

---

**2021** **Q1** **Q2** **Q3**  
**QUARTERLY  
BUSINESS  
REVIEW**

---



# About the Quarterly Business Review



## Objective

The Quarterly Business Review provides an overview of the IDB's performance on **sovereign-guaranteed outputs** and **lending program priorities**. The Quarterly Business Review identifies trend deviations from IDB portfolio targets to support Bank management's efforts to identify and implement corrective measures. This edition compiles data for the first quarter in 2021.

Comments or questions: [QBR@iadb.org](mailto:QBR@iadb.org)



## Know before reading

The Quarterly Business Review's cut-off date was March 31, 2021. The review includes portfolio data from the IDB's 26 borrowing member countries.<sup>1</sup> Data sources include the IDB's Enterprise Data Warehouse (EDW) and specific business unit datasets. In coordination with corresponding IDB business units, corrections to EDW information were made to accurately reflect the status of specific indicators. Special thanks to the Vice Presidencies for Countries (VPC), Finance and Administration (VPF), and Sectors and Knowledge (VPS) for their contributions to this report. All amounts are expressed in U.S. dollars.<sup>2</sup>

Copyright © 2021 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution-Non-Commercial-No-Derivatives (CC - IGO BY - NC - ND 3.0 IGO) license (<http://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) and may be reproduced with attribution to the IDB and for any non-commercial purpose. No derivative work is allowed. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC - IGO license. The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.



<sup>1</sup> For a detailed list of IDB member countries, visit <https://www.iadb.org/en/about-us/who-we-are>. While reading this report, please take into consideration that due to the transfer of the IDB's private sector operations to IDB Invest in January 2016, data from Quarterly and Annual Business Reviews prior to 2016 should be interpreted with caution. In addition, note that percentages have been rounded up and may not always add up to 100 percent.

<sup>2</sup> In August 2017, Haiti's portfolio was transferred from the Haiti Country Department to the Country Department of Central America, Haiti, Mexico, Panama, and the Dominican Republic (CID). To facilitate comparisons between 2018 and prior years, regional graphs consider Haiti as part of CID for the entire period.

4

Summary

5

Approvals

6

Disbursements

7

Portfolio

9

Annexes

## Summary

The IDB operations during the first quarter of 2021 continued being influenced by the progression of the COVID-19 pandemic in the region. During the quarter, the International Monetary Fund (IMF) updated upwards their GDP projections for 2021 and 2022 for Latin America and the Caribbean to 4.1 and 2.9 percent, respectively.<sup>1</sup> However, the IMF projects that the region will go back to its pre-pandemic levels of output only in 2023, and GDP per capita in 2025, later than other regions in the world.

In this context, the **IDB approved 11 sovereign-guaranteed (SG) projects for \$838 million in new resources** during the quarter, 11 percent more than was approved last year in the same period.

**Approvals in response to the pandemic reached \$197.6 million** during the quarter from: (i) 4 new operations for \$143.1 million that include 2 guarantees for \$65.3 million to finance the purchase of COVID-19 vaccines in Ecuador and Belize, one programmatic policy-based loan for \$75 million and one investment loan for \$2.8 million; (ii) the use of the Contingent Credit Facility for Natural Disaster and Public Health Emergencies in Dominican Republic for \$30 million, and (iii) the reformulation of four active projects in the Trinidad and Tobago portfolio to redirect \$24.5 million to address the pandemic.

By the end of the first quarter of 2021, **the global indicative IDB's program for 2021 included 131 projects for \$12.6 billion in 25 countries**, 39 percent of the financing is allocated to the most vulnerable and small countries (groups C and D countries).

**Disbursements in the first quarter of 2021 reached \$1.6 billion, 17 percent of the baseline projection for the year.**<sup>2</sup>

Disbursements were in line with what was disbursed during the same period last year and the levels projected for the quarter. This amount is 67 percent above the average observed in the first quarters of the last 3 years. Disbursements were driven by Policy-Based Loans (PBL), which represented 68 percent of the total disbursements of the quarter.

**The IDB's portfolio in execution included of 601 projects and guarantees for a total approved amount of \$55 billion.**<sup>3</sup>

Total undisbursed balance as a percentage of the approved amount has remained in 52 percent since last year despite the increase in approvals in the last 12 months thanks to the fast pace in disbursements.

**The active portfolio of non-reimbursable projects includes 1,592 projects totaling \$1.8 billion**,

with 1507 technical cooperation projects for \$963 million and 86 investment grants for \$858 million. Investment grants represent 5.4 percent of the non-reimbursable portfolio in number of operations, but it is 47 percent of the approved volume.

<sup>1</sup> IMF, *World Economic Outlook*, January 2021.

<sup>2</sup> The baseline disbursement projection is agreed upon by Vice Presidency for Countries (VPC) and the Vice Presidency for Sectors and Knowledge (VPS) at the end of February of every year as the target for the current year.

<sup>3</sup> Excludes projects that only use OPEC (Organization of the Petroleum Exporting Countries) funds. Includes guarantees and policy-based loans with deferred draw option projects.



## Approvals<sup>1</sup>

In the first quarter of 2021, IDB approvals reached **\$838 million in 11 sovereign-guarantee projects**. This amount represents 7 percent of the total planned at the beginning of 2021<sup>2</sup> and 11 percent increase over the first quarter of last year. Approvals include 8 investment projects for \$313 million and 3 policy-based loans for \$525 million (Figure 1 and 2). In addition, the **Dominican Republic made use of the Contingent Credit Facility for Natural Disaster and Public Health Emergencies (CCF) for \$ 30 million**.

The preparation median time of the SG projects approved in the first quarter, **from Project Profile (PP) to approval date, was 5.5 months**.<sup>3</sup> This is an increase of 1.2 months relative to the approvals in the first quarter of 2020, but it is still below the historical average of 6 months (Figure 3).

During the quarter, technical cooperation approvals reached **36 for \$19.4 million** (Figure 4). This represents 82 percent of the volume approved in the same quarter last year. There were no new approvals of Investment Grants (IGR) in the first quarter of 2021.

Figure 1. Approvals by Instrument, 2021 Q1

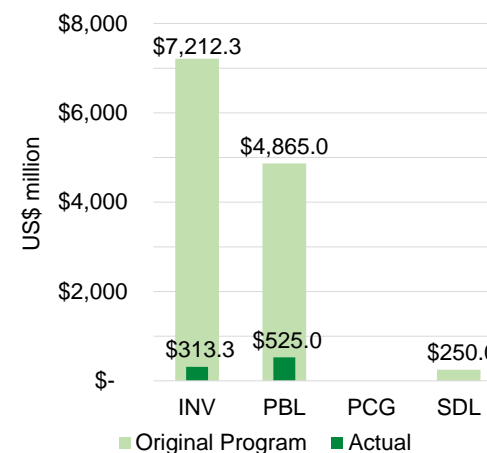


Figure 2. Actual Approvals, 2021 Q1 (Cumulative)

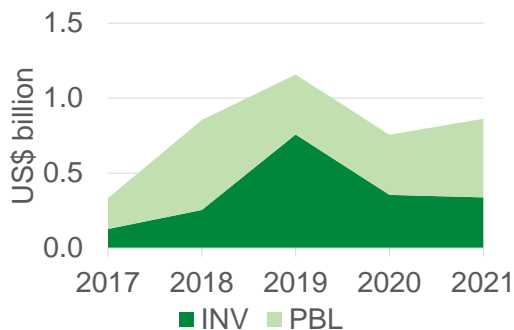
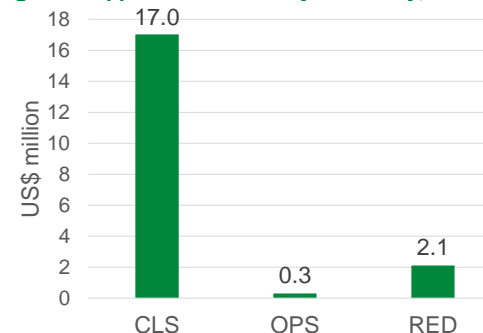


Figure 3. Median Time from the PP to Approval, 2021 Q1 (Cumulative\*)



\* Median months from the Project Profile (PP) to Approval by the Board of Directors.

Figure 4. Approvals of TCPs by taxonomy, 2021 Q1\*



(\*) Technical cooperation projects taxonomies are:  
 CLS: Client Support; OPS: Operational Support.  
 RED: Research and Dissemination

<sup>1</sup> This section includes approvals with new resources only. INV corresponds to Investment projects, PBL corresponds to Policy-based Loan, PCG correspond to Partial Credit Guarantee and SDL corresponds to Special Development Lending. For more details see: <https://www.iadb.org/en/Specialdevelopmentlendingcategory>

<sup>2</sup> The original plan corresponds to the projects in pipeline A as of February 28, 2021.

<sup>3</sup> The calculation for the average does not include COVID-19 prototypes approved under expedite procedures, which do not require a Project Profile. The IDB approved 10 projects and 8 with PP, in years 2020 and 2021, respectively.

Note: INV: investment projects; PBL: policy-based loans; SDL: special development loans; PCG: partial-credit guarantee.



## Disbursements<sup>4</sup>

Project disbursements reached \$1.6 billion during the first quarter of 2021, equivalent to 95 percent of the baseline projection for the quarter.<sup>5</sup> This represents a 2 percent decrease relative to the same quarter last year (Figure 6). Moreover, the disbursements for eligible investment projects as a percentage of their undisbursed balances at the beginning of the year declined from 2.6 percent to 2.1 percent in 2021 (Figure 8).

Policy-based loan (\$1.1 billion) drove the disbursement in the first quarter, with 68 percent of the total amount, and Investment disbursements (\$512 million) accounted for other 32 percent (Figure 5).

The average effort reported to supervision in the time and labor system per million disbursed during the quarter was equivalent to 10 days. This is a decrease of 8 percent from 11 days in the same quarter last year (Figure 7).

Figure 5. Disbursements by Instrument, 2021 Q1

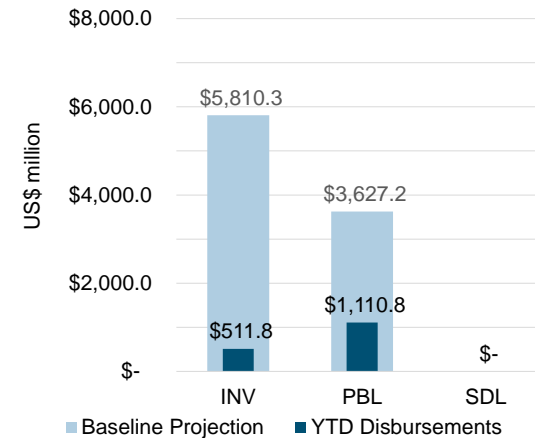


Figure 6. Disbursements, 2021 Q1 (Cumulative)

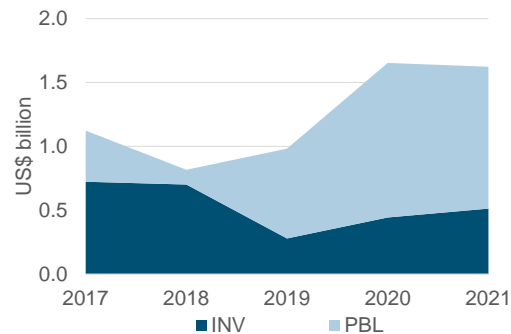
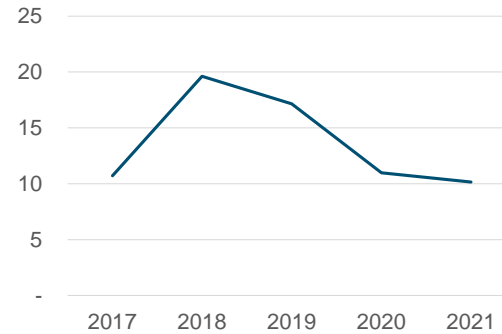
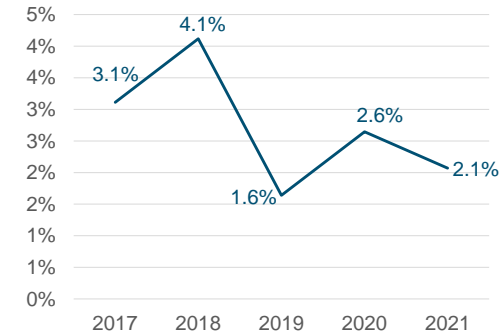


Figure 7. Effort in days per US\$ million disbursed, 2021 Q1\*



\* Execution reported days may change, compared to previous reports, due to hours reporting system consolidation.

Figure 8. Actuals vs BOY\*\* Eligible Balance, 2021 Q1 (Cumulative)



\*\* This figure shows the INV actual disbursements year to date as a percentage of the undisbursed eligible balance at the beginning of the year (BOY)

<sup>4</sup> INV corresponds to Investment project, PBL corresponds to Policy-based Loan and SDL corresponds to Special Development Lending. For more details see: <https://www.iadb.org/en/Specialdevelopmentlendingcategory>

<sup>5</sup> The baseline disbursement projection is agreed upon by the Vice Presidency for Countries (VPC), and the Vice Presidency for Sectors and Knowledge (VPS) at the end of February of every year as the target for the current year.

Note: INV: investment projects; PBL: policy-based loans; SDL: special development loans.



## Reimbursable Portfolio

At the end of the first quarter of 2021, the IDB's portfolio in execution included 601 projects and guarantees for a total approved amount of \$55 billion (Figure 9).<sup>1</sup> The distribution of the portfolio was as follows: 592 investment projects and 9 policy-based loans. The investment projects include four active guarantees for a total exposure of \$425 million.

About 69 percent (417 projects) of the Bank's portfolio was classified as disbursing, which is 2 percentage points above the same quarter last year. This marks a change from the decline in the previous 3 years (Figure 10). Of the total number of projects, 17 percent (99) are pending of eligibility,<sup>2</sup> 5 percent (32) are pending of their first disbursement, and 9 percent (55) are in the closing stage. Undisbursed balances total \$28.9 billion, which represents 52 percent of the total approved amount of the portfolio in execution.

The trend in the age of undisbursed balances for investment projects increased by 8 percent relative the same quarter last year. The weighted average age of the undisbursed balances increased to 3 years, the highest level since 2017 (Figure 11).<sup>3</sup> In part, reflecting the fact that more recently the disbursements have been driven by newer investment projects in portfolio.

Figure 10. Percent of Disbursing Portfolio, 2017-2021 Q1

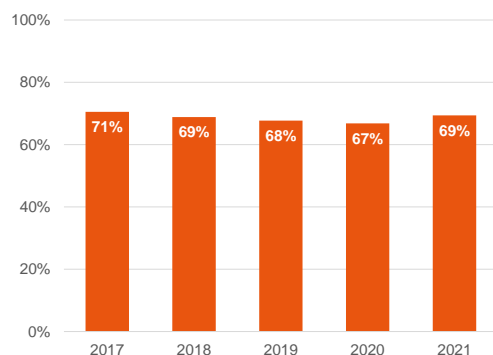


Figure 11. Weighted Average Age of Undisbursed Balances, 2016-2020

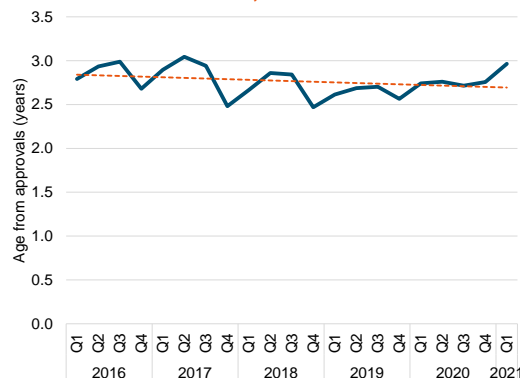


Figure 9. SG Projects and Guarantees in Execution, 2021 Q1

	Number of Projects	Orig. Approved \$M	Undisb. Balance \$M	Und. Bal. / Orig. Appr.	Avg. Years in Execution
<b>Group A</b>					
Argentina	59	10,529	4,658	44%	4.5
Brazil	85	12,764	6,543	51%	4.2
Mexico	12	1,971	668	34%	3.2
Venezuela	4	1,350	433	32%	10.8
<b>Group B</b>					
Chile	9	573	281	49%	3.3
Colombia	32	2,168	1,379	64%	3.3
Peru	30	2,188	1,594	73%	4.2
<b>Group C</b>					
Bahamas	10	403	236	58%	2.7
Barbados	9	241	166	69%	4.1
Costa Rica	10	1,659	1,058	64%	4.3
Jamaica	12	476	217	46%	4.1
Panama	22	1,845	1,255	68%	3.6
Suriname	14	356	244	69%	3.3
Trinidad and Tobago	9	560	155	28%	5.5
Uruguay	38	1,720	930	54%	3.4
<b>Group D</b>					
Belize	10	113	49	44%	2.8
Bolivia	32	2,853	1,255	44%	4.9
Dominican Republic	15	1,125	590	52%	4.0
Ecuador	35	3,566	1,579	44%	3.4
El Salvador	12	795	614	77%	3.6
Guatemala	9	808	703	87%	3.3
Guyana	13	260	144	55%	4.3
Haiti	30	1,305	681	52%	5.4
Honduras	21	1,120	530	47%	3.4
Nicaragua	13	874	343	39%	4.1
Paraguay	44	2,645	1,901	72%	4.0
<b>Regional</b>					
Regional	12	1,023	708	69%	2.8
<b>LAC</b>					
<b>LAC</b>	<b>601</b>	<b>55,289</b>	<b>28,914</b>	<b>52%</b>	<b>4.0</b>

<sup>1</sup> Excludes projects that only use OPEC (Organization of the Petroleum Exporting Countries) funds. Includes guarantees and policy-based loans with draw deferred option projects.

<sup>2</sup> Eligibility refers to when a project fulfills all conditions for disbursements.

<sup>3</sup> Years from approval for investment projects not fully disbursed.



## Non-Reimbursable Portfolio

The active portfolio of non-reimbursable projects includes 1,592 projects totaling \$1.8 billion (Figure 12).<sup>4</sup> This includes 1507 technical cooperation projects and 86 investment grants. The portfolio of technical cooperation projects has an approved amount totaling \$963 million and undisbursed balance of \$493 million. This is 51 percent of the approved amount. Less than half of the volume (43 percent) is 0 to 2 years old; 41 percent is 2 to 5 years old, and 16 percent is above 5 years old. Client Support technical cooperation projects constitute the largest share of such projects, representing 63 percent of the portfolio, followed by research and dissemination with 23 percent and operational support with 14 percent (Figure 13).

There are currently 86 investment grants totaling \$858 million in the portfolio. The undisbursed balance of investment grants is \$438 million, which represents 51 percent of the approved amount. 72 percent of the approved amount for investment grants is in C and D countries (equivalent to \$618 million). The environment and natural disasters and water and sanitation sector account for 56 percent of the investment grant portfolio, with approved amounts totaling \$259 million and \$224 million, respectively (Figure 14).

Figure 13. Technical Cooperation Projects in the Portfolio by Vice Presidency and Type, 2021 Q1

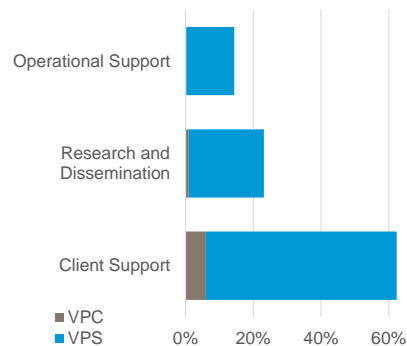


Figure 14. Investment Grants in the Portfolio by Economic Sector and Country Group, 2021 Q1

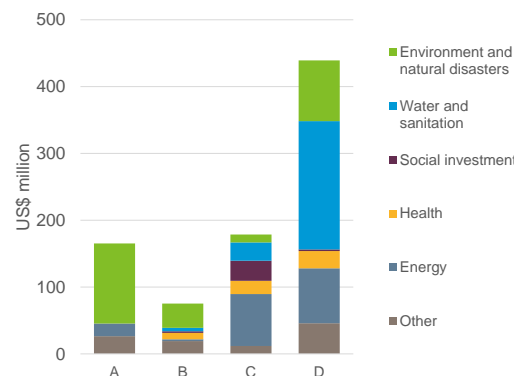


Figure 12. Non-reimbursable Projects in Execution (TCP and IGR), 2021 Q1<sup>5</sup>

	Number of Projects	Orig. Approved \$M	Undisb. Balance \$M	Und. Bal. / Orig. Appr.	Avg. Years in Execution
<b>Group A</b>					
Argentina	43	36	26	72%	2.5
Brazil	65	175	88	50%	1.9
Mexico	51	98	79	81%	2.7
Venezuela	17	5	3	56%	1.4
<b>Group B</b>					
Chile	28	12	6	49%	1.7
Colombia	111	132	86	65%	1.6
Peru	39	47	36	76%	1.8
<b>Group C</b>					
Bahamas	14	5	3	54%	2.3
Barbados	18	26	20	78%	2.1
Costa Rica	36	37	16	44%	1.7
Jamaica	35	89	33	37%	2.6
Panama	46	60	23	38%	2.1
Suriname	21	12	8	67%	2.2
Trinidad and Tobago	12	3	2	75%	1.3
Uruguay	42	15	7	49%	2.1
<b>Group D</b>					
Belize	20	7	4	61%	2.1
Bolivia	44	61	20	32%	2.1
Dominican Republic	29	47	13	26%	2.2
Ecuador	36	17	9	52%	2.2
El Salvador	30	12	8	66%	1.8
Guatemala	22	69	30	43%	2.4
Guyana	30	66	12	18%	3.5
Haiti	28	68	29	43%	3.0
Honduras	63	72	55	77%	1.8
Nicaragua	40	106	39	37%	2.7
Paraguay	47	82	29	35%	2.4
<b>Regional</b>					
Regional	628	463	249	54%	2.1
<b>LAC</b>					
LAC	1592	1,822	932	51%	2.1

<sup>4</sup> This corresponds only to technical cooperation projects under the responsibility of the Vice-presidencies for Sectors and Knowledge (VPS) and Countries (VPC).

<sup>5</sup> Several operations with an inherent relationship are counted as single project. For example, CO-T1400 and CO-G1403 are counted as one, among several others.



## Annex I

### Approvals of New Resources as of March 31, 2021 (in US\$ million)<sup>1</sup>

Country name	Relation Number	Project Number	Project Name	Modality	Department	Approval Date	Original Approved Amount
New Approvals							838
Belize	SIN-000168	BL-L1036	Program to Support the Health Sector to Contain and Control Coronavirus and to Mitigate its Effect on Service Provision	ESP	SCL	10-Mar-21	3
Belize	SIN-000168	BL-U0001	Support to the Financing of the Purchase of COVID-19 Vaccine and its Implementation	PCG	SCL	10-Mar-21	2
Brazil		BR-L1546	Integrated Violence Prevention and Reduction Program (PREVIO) of the State of Ceará.	ESP	IFD	12-Mar-21	52
Brazil		BR-L1549	Public-Private Partnership and Concessions Preparation Program	TCR	IFD	13-Jan-21	20
Colombia		CO-L1263	Program to support the Implementation of the New National Logistics Policy	ESP	INT	10-Mar-21	15
Ecuador		EC-L1264	Program for Equity in Access to Justice and Rehabilitation	ESP	IFD	20-Jan-21	45
Ecuador		EC-L1273	Social Expenditure Protection and Employment Recovery Support Program	PBP	SCL	10-Mar-21	200
Ecuador		EC-U0003	Support to the financing of the purchase of COVID-19 vaccines	PCG	SCL	10-Mar-21	63
Guatemala		GU-L1175	Program for the Digital Transformation of Guatemala for Inclusive Access to Connectivity	ESP	IFD	10-Mar-21	70
Jamaica		JA-L1087	Strengthening Fiscal Policy and Management Programme to Respond to the Public Health Crisis and Economic Effects of COVID-19 in Jamaica	PBP	IFD	10-Mar-21	75
Paraguay		PR-L1176	Program to Strengthen Paraguay's National Statistics System	ESP	IFD	17-Feb-21	43
Paraguay		PR-L1180	Program to Support the Transparency Agenda in Paraguay II	PBP	IFD	31-Mar-21	250

<sup>1</sup> In the table, Relation Number corresponds to an identifier that could group two projects. When a project is not related to any other, Relation Number and Project Number have the same value.

## **Annex II**

**Disbursements under Contingent Credit Facility for Natural Disaster Emergencies as of March 31, 2021 (in US\$ million)**

Country name	Relation Number	Project Number	Project Name	Modality	Department	Approval Date	Amount
<b>New operations under CCF</b>							<b>30</b>
Dominican Republic	DR-L1149	DR-L1149	CCF Contingent Loan - COVID-19 Coverage	CND	IFD	26-Mar-21	30

## **Annex III**

### **Approval of Reformulations as of March 31, 2021 (in US\$ million)**

<b>Country name</b>	<b>Document Number</b>	<b>Project Number</b>	<b>Project Name</b>	<b>Modality</b>	<b>Department</b>	<b>Approval Date</b>	<b>Net Transfer Amount</b>
<b>Reformulations</b>							<b>24.5</b>
Trinidad and Tobago	PR-4868	TT-L1060	Support for Vulnerable Populations Affected by Coronavirus in Trinidad and Tobago	ESP	SCL	28-Jan-21	24.5
Trinidad and Tobago	PR-4868	TT-L1042	Support to Strengthen Trinidad and Tobago's Public Financial Management System	ESP	IFD	20-May-15	-15.1
Trinidad and Tobago	PR-4868	TT-L1034	Strengthened Information Management at the Registrar General Department	ESP	IFD	23-Oct-13	-5.6
Trinidad and Tobago	PR-4868	TT-L1044	Strengthening of the Single Electronic Window for Trade and Business Facilitation	ESP	INT	10-Nov-15	-3.5
Trinidad and Tobago	PR-4868	TT-L1038	Global Services Offshoring Promotion Program	ESP	INT	04-Dec-13	-0.3