	Institutional Capacity and Finance Sector	BO	Bolivia
IDB-9	9th General Capital Increase	BR	Brazil
IIC	Inter-American Investment Corporation	CH	Chile
INE	Infrastructure and Environment Sector	CO	Colombia
INT	Integration and Trade Sector	CR	Costa Rica
IFD	Institutions for Development	DR	Dominican Republic
INV	Investment Operations	EC	Ecuador
KCP	Knowledge and Capacity Building Products	ES	El Salvador
KNL	Knowledge and Learning Sector	GU	Guatemala
NFP	Non-Financial Products	GY	Guyana
LPGS	Liquidity Program for Growth Sustainability	HA	Haiti
LTFP	Long-Term Financial Plan	HO	Honduras
NPC	Non-Personnel Costs	JA	Jamaica
NSG	Non-Sovereign Guaranteed	ME	Mexico
ORC	Ordinary Capital	NI	Nicaragua
OLB	Outstanding Loan Balance	PE	Peru
OMJ	Opportunities for the Majority Sector	PN	Panama
ORP	Office of Outreach and Partnerships	PR	Paraguay
OVE	Office of Evaluation and Oversight	SU	Suriname
PBL	Policy Based Lending	TT	Trinidad and Tobago
PBL	Policy Based Lending	UR	Uruguay
PC	Personnel Cost	VE	Venezuela, Rep. Bol.
PCR	Project Completion Report	RG	Regional