
2022^{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 second quarter in 2022.

Comments or questions: QBR@iadb.org



Know before reading

The Quarterly Business Review's cut-off date was June 30, 2022. The review includes portfolio data from the IDB's 26 borrowing member countries.¹ 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.²

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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.



¹ 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.

² 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.

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Summary

The IDB continues approving and disbursing resources to finance development projects and support the recovery efforts in the region. During the second quarter of 2022 approvals and disbursements were below the recent levels for the period signaling a return to the mean after two years of increased demand for IDB financing.

In the second quarter, the **IDB approved 10 sovereign-guaranteed (SG) projects for \$1,534 million in new resources**, 45 percent less than the amount approved in the same period last year and 34% below the average before the pandemic (2017-2019). **Year-to-date approvals reached \$3,210 million equivalent to 29 percent of the original indicative IDB's program¹ for 2022**, which included 120 projects for \$11.1 billion in 24 countries and 3 regional projects.

The median preparation time of IDB projects continued its downward trend. The preparation median time of the SG projects approved in the second quarter, from Project Profile (PP) to approval date, decreased 1.1 months relative to last year same quarter, from 6.3 months to 5.3 months.

The IDB disbursed \$1.893.5 million, 26 percent below the amount disbursed last year same period and 7% below the quarterly average for 2017-2019. **Year-to-date disbursement reached \$3,632 million, 42 percent of the baseline projection**

for the year.² Disbursements were driven by Investment Loans (INV), which represented 58 percent of the total.

The IDB's portfolio in execution included of 583 projects that **comprise 595 operations for a total approved amount of \$52.7 billion**. The total undisbursed balance as a percentage of the approved amount reached 58 percent in line with the average observed for the second quarter in the previous 5 years.

The cycle for the Progress Monitoring Report (PMR) for 2022 was completed in June. **The percentage of operations in portfolio³ classified as satisfactory was 79 percent**, 4 percentage points below the previous cycle and 1 percentage point below the Corporate Result Framework (CRF) target (80%).

The non-reimbursable portfolio reached 1,611 projects comprising 1,889 operations in total, in execution and in the closing stage. It consists of 1,778 technical cooperation and 111 investment grants operations. **The technical cooperation portfolio includes 1,647⁴ operations in the execution stage and 131 at their closing stage, totaling \$466 million in undisbursed balances**. The undisbursed balances for technical cooperation and Investment Grants reached 52% of the original approved amount, both in line with the historical averages.

¹ The original plan corresponds to the projects in pipeline A as of February 28, 2022.

² 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.

³ Eligible portfolio as of December 31, 2021.

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



Approvals¹

In the second quarter of 2022, IDB approvals reached \$1,534 million in 10 sovereign-guarantee projects. This amount represents 14 percent of the total planned at the beginning of 2022² for the year. Approvals include 6 investment projects for \$434 million and 4 policy-based loans for \$1,100 million (Figure 1 and 2). The PBLs corresponds to the second phases of 4 programmatic series.

The preparation median time of the SG projects approved in the second quarter, from Project Profile (PP) to approval date, was 5.3 months.³ This is a decrease of 1 month relative to the approvals in the second quarter of 2021, and 0.2 months below the historical median time⁴ (Figure 3).

During the quarter, new financing through technical cooperation operations (TCP)⁵ reached \$70.3 million, consisting of 77 new technical cooperation projects for \$29 million (Figure 4). The amount is 5 percent less than the approved amount during the same period last year. There were 2 Investment Grants (IGR) approved in the second quarter of 2022 for \$85.9 million.

Figure 1. Approvals by Instrument, 2022

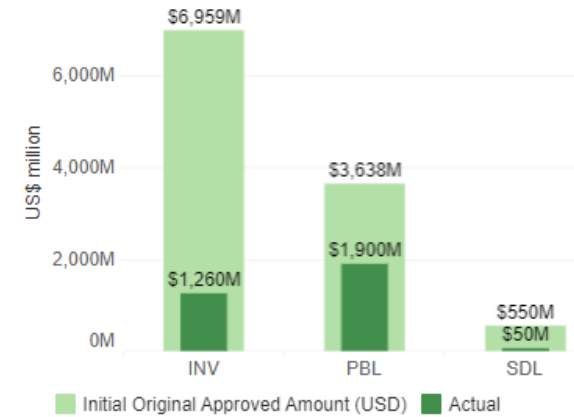


Figure 2. Actual Approvals, Q2 (Cumulative)

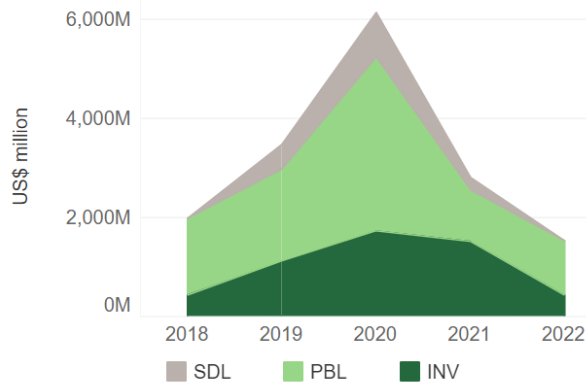
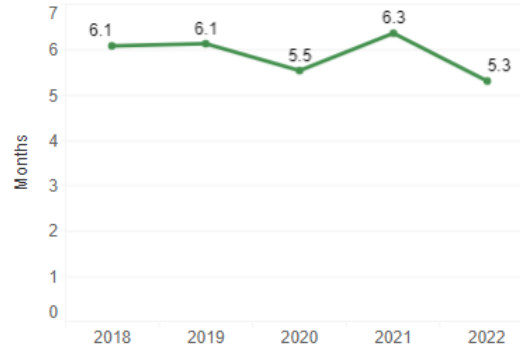


Figure 3. Median Time from the PP to Approval, Q2 (Cumulative*)



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

Figure 4. Approvals of TCPs by taxonomy, Q2*



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

¹ 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/Specialdevelopmenttendingcategory>

² The original plan corresponds to the projects in pipeline A as of February 28, 2022.

³ The calculation for the median time does not include COVID-19 prototypes approved under expedite procedures, reformulations and projects that do not require a Project Profile.

⁴ It corresponds to the median time of all approvals between 2017 and 2021, including both years.

⁵ This corresponds to investment grants and technical cooperation projects under the responsibility of the Vice-presidencies for Sectors and Knowledge (VPS) and Countries (VPC) only.



Disbursements⁶

Project disbursements reached \$1,893.5 million during the second quarter of 2022, equivalent to 56 percent of the baseline projection⁷ for the quarter, the lowest level since 2017. Nonetheless, year-to-date disbursement reached \$3,632 million, 42 percent of the baseline projection for the year (Figures 5 and 6). In addition, disbursements for eligible investment projects as a percentage of their undisbursed balances at the beginning of the year increased from 6.1 percent in 2021-Q2 to 7.6 percent in 2022-Q2 (Figure 7).

Investment loans (\$1,093.5 million) drove the disbursement in the second quarter, with 58 percent of the total amount, and Policy-Based Loans disbursements (\$750 million) accounted for the other 40 percent (Figure 5). Special Development Lending (SDL) accounted for the remaining 2% (\$50 million).

Effort reported to supervision has increased in the last 3 years. The average effort reported to supervision in the time and labor system per million disbursed during the quarter was equivalent to 10 days, 3 days more than last year same period (Figure 8).

Figure 5. Disbursements by Instrument, 2022 Q2

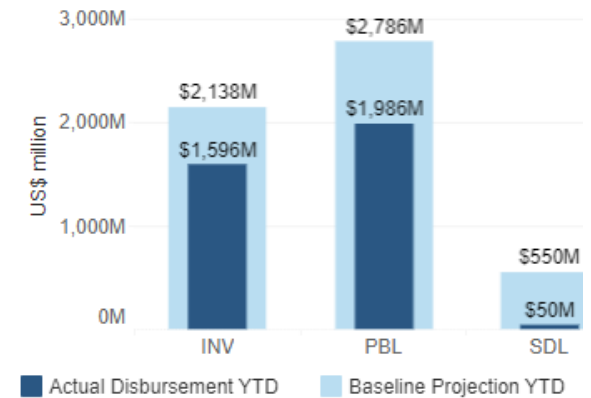


Figure 6. Disbursements, Q2 (Cumulative)

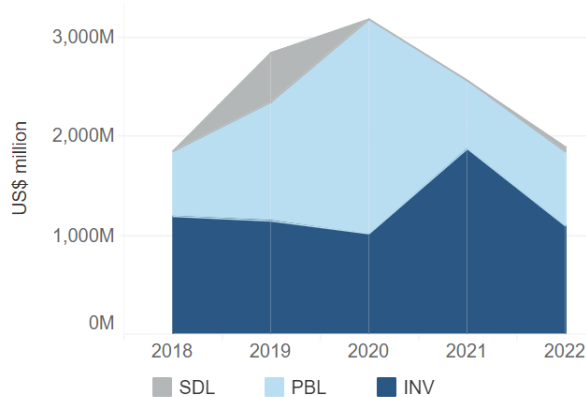
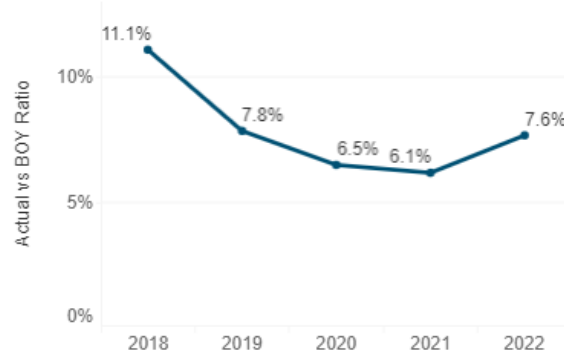
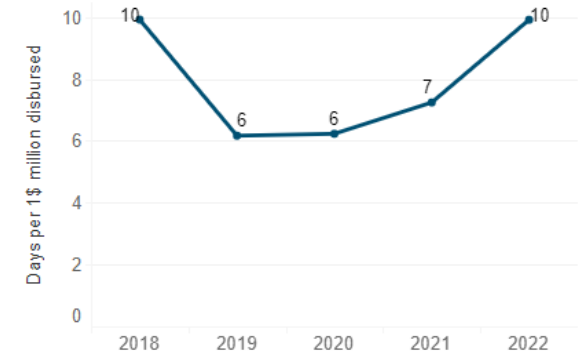


Figure 7. Actuals vs BOY* Eligible Balance, Q2 (Cumulative)



*** 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)*

Figure 8. Effort in days per US\$ million disbursed, Q2**



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

⁶ 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>

⁷ 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.



Reimbursable Portfolio

At the end of the second quarter of 2022, **the IDB’s portfolio in execution included 583 projects comprising 595 financing operations for a total approved amount of \$52.7 billion** (Annex II).¹ The portfolio consists of: 570 investment projects², 12 policy-based loans and 1 hybrid project.

About **65 percent of the Bank’s portfolio was classified as disbursing**, 2 percentage points below last year same period. (Figure 9). Of the total number of operations, 18 percent is pending of eligibility or in a preceding stage,³ 4 percent is eligible but pending of their first disbursement, and 12 percent is in the closing stage (completed disbursements or expired).⁴ Undisbursed balances totaled \$30.5 billion, which represents 58 percent of the value of the portfolio in execution.

The age of undisbursed balances for investment projects reached 2.9 years, slightly below the average observed last year (Figure 10).⁵

Figure 9. Disbursing Portfolio, Q2

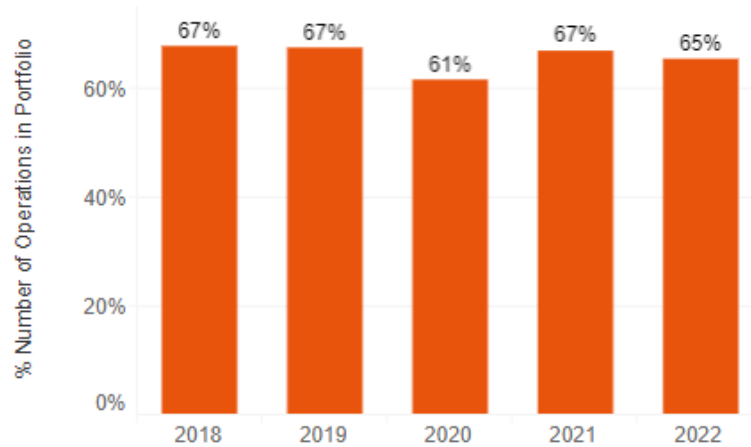
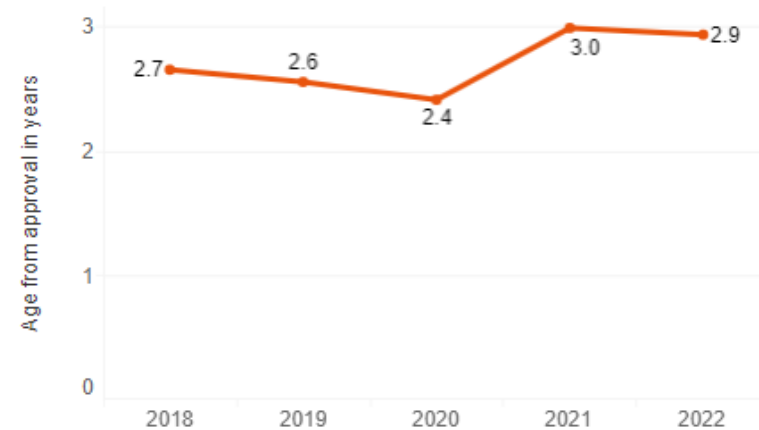


Figure 10. Weighted Average Age of Undisbursed Balances, Q2



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

² The program to support the health sector approved for Belize in 2021 is counted as a single project despite it is made up of two operations, an investment loan and one partial credit guarantee (PCG).

³ Eligibility refers to when a project fulfills all conditions for disbursements.

⁴ The remaining 1% corresponds to eligible guarantees active in portfolio.

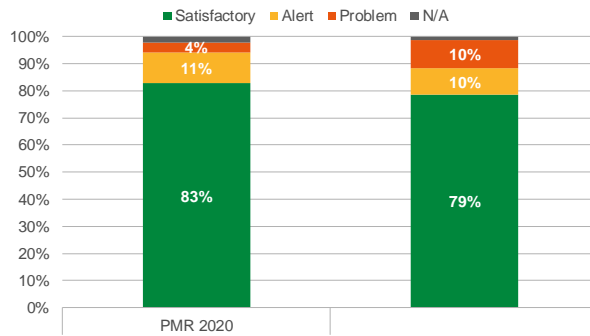
⁵ Years from approval for investment projects not fully disbursed. The calculations exclude the guarantees.



Progress Monitoring Report for SG Operations⁶

For 2021, **the percentage of operations classified as satisfactory was 79 percent,**⁷ 4 percentage points below in 2020 and 1 percentage point below the Corporate Result Framework (CRF) target. Of the operations not rated as satisfactory, lessons learned related most often to Project Management Capacity, Acquisitions and Procurement and Coordination. Project teams also reported that COVID-19 negatively impacted the execution of the activities planned and some teams revised their planning indicating that operations would need extensions or even partial cancellations.

Percent of Projects with Satisfactory by type of Classification

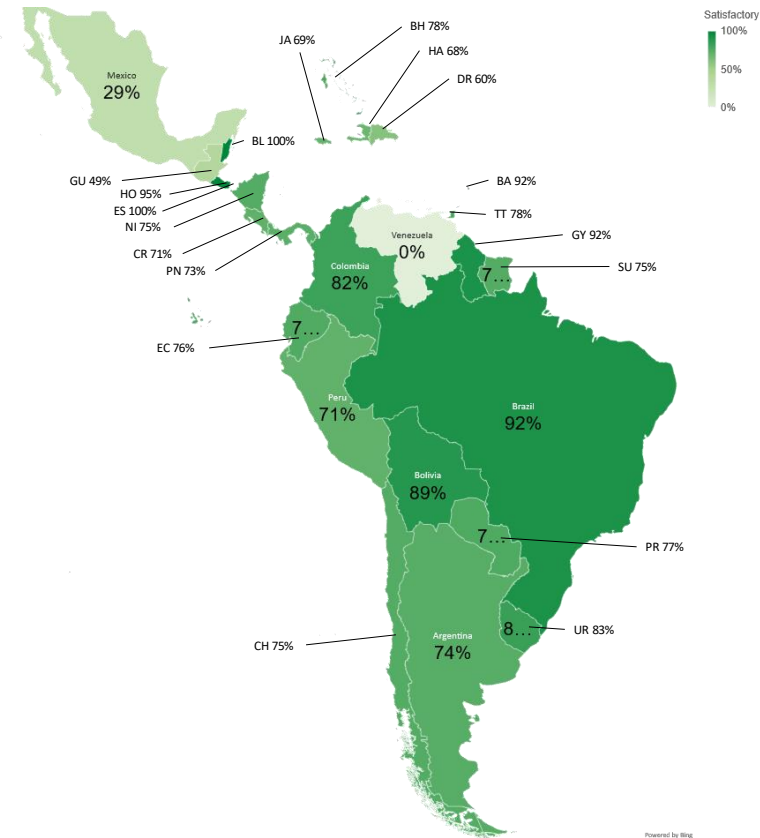


Number of projects by Classification in Stage 2 and Stage 3

	PMR 2020 Validated		PMR 2021 Validated	
Satisfactory	83%	406	79%	383
Alert	11%	56	10%	47
Problem	4%	18	10%	51
N/A	2%	10	1%	6
Total		490		487

Percentage of Validated Projects with Satisfactory Classification by Department and Country Region

	CAN	CCB	CID	CSC
CSD	76%	73%	76%	90%
IFD	81%	80%	70%	80%
INE	73%	85%	74%	73%
INT	100%	100%	50%	83%
SCL	80%	77%	79%	88%



⁶ The PMR Cycle 2022 comprises the sovereign guaranteed operations approved or in execution in the portfolio as of December 31, 2021. Information in these PMR graphs shows execution years 2021 (cycle 2022) and 2020 (cycle 2021). The graphs depict only projects at Stage 2 and Stage 3. It includes the Investment grants (IGR). For more information about the PMR use this [link](#)

⁷ Based on validated data. Draft= classification auto-calculated by the system / Validated= classification reviewed by Chief of Operations, Division Chief and Country Rep. There are operations whose classification may vary from draft when the Chief of Operations takes into account external factors that are affecting its execution to recalculate.



Non-Reimbursable Portfolio

The active portfolio of non-reimbursable includes 1,611 projects comprising 1,889 operations, totaling \$946 million in undisbursed balances (Annex II.II).⁸ **The technical cooperation portfolio includes 1,647 operations in execution and 131 at their closing stage** totaling \$466 million in undisbursed balances, 52% of the original approved amount. Less than half of the volume (51 percent) is 0 to 2 years old; 43 percent is 2 to 5 years old, and 6 percent is above 5 years old. Client Support technical cooperation projects constitute the largest share, representing 57 percent of the portfolio, followed by research and dissemination with 22.5 percent and operational support with 20.5 percent (Figure 11).

There are currently 90 investment grants comprising 111 financing operations. The undisbursed balance of investment grants is \$481 million, which represents 52 percent of the original approved amount. 68 percent of the approved amount for investment grants is in C and D countries (equivalent to \$675 million). The 3 main sectors are: (i) energy, (ii) environment and natural disasters, and (iii) water and sanitation. The 3 sectors account for 76 percent of the investment grant portfolio, with approved amounts totaling \$276 million, \$239 million, and \$182 million, respectively (Figure 12).

Figure 11. Technical Cooperation Projects in the Portfolio by Vice Presidency and Type, 2022 Q2

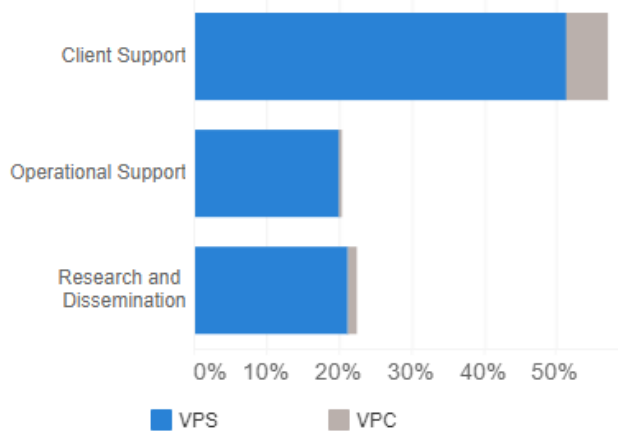
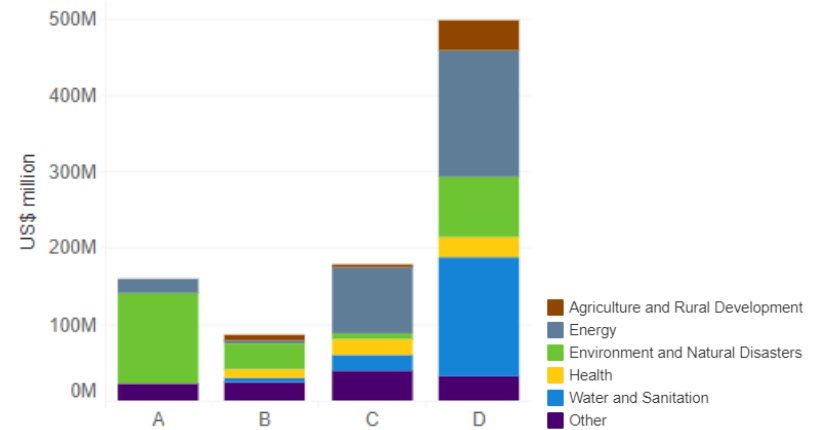


Figure 12. Investment Grants in the Portfolio by Economic Sector and Country Group, 2022 Q2



Annex I

Approvals of New Resources as of June 30, 2022 (in US\$ million)¹

Country Name	Relation Number	Project Number	Project Name	Modality	Department	Approval Date	Original Approved Amount YTD
New Approvals							\$4,886.0
Argentina	AR-L1336	AR-L1336	Development, Investment, and Facilitation Program for Argentine Nature Tourism: the Nature Route	GOM	CSD	27-Apr-22	\$33.0
Bolivia	BO-L1220	BO-L1220	Program to Strengthen the Statistics System in the Plurinational State of Bolivia	ESP	IFD	12-Apr-22	\$100.0
Brazil	BR-L1564	BR-L1564	Program for Digital Transformation of the Government of the State of Ceará (Ceará Mais Digital Program)	ESP	IFD	20-Apr-22	\$31.0
Brazil	BR-L1589	BR-L1589	Subnational Road Infrastructure Quality Improvement Program - InfraRodoviária Ceará	GOM	INE	27-May-22	\$150.0
Chile	CH-L1165	CH-L1165	Program to Support a Fair, Clean and Sustainable Energy Transition II	PBP	INE	15-Jun-22	\$300.0
Colombia	CO-L1274	CO-L1274	Sustainable and Resilient Growth Program II	PBP	CSD	29-Jun-22	\$300.0
Ecuador	EC-L1277	EC-L1277	Social Expenditure Protection and Employment Recovery Support Program - Phase II	PBP	SCL	27-Apr-22	\$250.0
Mexico	ME-L1295	ME-L1295	Comprehensive Development Project for Water and Sanitation Utilities II (PRODI-II)	GOM	INE	10-Jun-22	\$100.0
Panama	PN-L1172	PN-L1172	Fiscal Intelligence Program to Improve Spending Quality in Panama	ESP	IFD	18-May-22	\$20.0
Paraguay	PR-L1179	PR-L1179	Program to Strengthen Fiscal Policy and Management in Response to the Health and Economic Crisis Caused by COVID 19 in Paraguay II	PBP	IFD	06-Jun-22	\$250.0

¹ 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

Projects in Portfolio as of June 30, 2022 (in US\$ million)²

I.SG Projects and Guarantees in Execution 2022, Q2

Country Name	Number of Projects	Number of Operations	Orig. Approved \$M	Undisbursed Balance \$M	Undisb. Bal. / Orig. Appr.	Avg. Years in Execution
Group A	151	152	\$21,888	\$12,276	56%	4.5
Argentina	66	66	\$10,917	\$4,902	45%	4.9
Brazil	75	76	\$8,652	\$5,548	64%	4.2
Mexico	8	8	\$1,469	\$1,393	95%	1.6
Venezuela	2	2	\$850	\$433	51%	13.4
Group B	67	72	\$5,295	\$3,626	68%	3.7
Chile	7	9	\$1,035	\$872	84%	2.6
Colombia	30	33	\$2,241	\$1,533	68%	3.3
Peru	30	30	\$2,019	\$1,221	60%	4.5
Group C	121	123	\$7,231	\$3,782	52%	4.4
Bahamas	11	11	\$618	\$442	72%	3.6
Barbados	8	8	\$206	\$131	63%	5.1
Costa Rica	7	7	\$1,192	\$650	55%	6.2
Jamaica	11	11	\$456	\$158	35%	5.4
Panama	26	26	\$2,101	\$1,073	51%	3.9
Suriname	13	13	\$351	\$255	73%	3.9
Trinidad and Tobago	8	9	\$542	\$97	18%	6.2
Uruguay	37	38	\$1,766	\$977	55%	4.0
Group D	231	235	\$17,392	\$10,058	58%	4.6
Belize	10	11	\$97	\$46	48%	3.0
Bolivia	33	33	\$3,413	\$1,606	47%	6.0
Dominican Republic	18	19	\$1,584	\$1,341	85%	3.2
Ecuador	32	33	\$3,651	\$1,765	48%	3.7
El Salvador	13	13	\$879	\$621	71%	3.6
Guatemala	10	10	\$1,108	\$957	86%	3.9
Guyana	12	12	\$243	\$72	29%	5.9
Haiti	25	25	\$1,327	\$720	54%	5.0
Honduras	24	25	\$1,226	\$472	38%	4.5
Nicaragua	8	8	\$544	\$154	28%	5.5
Paraguay	46	46	\$3,320	\$2,306	69%	4.9
Regional	13	13	\$1,073	\$809	75%	3.7
Regional	13	13	\$1,073	\$809	75%	3.7
Total	583	595	\$52,879	\$30,551	58%	4.4

II. Non-Reimbursable Projects in Execution (TCP and IGR) 2022, Q2

Country Name	Number of Projects	Number of Operations	Orig. Approved \$M	Undisbursed Balance \$M	Undisb. Bal. / Orig. Appr.	Avg. Years in Execution
Group A	178	198	\$273	\$196	72%	2.2
Argentina	35	36	\$31	\$21	69%	2.7
Brazil	86	97	\$146	\$97	66%	1.8
Mexico	45	49	\$93	\$76	82%	2.6
Venezuela	12	16	\$3	\$1	24%	2.5
Group B	208	237	\$212	\$115	54%	1.8
Chile	31	38	\$13	\$5	40%	1.9
Colombia	118	136	\$143	\$73	51%	1.8
Peru	59	63	\$56	\$36	65%	1.6
Group C	228	257	\$245	\$116	48%	2.3
Bahamas	16	20	\$15	\$11	77%	2.4
Barbados	18	19	\$26	\$19	74%	3.2
Costa Rica	30	35	\$35	\$11	31%	2.0
Jamaica	31	32	\$86	\$37	44%	2.7
Panama	46	56	\$52	\$20	39%	2.3
Suriname	23	23	\$12	\$6	51%	2.3
Trinidad and Tobago	18	18	\$4	\$3	74%	1.4
Uruguay	46	54	\$16	\$8	52%	2.0
Group D	374	417	\$646	\$295	46%	2.4
Belize	25	29	\$8	\$5	64%	1.9
Bolivia	32	35	\$58	\$9	15%	2.8
Dominican Republic	42	47	\$54	\$13	24%	2.0
Ecuador	42	43	\$17	\$8	48%	2.0
El Salvador	29	33	\$12	\$6	52%	2.2
Guatemala	22	26	\$77	\$30	39%	2.7
Guyana	26	28	\$140	\$94	67%	3.3
Haiti	26	29	\$67	\$44	65%	2.3
Honduras	51	57	\$68	\$46	67%	2.2
Nicaragua	38	46	\$66	\$25	38%	2.9
Paraguay	41	44	\$78	\$14	18%	2.7
Regional	623	780	\$448	\$224	50%	2.4
Regional	623	780	\$448	\$224	50%	2.4
Total	1,611	1,889	\$1,824	\$946	52%	2.3

² In the table, Relation Number corresponds to an identifier that could group two or more operations of the same projects. When a project is not related to any other, Relation Number and Project Number have the same value. The non-reimbursable portfolio includes Technical Cooperation (TCP) and Investment Grant (IGR) operations.