

Inter-American Development Bank

# Annual Report

The Year in Review

# 2018



## FINANCIAL SUMMARY 2014-2018

### Ordinary Capital

(Amounts expressed in millions of United States dollars)

|   | 2018      | 2017      | 2016      | 2015      | 2014      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Operational Highlights</b>                                     |           |           |           |           |           |
| Loans and Guarantees Approved <sup>a</sup>                        | \$ 14,250 | \$ 13,003 | \$ 10,803 | \$ 10,404 | \$ 12,652 |
| Undisbursed Portion of Approved Loans                             | 32,079    | 31,264    | 30,007    | 30,711    | 31,601    |
| Gross Loan Disbursements  | 11,304    | 10,250    | 9,600     | 9,719     | 9,423     |
| Loan Repayments   | 6,828     | 7,748     | 6,023     | 5,132     | 5,213     |
| <b>Balance Sheet Data</b>   |           |           |           |           |           |
| Cash and Investments-Net, After Swaps                             | \$32,704  | \$33,600  | \$27,750  | \$27,969  | \$27,458  |
| Loans Outstanding   | 93,377    | 89,082    | 81,952    | 78,745    | 74,585    |
| Total Assets  | 129,459   | 126,240   | 113,325   | 111,116   | 106,277   |
| Borrowings Outstanding, After Swaps                               | 92,491    | 89,632    | 82,641    | 80,464    | 76,664    |
| Equity  | 32,929    | 32,247    | 26,460    | 25,253    | 23,697    |
| <b>Income Statement Data</b>                                      |           |           |           |           |           |
| Loan Income, After Swaps  | \$ 3,057  | \$ 2,535  | \$ 2,365  | \$ 1,946  | \$ 1,741  |
| Investment Income   | 825       | 488       | 321       | 60        | 114       |
| Borrowing Expenses, After Swaps                                   | 2,255     | 1,223     | 797       | 409       | 398       |
| Operating Income <sup>b</sup>                                     | 752       | 902       | 946       | 692       | 592       |
| <b>Ratio</b>  |           |           |           |           |           |
| Total Debt <sup>c</sup> to Equity <sup>d</sup> ratio <sup>e</sup> | 2.9       | 2.9       | 3.2       | 3.3       | 3.3       |

### Fund for Special Operations

(In millions of United States dollars)

|                                       | 2018 <sup>f</sup> | 2017 <sup>f</sup> | 2016   | 2015   | 2014   |
|---------------------------------------|-------------------|-------------------|--------|--------|--------|
| <b>Operational Highlights</b>         |                   |                   |        |        |        |
| Loans Approved                        | \$ 0              | \$ 0              | \$ 247 | \$ 282 | \$ 300 |
| Loan Disbursements                    | —                 | —                 | 190    | 310    | 302    |
| Loan Repayments                       | —                 | —                 | 184    | 184    | 187    |
| <b>Balance Sheet Data</b>             |                   |                   |        |        |        |
| Cash and Investment                   | \$ 0              | \$ 0              | \$ 822 | 841    | \$ 977 |
| Loans Outstanding, Net                | —                 | —                 | 4,510  | 4,502  | 4,418  |
| Undisbursed Portion of Approved Loans | —                 | —                 | 782    | 726    | 761    |
| Total Assets                          | —                 | —                 | 5,420  | 5,408  | 5,420  |
| Fund Balance                          | —                 | —                 | 5,160  | 5,113  | 5,089  |
| <b>Income Statement Data</b>          |                   |                   |        |        |        |
| Loan Income                           | \$ 0              | \$ 0              | \$ 60  | \$ 61  | \$ 62  |
| Technical Cooperation Income          | —                 | —                 | 5      | 6      | 8      |
| General Reserve Transfers             | —                 | —                 | —      | —      | —      |
| Net Income                            | —                 | —                 | 43     | 22     | 23     |

<sup>a</sup> Excludes guarantees issued under the Trade Facilitation Program, non-sovereign-guaranteed loan participations, and exposure and exchange agreements.

<sup>b</sup> Effective January 1, 2018, the Bank adopted a new accounting standard (ASU) that required the other components of net pension benefit costs to be presented separately from the service cost component, and outside of Operating income. The related prior years amounts were adjusted to conform to the 2018 presentation.

<sup>c</sup> Borrowings (after swaps) and guarantee exposure.

<sup>d</sup> "Total Equity" is defined as Paid-in capital stock and Additional paid-in capital, net of Capital subscriptions receivable, less Receivable from members, plus Retained earnings minus borrowing countries local currency cash balances and Accumulated other comprehensive income (non-GAAP measure).

<sup>e</sup> In 2017, the Bank implemented a non-risk based leverage limit based on the Debt-to-Equity Ratio, which complements the current risk-based capital constraint.

<sup>f</sup> Effective January 1, 2017, all assets and liabilities of the FSO were transferred to the ORC. The FSO continues to exist as a separate account but with no assets or operations.

## Letter of Transmittal

As required by the By-laws of the Inter-American Development Bank, the Board of Executive Directors hereby submits to the Board of Governors the Annual Report of the Bank for 2018. The Annual Report consists of a volume entitled "The Year in Review," containing a review of the Bank's operations in 2018 (loans, guarantees and grants). A second volume, in English and Spanish, contains in addition the full set of the financial statements of the Bank's resources.

March 28, 2019





A PARTNER FOR

Latin America and the Caribbean



**The IDB Group** comprises the Inter-American Development Bank (IDB), IDB Invest (the commercial name of the Inter-American Investment Corporation, IIC) and IDB LAB (the commercial name of the Multilateral Investment Fund, which is administered by the IDB). As the world's oldest and largest regional multilateral development bank, the IDB is the main source of multilateral financing for economic, social, and institutional development in Latin America and the Caribbean.

The mission of IDB Invest is to promote the economic development of Latin America and the Caribbean through the private sector. As part of its mission, IDB Invest supports private sector and state-owned enterprises through financing, including loans, equity investments and guarantees. IDB Invest also partners with clients to provide advisory and training services.

IDB Lab is the IDB Group's innovation lab. It conducts high-risk experiments to test new models for engaging and inspiring the private sector to solve economic development problems in Latin America and the Caribbean. To learn more visit [www.bidlab.org/en](http://www.bidlab.org/en).

The IDB's financial resources come from its 48 member countries and from borrowing in financial markets, trust funds that it administers and co-financing ventures.

The IDB's debt rating is Triple-A, the highest available. The IDB is headquartered in Washington, D.C. and has Country Offices in its 26 member countries in Latin America and the Caribbean, as well as in Madrid and Tokyo. By the end of 2018, the IDB had approved more than \$286 billion in loans and guarantees, including non-sovereign guaranteed lending through 2015, to finance projects with investments totaling \$567 billion, as well as 7.3 billion in grants.

## **IDB MEMBER COUNTRIES**

Argentina, Austria, The Bahamas, Barbados, Belgium, Belize, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Croatia, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, France, Germany, Guatemala, Guyana, Haiti, Honduras, Israel, Italy, Jamaica, Japan, Republic of Korea, Mexico, Netherlands, Nicaragua, Norway, Panama, Paraguay, Peru, Portugal, Slovenia, Spain, Suriname, Sweden, Switzerland, Trinidad and Tobago, United Kingdom, United States, Uruguay, Venezuela.

# Table of Contents

**1** Message from the President

**3** Executive Directors

**5** **1. Operational Summary**

**13** **2. Highlights by Sector**

**27** **Appendixes**

The independently audited Financial Statements of the Bank, together with *Management's Discussion and Analysis: Ordinary Capital*, are available at [www.iadb.org/ar2018/fs](http://www.iadb.org/ar2018/fs).





## ECUADOR

The Quito Metropolitan Urban Transport System program is supporting the construction of 22 km of railway and 15 metro stations for the capital's underground train network, which connects to other forms of transportation. Photo: EPMMQ.

# Message from the President

In 2018, the world economy continued to grow unevenly as both advanced nations and developing economies evolved at different paces. Latin America and the Caribbean maintained a slow recovery, growing 1.2%, much lower than the 2.2% expected for 2019.

Beyond the macroeconomic situation, intra-regional migration gained increasing visibility in 2018. Migration stems from a complex combination of economic, political, climatic and environmental factors that have evolved continuously in recent years. Many of our countries have gone from having many of their citizens move abroad to hosting an influx of immigrants, in the process showing empathy and generosity to their neighbors. However, when migration is sudden and massive, it can have adverse consequences in host countries.

As a result, several of the IDB's member countries have requested support to strengthen their migration systems and invest in services including migrant identification, health, education, basic sanitation and economic inclusion for migrants and their host communities. The IDB has proposed mobilizing funds to finance this multisectoral agenda and mitigate the budget impacts in host countries.

Migration is just one of the public policy priorities that are evolving in our countries. For instance, an update of the IDB's Institutional Strategy, which is still underway, reflects interest in accelerating the adoption of information technologies and preparing young people for the demands of tomorrow's job markets. It also recognizes the urgent need to create ecosystems that harness our youth's innovative and entrepreneurial spirit by offering them better access to seed capital, angel investors and technical advice.

We must also respond to our societies' longstanding demand for transparent and effective public management. Corruption and impunity corrode the credibility of our institutions and the legitimacy of our democracies. Consequently, promoting transparency and integrity is crucial to encouraging



public confidence in the rule of law and its institutions, to protecting economic stability, boosting growth and ensuring the safety of our citizens.

We delivered solid results in 2018. The Bank approved 96 sovereign guaranteed loans for \$13.5 billion in financing and disbursed more than \$9.9 billion. As for the private sector and activities without sovereign guarantees, I am pleased to report that IDB Invest approved more than \$4 billion in operations. With more than \$17 billion in total approvals, the IDB Group remained the leading source of multilateral financing for Latin America and the Caribbean.

This would not have been possible without the dedication of everyone related to the IDB Group. Thanks to their work and the leadership of our Board of Executive Directors, I can affirm that our evolution is favorable and that our numbers are satisfactory.

Undoubtedly, these achievements put us in a privileged position to celebrate the Bank's 60<sup>th</sup> anniversary in 2019.

A stylized, handwritten signature in black ink, consisting of a large loop followed by a series of connected strokes.

**Luis Alberto Moreno**

*President*

Inter-American Development Bank



# Executive Directors

The IDB's shareholders—its 48 member countries—are represented by the Board of Governors, the highest decision-making body of the Bank. The Governors delegate many of their powers to the Board of Executive Directors,

whose 14 members they elect or appoint for three-year terms. Executive Directors for the United States and Canada represent their own countries; all others represent groups of countries. The Board of Executive Directors also includes 14 Alternates, who have full power to act when their principals are absent. The Board of Executive Directors is responsible for day-to-day oversight of the Bank's operations. It establishes the institution's policies, approves projects, sets interest rates for Bank loans, authorizes borrowings in capital markets, and approves the institution's administrative budget. The work of the Board of Executive Directors is guided by the Regulations of the Board of Executive Directors and the Code of Ethics for Executive Directors. The agendas and minutes of the meetings of the Board of Executive Directors and its standing committees are public documents.



**Front row (left to right):**

Ute Heinbuch (Germany), Toshiyuki Yasui (Japan),  
Rosa Matilde Guerrero (Ecuador),  
Selwin Hart Charles (Barbados), Alicia Montalvo (Spain),  
Federico Poli (Argentina), Gerardo Corrochano (Peru)

**Middle row:**

Marcelo Bisogno (Uruguay),  
Malcolm Geere (United Kingdom), Stefania Bazzoni (Italy),  
Eliot Pedrosa (United States),  
Fernando de León de Alba (Panama),  
Francisco Mayorga (Nicaragua),  
Carlos Pared (Dominican Republic),  
Arthur Williams (Jamaica)

**Back row:**

Armando León (Venezuela), Sergio Savino Portugal (Brazil),  
Marco Machicao (Bolivia), Patrick Hervé (France),  
Eric Madueño (Canada), Guillermo Rishchynski (Canada)



## NICARAGUA

A roads program aims to improve transportation in poor rural areas, linking them to markets and social services, as well as reducing vehicle operating costs and travel time. Photo: Orlando Morales.

# Operational Summary

## 1

### Loan Approvals

In 2018, the Bank approved 96 sovereign guaranteed loan projects for \$13.5 billion in total financing. The sovereign guaranteed loan approval program included 76 investment projects and one partial credit guarantee for a subtotal of \$8.5 billion and 18 policy-based projects for \$4.6 billion, as well as \$100 million in special financing for development in Barbados. In addition, the Bank approved \$250 million in extra funding for a project supporting the Metro in Quito.<sup>1</sup>

The investment projects included nine operations for \$1.6 billion under conditional credit lines for investment projects (CCLIPs) and supplementary financing for \$7 million. The Bank also approved a \$490 million loan guarantee facility for Argentina as part of its broader investment project approval program.

Of the 18 policy-based projects, three were multiple-tranches operations for \$412 million, one was a hybrid project for \$100 million, and 14 were programmatic loans for a total of \$4.1 billion. Of the programmatic loans, 10 corresponded to early-stage operations, for a total of \$2.7 billion, and four were for subsequent-stage projects totaling \$1.4 billion.

The total cost of projects financed under the sovereign guaranteed loan approval program was \$14.8 billion. That includes \$12.5 billion<sup>2</sup> of loans from the Bank's Ordinary Capital (OC), four projects under the IDB Grant Facility for \$423 million, \$272 million from funds under the Bank's management and \$1.6 billion from other sources and local contributions. The Bank also approved \$385 million in two Contingent Credit Facilities for Natural Disaster Emergencies and five new CCLIPs for a total of \$2.3 billion.

In 2018, loans to small and vulnerable countries (Groups C and D), increased 43%, from \$3.8 billion in 2017 to \$5.4 billion. As a result, the share of approvals

<sup>1</sup> In 2018, 117 non-sovereign guaranteed loans originated by IDB Invest were co-financed by the Bank, for a total of \$2 billion. When this amount is added to the \$13 billion in sovereign loan approvals, together with an additional \$234 million in non-sovereign guaranteed loan approvals from trust funds, the Bank's volume of approvals for the year totaled \$15.2 billion in 2018.

<sup>2</sup> Excludes increases for reformulating projects.



# 2018 Approvals by Sector<sup>1</sup>

(In millions of U.S. dollars)



## Infrastructure and Environment

| SECTORS                           | NUMBER OF PROJECTS | APPROVED AMOUNT |
|-----------------------------------|--------------------|-----------------|
| Agriculture and Rural Development | 4                  | 264             |
| Energy                            | 13                 | 1,867           |
| Environment and Natural Disasters | 3                  | 177             |
| Sustainable Tourism               | 1                  | 26              |
| Transport                         | 10                 | 1,822           |
| Water and Sanitation              | 6                  | 1,288           |
| Urban Development and Housing     | 7                  | 758             |
| <b>SUBTOTAL</b>                   | <b>44</b>          | <b>6,203</b>    |



## Institutions for Development

|                                   |           |              |
|-----------------------------------|-----------|--------------|
| Financial Markets                 | 7         | 1,540        |
| Industry                          | —         | —            |
| Reform/Modernization of the State | 18        | 2,307        |
| Science and Technology            | 1         | 350          |
| <b>SUBTOTAL</b>                   | <b>26</b> | <b>4,197</b> |



## Trade and Regional Integration

|                      |          |           |
|----------------------|----------|-----------|
| Trade                | 1        | 50        |
| Regional Integration | 2        | 14        |
| <b>SUBTOTAL</b>      | <b>3</b> | <b>64</b> |



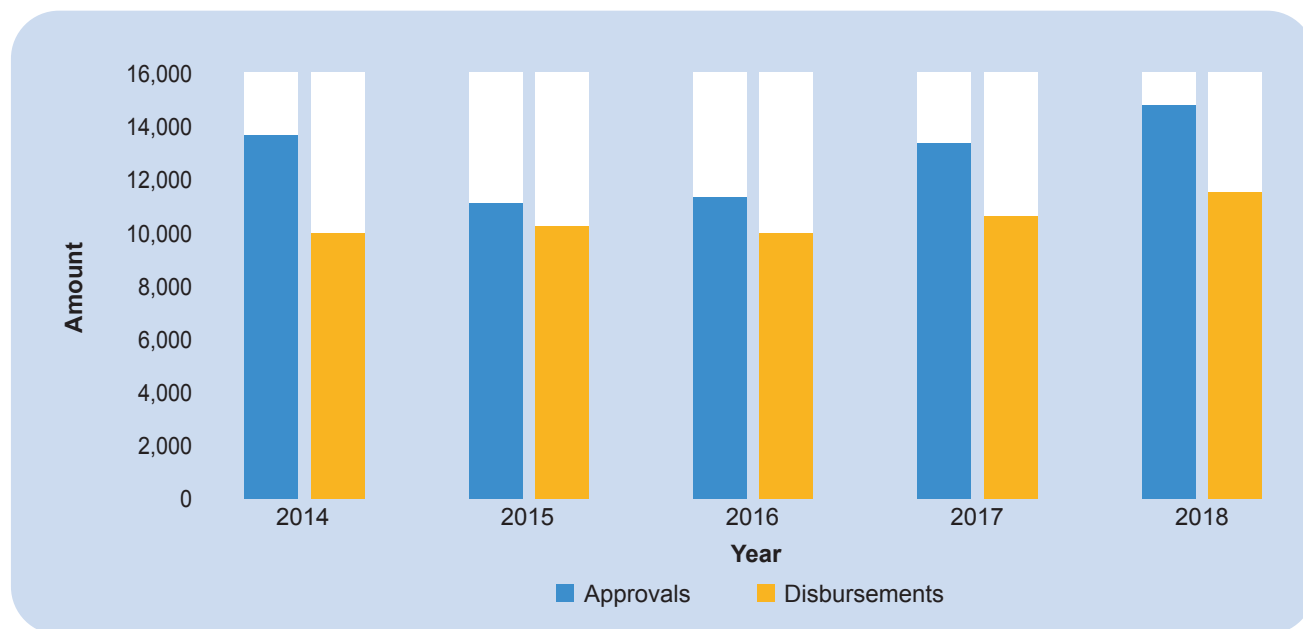
## Social Sector

|                   |           |              |
|-------------------|-----------|--------------|
| Education         | 2         | 145          |
| Health            | 8         | 799          |
| Social Investment | 13        | 1,795        |
| <b>SUBTOTAL</b>   | <b>23</b> | <b>2,739</b> |

|              |           |               |
|--------------|-----------|---------------|
| <b>TOTAL</b> | <b>96</b> | <b>13,202</b> |
|--------------|-----------|---------------|

<sup>1</sup> It excludes reformulations.

**FIGURE I.** Approvals and Disbursements, 2014–2018  
(In millions of U.S. dollars)



for C and D countries totaled 42% of all approvals, up eight percentage points from 2017.

Because of this, the Bank continued to solidify its role as the leading source of multilateral financing for Latin America and the Caribbean, particularly with respect to support for Group C and D countries.

In terms of sectors, the Bank allocated 35% of approved financing through the Institutions for Development Sector, 33% through the Infrastructure and Energy Sector, 20% through the Social Sector, 11% through the Climate Change and Sustainable Development Sector, and 1% through the Integration and Trade Sector.

Approvals by sector do not fully reflect progress made in promoting joint work between sectors and windows. In 2018, thanks to the continued use of the double-booking concept and efforts to encourage such synergies, 41% of approved operations resulted from joint work between different operational units.

In terms of economic activity groups, the Bank allocated 47% of approved financing to the infrastructure and environment sector, 32% to institutional support for development, 21% to social sector programs, and less than 1% to integration and trade programs. As for the number of projects, 46% of newly approved operations were in the infrastructure and environment sector, which now includes urban development and housing projects; 27% in the area of institutional support for development; 24% in the social sectors; and 3% in integration and trade.<sup>3</sup>

## Disbursements

Bank disbursements for sovereign guaranteed loans totaled \$9.9 billion in 2018, up 11% from the previous year.

<sup>3</sup> The percentage estimates exclude any increase due to reformulations.

## Active Portfolio of Sovereign Guaranteed Projects

As of December 31, 2018, the Bank's active portfolio of sovereign guaranteed projects in execution consisted of 600 projects, with an undisbursed balance of \$31.1 billion. Of the total undisbursed resources, 62% were in the infrastructure and environment sector, 19% in institutions for development programs, 16% in social sector programs, and 3% in trade and regional integration programs.

The value of the Bank's portfolio of approved sovereign guaranteed projects in execution has been growing because of the higher levels of approvals. On average, portfolio volume has increased 26% over the past five years compared with the previous five-year period. Average annual volume rose to \$53.4 billion in 2014-18 from \$42.4 billion in 2009-13.

## IDB LAB

In 2018, the Multilateral Investment Fund, or MIF, became IDB Lab, fulfilling its mandate to be the IDB Group's innovation laboratory. With a new identity launched in October, the 2019-2021 business plan approved, and the evolution of its signature event, Foromic, which now focuses on innovative ways to increase inclusion, IDB Lab has become a platform for testing high-risk innovations that can have a high-impact on Latin America and the Caribbean.

In 2018, IDB Lab found innovative ways to leverage new business and technology models to multiply their impact, creating opportunities for poor and vulnerable populations, and addressing challenges such as financial inclusion, social inclusion, productivity and environmental impact. IDB Lab finished the year with the approval of 50 projects totaling \$68.5 million, leveraging \$395 million in third-party funding. In 2018, 34% of approved projects benefited Group C and D countries while 40% went to A & B countries and 26% had regional coverage.

## Grants and Non-Reimbursable Technical Cooperation

In 2018, the Bank managed 66 funds for loan and grant financing operations, including six Strategic Development Programs financed from Ordinary Capital, 45 bilateral or multi-donor fiduciary funds, 14 financial intermediary funds, and one legacy fund (the Social Entrepreneurship Fund).

The total level of resources managed by the Bank in 2018 was \$824 million. By the end of the year, the active grant financing portfolio consisted of 1,570 operations for an approved amount of \$2 billion.

## Cofinancing and Resource Mobilization

In 2018, in line with the Addis Ababa Action Agenda, the mobilization of financial resources became an even greater priority for the IDB Group. The Bank created the Resource Mobilization Unit in the Office of Outreach and Partnerships, which leads the design and exploration of innovative financial instruments, including mixed financing, social impact bonds, guarantees and green financing.

During the year, the Bank established new accords or reaffirmed alliances with partners including the Bank of Tokyo-Mitsubishi UFJ Ltd., the European Investment Bank, the German government, the Canadian government, the government of Denmark, the French government, the Israeli government, the Official Credit Institute of Spain, the Netherlands Development Finance Company, and Sanitation and Water for All.

The creation of a regional initiative for eliminating malaria, in collaboration with the Bill and Melinda Gates Foundation, the Carlos Slim Foundation and the Global Fund to Fight AIDS, Tuberculosis and Malaria, was a milestone in our work with other organizations. The initiative aims to eliminate malaria in the Dominican Republic





## HAITI

A vast program is helping the Haitian government restructure its education system by improving the quality of school infrastructure and expanding grants to cover tuition costs. Photo: Pablo Linde.

and seven Central American countries. The financing, which totals \$88.6 million, will leverage an additional \$100 million in funding.

**Resource Mobilization.** By the end of 2018, the resources mobilized by the Office of Outreach and

Partnerships totaled \$2.98 billion. This total entailed 140 transactions and the support of 94 active partners. Of the total, \$226 million was committed through non-reimbursable instruments, while \$2.757 billion was committed through reimbursable instruments.

**TABLE I. Yearly (2018) and Cumulative (1961–2018) Approvals and Disbursements<sup>a,b</sup>** (In millions of U.S. dollars)

| Total Cost of Projects |                   |              |            | Approvals <sup>d</sup> |             |                  |                        |                                      | Disbursements |             |                  |                        |                                      |
|------------------------|-------------------|--------------|------------|------------------------|-------------|------------------|------------------------|--------------------------------------|---------------|-------------|------------------|------------------------|--------------------------------------|
|                        |                   |              |            | Total Amount           |             | Ordinary Capital | Special Operations     | Funds in Administration <sup>e</sup> | Total Amount  |             | Ordinary Capital | Special Operations     | Funds in Administration <sup>e</sup> |
| Country                | 2018 <sup>f</sup> | 1961-2018    | \$         | 2018                   | 1961-2018   | 1961-2018        | 1961-2018 <sup>g</sup> | 1961-2018                            | 2018          | 1961-2018   | 1961-2018        | 1961-2018 <sup>g</sup> | 1961-2018                            |
| Argentina              | \$ 2,702.4        | \$ 69,695.7  | \$ 2,329.4 | \$ 41,392.7            | \$ 40,574.0 | \$ 644.8         | \$ 174.0               | \$ 1,739.1                           | \$ 35,899.0   | \$ 35,183.2 | \$ 644.9         | \$ 71.0                |                                      |
| Bahamas                | 30.0              | 1,245.6      | 30.0       | 880.5                  | 878.4       | —                | 2.1                    | 16.1                                 | 680.4         | 678.3       | —                | 2.0                    |                                      |
| Barbados               | 100.0             | 1,322.1      | 100.0      | 900.0                  | 815.6       | 42.8             | 41.5                   | 123.2                                | 777.9         | 709.7       | 38.9             | 29.3                   |                                      |
| Belize                 | 7.0               | 335.2        | 7.0        | 256.3                  | 256.3       | —                | —                      | 14.1                                 | 204.7         | 204.7       | —                | —                      |                                      |
| Bolivia                | 624.6             | 10,607.6     | 624.6      | 7,817.7                | 4,802.8     | 2,910.1          | 104.8                  | 383.1                                | 6,256.0       | 3,462.1     | 2,712.9          | 81.0                   |                                      |
| Brazil                 | 3,025.9           | 141,055.0    | 2,791.5    | 54,976.9               | 53,146.0    | 1,555.9          | 275.0                  | 2,344.3                              | 47,485.6      | 45,703.8    | 1,555.4          | 226.3                  |                                      |
| Chile                  | —                 | 19,354.4     | 15.0       | 8,049.7                | 7,698.1     | 202.7            | 148.8                  | 280.8                                | 7,556.7       | 7,209.0     | 204.1            | 143.7                  |                                      |
| Colombia               | 1,164.0           | 40,179.3     | 1,271.4    | 24,928.6               | 23,871.1    | 746.8            | 310.6                  | 1,282.8                              | 23,004.6      | 22,052.6    | 753.5            | 198.5                  |                                      |
| Costa Rica             | 152.0             | 10,273.3     | 144.0      | 5,544.9                | 4,967.7     | 351.8            | 225.4                  | 267.8                                | 4,623.1       | 4,100.8     | 348.8            | 173.5                  |                                      |
| Dominican Republic     | 795.0             | 10,338.7     | 795.0      | 7,693.9                | 6,896.4     | 710.9            | 86.6                   | 343.7                                | 6,424.1       | 5,626.5     | 711.0            | 86.6                   |                                      |
| Ecuador                | 701.7             | 16,261.5     | 1,169.6    | 11,357.0               | 10,058.7    | 949.8            | 348.6                  | 597.1                                | 10,115.2      | 8,889.0     | 943.5            | 282.7                  |                                      |
| El Salvador            | 390.0             | 8,095.0      | 396.0      | 5,781.5                | 4,802.5     | 760.1            | 218.9                  | 406.3                                | 5,456.6       | 4,498.4     | 761.5            | 196.7                  |                                      |
| Guatemala              | —                 | 7,410.8      | 186.4      | 5,983.6                | 5,168.8     | 744.7            | 70.1                   | 201.9                                | 5,475.7       | 4,667.9     | 739.2            | 68.6                   |                                      |
| Guyana                 | 38.8              | 1,684.6      | 38.8       | 1,440.9                | 367.1       | 1,066.9          | 6.9                    | 35.3                                 | 1,285.4       | 278.3       | 1,000.2          | 6.9                    |                                      |
| Haiti                  | 483.0             | 3,301.2      | 423.5      | 3,375.3                | 7.0         | 1,105.7          | 2,262.7                | 112.7                                | 2,576.7       | 7.0         | 1,107.2          | 1,462.5                |                                      |
| Honduras               | 486.7             | 7,461.6      | 501.9      | 5,438.6                | 2,709.6     | 2,651.4          | 77.7                   | 335.9                                | 4,880.7       | 2,244.7     | 2,567.1          | 68.9                   |                                      |
| Jamaica                | 122.0             | 5,684.8      | 140.0      | 4,287.5                | 3,900.9     | 163.8            | 222.8                  | 174.0                                | 3,915.5       | 3,539.7     | 166.6            | 209.1                  |                                      |
| Mexico                 | 1,330.0           | 82,685.7     | 1,526.8    | 41,340.6               | 40,315.6    | 559.0            | 465.9                  | 1,267.2                              | 37,177.8      | 36,313.3    | 559.0            | 305.6                  |                                      |
| Nicaragua              | —                 | 6,398.5      | 13.5       | 4,643.1                | 1,675.3     | 2,843.3          | 124.5                  | 101.8                                | 4,050.2       | 1,290.0     | 2,673.2          | 87.0                   |                                      |
| Panama                 | 688.2             | 17,395.4     | 734.5      | 7,517.3                | 7,103.7     | 280.0            | 133.5                  | 496.6                                | 6,402.8       | 6,033.4     | 283.9            | 85.5                   |                                      |
| Paraguay               | 766.3             | 7,625.4      | 735.4      | 5,570.8                | 4,780.9     | 690.4            | 99.5                   | 257.6                                | 3,673.5       | 2,981.4     | 646.4            | 45.7                   |                                      |
| Peru                   | 675.3             | 37,471.6     | 489.3      | 13,352.2               | 12,664.8    | 418.1            | 269.2                  | 119.3                                | 11,044.3      | 10,394.1    | 427.9            | 222.4                  |                                      |
| Suriname               | 50.0              | 962.8        | 50.0       | 805.6                  | 749.2       | 6.4              | 50.0                   | 23.9                                 | 652.1         | 595.7       | 6.4              | 50.0                   |                                      |
| Trinidad and Tobago    | —                 | 2,793.7      | 29.4       | 2,059.4                | 2,003.7     | 30.6             | 25.2                   | 91.9                                 | 1,878.1       | 1,822.3     | 30.6             | 25.2                   |                                      |
| Uruguay                | 229.1             | 11,681.8     | 189.2      | 8,708.0                | 8,316.4     | 104.1            | 287.5                  | 464.3                                | 7,158.9       | 6,789.8     | 103.8            | 265.3                  |                                      |
| Venezuela              | —                 | 19,643.0     | —          | 6,824.6                | 6,650.3     | 101.4            | 72.9                   | —                                    | 6,409.4       | 6,235.2     | 101.4            | 72.9                   |                                      |
| Regional               | 190.0             | 26,116.3     | 447.0      | 5,406.4                | 4,955.2     | 229.3            | 221.9                  | 113.7                                | 3,957.2       | 3,699.7     | 229.8            | 27.8                   |                                      |
| TOTAL                  | \$14,752.2        | \$ 567,080.7 | \$15,179.2 | \$286,333.3            | \$260,136.0 | \$19,870.7       | \$6,326.7              | \$11,594.2                           | \$249,022.1   | \$225,210.4 | \$19,317.1       | \$4,494.6              |                                      |

<sup>a</sup> Cumulative amounts are after cancellations and exchange adjustments. Totals may not add up due to rounding.

<sup>b</sup> Detail includes non-sovereign-guaranteed loans, net of participations, and guarantees, as applicable.

<sup>c</sup> Includes loans and financings of the IDB Grant Facility.

<sup>d</sup> Excludes lines of credit approved and guarantees issued under the Trade Finance Facilitation Program.

<sup>e</sup> Excludes projects approved under the Contingent Credit Line for Sustainable Development.

<sup>f</sup> Includes only sovereign guaranteed projects. Excludes projects approved under the Contingent Facility for Natural Disasters.

<sup>g</sup> Effective January 1, 2017, all assets and liabilities of the FSO were transferred to the ORC. The FSO continues to exist as a separate account but with no assets or operations.

**TABLE II.** Five years of Operations, 2014–2018 (In millions of U.S. dollars)

|   | 2014           | 2015           | 2016           | 2017           | 2018           |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>CAPITAL</b>  |                |                |                |                |                |
| <b>Subscriptions (End of Year)</b>                            |                |                |                |                |                |
| Ordinary Capital <sup>a</sup>                                 | 144,174        | 156,864        | 170,916        | 170,934        | 170,934        |
| Fund for Special Operations <sup>a</sup>                      | 10,204         | 10,231         | 10,232         | —              | —              |
| Other Funds <sup>b</sup>                                      | 6,200          | 6,621          | 6,639          | 7,143          | 7,468          |
| <b>Total</b>  | <b>160,578</b> | <b>173,716</b> | <b>187,787</b> | <b>178,077</b> | <b>178,402</b> |
| <b>BORROWINGS<sup>c</sup></b>                                 |                |                |                |                |                |
| Outstanding (End of Year)                                     | 74,938         | 77,657         | 79,298         | 87,048         | 88,926         |
| Gross Annual Borrowings                                       | 20,928         | 18,789         | 15,584         | 18,868         | 19,524         |
| <b>OPERATIONS</b>   |                |                |                |                |                |
| <b>Loans and Guarantees Approved (Cumulative)<sup>d</sup></b> |                |                |                |                |                |
| Ordinary Capital <sup>e</sup>                                 | 218,784        | 226,930        | 235,229        | 246,762        | 260,136        |
| Fund for Special Operations <sup>i</sup>                      | 19,558         | 19,571         | 19,781         | 20,030         | 19,871         |
| Other Funds <sup>i</sup>                                      | 2,866          | 3,229          | 3,384          | 3,666          | 4,070          |
| <b>Total</b>  | <b>241,208</b> | <b>249,730</b> | <b>258,394</b> | <b>270,458</b> | <b>284,077</b> |
| <b>Loans and Guarantees Approved (Annual)<sup>f</sup></b>     |                |                |                |                |                |
| Ordinary Capital <sup>e</sup>                                 | 12,652         | 10,404         | 10,803         | 13,003         | 14,250         |
| Fund for Special Operations <sup>i</sup>                      | 300            | 282            | 247            | —              | —              |
| Other Funds <sup>i</sup>                                      | 677            | 388            | 275            | 347            | 506            |
| <b>Total</b>  | <b>13,629</b>  | <b>11,074</b>  | <b>11,325</b>  | <b>13,350</b>  | <b>14,756</b>  |
| <b>Loan Disbursements (Annual)<sup>f</sup></b>                |                |                |                |                |                |
| Ordinary Capital <sup>e</sup>                                 | 9,423          | 9,719          | 9,600          | 10,250         | 11,304         |
| Fund for Special Operations <sup>i</sup>                      | 301            | 310            | 190            | —              | —              |
| Other Funds <sup>i</sup>                                      | 238            | 182            | 162            | 329            | 178            |
| <b>Total</b>  | <b>9,962</b>   | <b>10,211</b>  | <b>9,952</b>   | <b>10,579</b>  | <b>11,482</b>  |
| <b>Loan Repayments (Annual)<sup>f</sup></b>                   |                |                |                |                |                |
| Ordinary Capital  | 5,213          | 5,132          | 6,023          | 7,748          | 6,828          |
| Fund for Special Operations <sup>i</sup>                      | 187            | 184            | 184            | —              | —              |
| Other Funds   | 8              | 8              | 45             | 46             | 78             |
| <b>Total</b>  | <b>5,408</b>   | <b>5,324</b>   | <b>6,252</b>   | <b>7,794</b>   | <b>6,906</b>   |
| <b>Loans Outstanding</b>                                      |                |                |                |                |                |
| Ordinary Capital  | 74,585         | 78,745         | 81,952         | 89,082         | 93,377         |
| Fund for Special Operations <sup>i</sup>                      | 4,418          | 4,502          | 4,510          | —              | —              |
| Other Funds   | 534            | 698            | 806            | 1,096          | 1,185          |
| <b>Total</b>  | <b>79,537</b>  | <b>83,945</b>  | <b>87,268</b>  | <b>90,178</b>  | <b>94,562</b>  |
| <b>Grant Financings Approved (Annual)<sup>g</sup></b>         |                |                |                |                |                |
| Ordinary Capital  | 123            | 112            | 102            | 113            | 117            |
| Fund for Special Operations <sup>i</sup>                      | —              | —              | —              | —              | —              |
| IDB Grant Facility  | 214            | 190            | 20             | 128            | 424            |
| Other Funds   | 374            | 200            | 181            | 193            | 263            |
| <b>Total</b>  | <b>711</b>     | <b>502</b>     | <b>303</b>     | <b>434</b>     | <b>804</b>     |
| <b>Multilateral Investment Fund</b>                           |                |                |                |                |                |
| Operations Approved (Annual) <sup>h</sup>                     | <b>94</b>      | <b>90</b>      | <b>86</b>      | <b>85</b>      | <b>66</b>      |
| <b>ADMINISTRATION</b>   |                |                |                |                |                |
| <b>Administrative Expenses</b>                                |                |                |                |                |                |
| <b>Total—Bank Funds<sup>k</sup></b>                           | <b>688</b>     | <b>791</b>     | <b>696</b>     | <b>736</b>     | <b>844</b>     |

<sup>a</sup> Net of Capital subscriptions receivable \$6 million (2017 – \$6 million; 2016 – \$24 million for ORC and \$10 million for FSO). Effective January 1, 2017, all assets and liabilities of the FSO were transferred to the ORC. The FSO continues to exist as a separate account, but with no assets or operations.

<sup>b</sup> Includes de Multilateral Investment Fund. Excludes terminated funds.

<sup>c</sup> Medium- and long- term borrowings net of unamortized discounts (before swaps and mark-to-market-adjustments). Medium-and long-term Gross Annual borrowings at face value, before swaps.

<sup>d</sup> Net of cancellations. Includes exchange adjustments.

<sup>e</sup> Net of non-sovereign-guaranteed loan participations.

<sup>f</sup> Based on original amounts in U.S dollar equivalent.

<sup>g</sup> Includes Social Entrepreneurship Program financing, technical cooperations, special program, project specific and other grants. Excludes Multilateral Investment Fund Operations which are presented separately.

<sup>h</sup> Includes technical cooperations, loans and equity investments. Also includes increases of already existing operations.

<sup>i</sup> Does not include IDB Grant Facility.

<sup>j</sup> In September 2016, the Board of Governors of the Bank approved a proposal to transfer the net assets from the FSO to the OC with effective date January 1<sup>st</sup>, 2017 as part of the proposal for sustaining concessional assistance by optimizing the Bank's balance sheet.

<sup>k</sup> Effective January 1, 2018, the Bank adopted a new accounting standard (ASU) that required the other components of net pension benefit costs to be presented separately from the service cost component, and outside of Operating income. The related prior years amounts were adjusted to conform to the 2018 presentation.





## COSTA RICA

Supporting a recent math curricula reform, this project is developing and field-testing a technology-based pre-primary program to enhance numeracy learning. Photo: Kyung-Ae Susie Lim.



# Highlights by Sector

## 2

### Creation of the Knowledge, Innovation and Communication Sector

In a world of dizzying technological change, an overabundance of free information and ubiquitous connectivity, successful organizations are those that create specialized knowledge and turn it into innovative solutions to persistent problems. These organizations also communicate about those solutions in ways that meet the specific needs of diverse individuals and groups.

Companies and organizations that stand out in this regard—from Google and Salesforce to Samsung and the World Economic Forum—have become some of the most influential of our era. The methods and tools that they use to leverage knowledge, innovation and communication have transformed entire industries in recent years, while also foreshadowing significant changes in the world of development finance.

But while many organizations claim these traits are integral to their value proposition, most are not yet able to manage the processes related to these activities in ways that efficiently deliver better results. Because of this, on May 21, 2018, the Board of Executive Directors created the Knowledge, Innovation and Communication Sector (KIC) to integrate and optimize work done by the Office of External Relations, the Knowledge and Learning Sector (KNL) and the Digital Economy Initiative (DEI).

KIC will help the IDB Group identify, create, apply and disseminate high quality knowledge. It will develop the related technical skills and knowhow of its personnel and promote an internal culture of innovation. KIC will also increase the size and scope of the audience that consumes the Bank's knowledge products, strengthening its institutional branding.

The consolidation of these activities enables KIC to offer a fully integrated suite of services to the IDB Group's members, eliminating duplication and ensuring that a consistent set of metrics is used to measure results. It also allows the IDB Group to leverage its digital channels to offer segmented content and training to diverse audiences and to anticipate their needs through surveys and continuous feedback.



## Institutions for Development Sector (IFD)

In 2018, IFD prioritized efforts to realize the digital economy's potential and create more effective and efficient institutions. Though a range of actions across sectors, IFD helped create ways to improve life for citizens and bolster the environment for business development in Latin America and the Caribbean.

In the area of *innovation in citizen services*, we worked to help governments improve the quality and delivery of public services, augment transparency and public integrity, and enhance public security and e-government. In the area of Data and Digital Government, our portfolio not only grew but we also introduced significant thematic and operational innovations. Cybersecurity became an even more critical component in the design of digital agenda projects and we strengthened efforts to simplify paperwork and reduce bureaucracy.

In response to citizens' demand for greater access to information about their governments, IFD continued to help countries increase transparency in public affairs. In the area of Citizen Security and Justice, we focused on: i) modernizing police forces and making them more professional, including the incorporation of technology and digital tools; (ii) generating data through surveys on violence in families and prisons, as well as using big data analysis to prevent urban crime; and (iii) the generation and dissemination of knowledge.

In the area of *fiscal management*, we focused on strengthening public finances at the national and subnational levels, and on providing technical advice on tax policy, revenue management and public spending quality. Our main activities included programs to: (i) strengthen and increase tax revenue and social security contributions; (ii) strengthen public and private sector investment to spur economic growth; (iii) improve debt and public liability management, including contingencies; (iv) finance social programs that favor inclusive growth via various financial and non-financial instruments; and (v) improve the

efficiency and effectiveness of public spending (at both the national and municipal levels).

Among other things, these initiatives focused on using digitalization to propose solutions to boosting value-added tax collection through the use of electronic billing or the use of taxpayer database analytics. Meanwhile, IDF equipped tax officials with the latest fiscal transparency tools to improve tax controls and promote the regional exchange of information.

In *connectivity, markets, and finance*, we focused on helping countries that are innovating financial instruments to maximize the leverage of the private sector in productive infrastructure and climate change projects. We also focused on aiding in the design of programs to close digital connectivity gaps. In addition, we designed innovative guarantees and public-private financing operations through financial vehicles such as credit lines for investment in energy efficiency. With concessional resources from the Green Climate Fund, we encouraged National Development Banks to spur the creation of markets and leverage private capital and competition through local financial intermediaries and green technology suppliers.

In *connectivity, technology, and innovation*, we helped countries work on digitalization and including regional proposals, such as Building Information Modeling, that improve digitalization. We also helped universities open technology transfer centers. In Colombia, with help from the city of Medellin's innovation agency Ruta N, we helped develop scientifically based disruptive business activities and trained students for the digital era. We also continued to support small and medium sized companies (SMEs), strengthen innovative public policies, and develop of creative industries, innovation ecosystems and social innovation platforms.

## Infrastructure and Energy Sector (INE)

In 2018, the Bank continued to support infrastructure initiatives and projects that help close the





## BOLIVIA

The Rural Electrification Program is improving the quality of life of households with little or no access to electricity services. Photo: Max Berbetty.

basic services gap and support the integration of the countries of the region.

In *energy* infrastructure, the Bank provided loans to Mexico, the Dominican Republic, Guyana and Bolivia to support sustainable electric sectors. The Bank used investment loans to help modernize transmission systems and power distribution in Ecuador, and update a hydroelectric facility in Paraguay.

In *transport*, we focused significant resources on two of the region's largest urban transportation projects: the first line of the Quito Metro and the first line of the Bogotá Metro. We also used programmatic loans to spur logistical reforms in Panama and Honduras.

In *water and sanitation*, we approved financing to clean up the Tietê river in São Paulo, Brazil, to improve water and sanitation in urban areas in Bolivia and to upgrade the sewage system in Ciudad del Plata in Uruguay. In Haiti, we financed two drinking water infrastructure and solid waste management projects, focusing on sustainable infrastructure management.

In the area of *multisector projects*, we designed a line of credit for Brazil's national development

bank, BNDES, so it could invest in innovative public lighting projects, reduce physical and commercial water losses and improve roads in small and medium-sized towns.

We also continued to focus on *regional integration* projects, including a loan to Honduras to strengthen its electrical connections to other Central American countries, a joint loan to Argentina and Uruguay to modernize the binational Salto Grande hydropower plant, and support for integration projects between Argentina and Chile via the Cristo Redentor border crossing.

The *Extractive Sector Initiative*, created in 2017, answered calls for help from practically every country in the region. Notable examples of this include support for territorial development tied to mining in Argentina's Patagonia region, help for the design and implementation of an institutional framework for oil and gas production in Guyana, and technical aid for the design and implementation of hydrocarbon exploration and production rights in Panama.

In line with the Bank's commitment to use projects to promote *sustainability*, 76% of its

infrastructure projects included gender and diversity components or activities, while 40% of its operations included climate financing (dedicating about 70% to mitigation, adaptation, or both).

## Climate Change and Sustainable Development Sector (CSD)

By the end of 2018, about 27% of the IDB Group's total portfolio was considered climate financing, a 12% increase from the previous year. This stems partly from a program to create capacity that expanded to our Country Offices and from the incorporation of climate components in the Country Development Challenges in Barbados, Brazil, Mexico, El Salvador, Panama and Uruguay; the Country Strategies for Bahamas, Chile, Ecuador, Honduras, Nicaragua, Paraguay and Barbados; and in the Sector Policies and Sector Framework Documents for Gender and Diversity, Environment and Biodiversity, and Food Security.

Some of CSD's achievements in 2018 include the launching of a Natural Capital Lab, a space where governments and businesses will work together to incubate concepts that can yield breakthroughs in the financing of conservation, biodiversity and marine ecosystem projects. The lab aims to attract public and private entities to craft high-risk, high-reward approaches to protecting and preserving natural capital. Successful projects can then be scaled up and replicated using various financing sources. France announced plans to contribute €25 million to finance the first round of projects. The IDB will seek contributions from other donors to have at least five projects in execution by the year 2020.

In addition, we prepared and published a definition of sustainable infrastructure for the IDB Group and a focus for its application in the region. We applied it within the framework of sustainable infrastructure pilot programs. We also worked with Peru and Chile to establish a framework for issuing green sovereign bonds. We

approved six technical cooperation agreements focused on delivering sustainable infrastructure projects through NDC Invest, a platform to help countries access resources needed to turn national climate commitments into concrete investment plans and bankable projects. In addition, we supported two IDB Invest projects through *Proadapt*, a tool to evaluate climate risk in the portfolios of Central American financial institutions. We also worked on the development of different municipal bond structure to finance climate action plans in cities.

Elsewhere, we created a strategy for comprehensive urban development to improve housing in vulnerable areas, the construction or improvement of social housing for low-income families, and the restoration and protection of cultural goods and areas of historical or cultural value.

## Social Sector (SCL)

In 2018, SCL backed an innovation program that continues to prioritize investing in people. Two operations stand out because of their substantial advancement in the areas of gender, diversity and inclusion. In Argentina, we approved the world's first loan aimed exclusively at leveraging public policy to reduce gender gaps. In Ecuador, we approved the first loan aimed at reforming and investing in policies to improve inclusion and increase the amount of attention paid to disabled people and other vulnerable groups. Both operations will set precedents for the way multiple sectors can work together to improve diversity and gender equity, both inside governments and within the Bank.

This focus on innovation became central to shaping a digital transformation and ethical technology management agenda that was built into multiple loans and grants, as well as the generation of knowledge from such operations. This allowed us to expand our support to countries seeking to boost access to new technologies and the



## COLOMBIA

An IDB LAB grant supported the expansion of Opportunity International, a non-profit organization devoted to providing diversified financial services and business training to low-income entrepreneurs such as this baker in Barranquilla. Photo: Lina Guzman.

knowledge needed to modernize social services demanded by an increasingly digital citizenry that is experiencing the Fourth Industrial Revolution.

In 2018, we approved 69 operations centered mainly in four areas; (i) the development and interoperability of digital public platforms; (ii) the promotion of the productive inclusion of disabled people; (iii) the incorporation of concepts and applications of behavioral sciences in the social sector; (iv) the use of existing technology to improve the efficiency and quality of the provision of social services.

The percent of approved loans that are strategically aligned with gender themes was 58% at the beginning of October, 2018, surpassing our institutional goal of 40%. Among other things, the projects addressed combatting violence against women, the provision of urban spaces adapted to peoples' different needs, empowering women economically, maternal health and adolescent pregnancy.

## Integration and Trade Sector (INT)

In 2018, INT strengthened its focus on innovation in both operations and research and in promoting private sector participation in regional integration. We engaged in a productive dialogue with governments and other external clients in the region to improve ties and design cutting-edge operations. For instance, we helped design an electronic single window for approving investments in Costa Rica. We helped create a digital platform for trade in Central America that will allow for the interoperability of single trade windows throughout that subregion. In the Southern Cone, we supported integration between Argentina and Uruguay by assisting the production and tourism industries in the area around Salto Grande. We also helped Uruguay bolster its role as a global provider of knowledge-based services.

In research, INT carried out a robust program aimed at facilitating and strengthening business opportunities. We facilitated analytical studies on





## PERU

A \$100 million loan will enable Lima's water and sanitation utility to expand services to several low-income neighborhoods, as well as to increase its capacity to treat waste water. Photo: Yael Rojas.

trade, regional integration and the impact of new technologies. As a complement to these research and operational activities, we continued to support a range of initiatives and strategic alliances aimed at bolstering regional integration, including technical and institutional aid for the Pacific Alliance and the Initiative for the Integration of the Regional Infrastructure in South America. We also reinforced strategic cooperation ties with institutions such as the World Customs Organization and the World Trade Organization.

To promote the private sector's participation in regional economic integration, we organized high-level business forums on trade and investment, as well as events to promote exports, attract investments and help SMEs grow internationally. One of the highlights of 2018 was the III CEO Summit of the Americas held in Lima, Peru and attended by more than 1,000 business leaders from the region's most important companies, 12 heads of state and government, official delegations from 24 countries and representatives from 11 international organizations.

We also continued to support ConnectAmericas, a digital social networking platform to help

companies, especially SMEs, expand to international markets. By the end of 2018, the platform had more than 220,000 registered business members and more than 3.4 million unique users from 220 countries and territories. ConnectAmericas has managed and distributed more than 3,000 purchasing announcements. It has also supported different types of Bank loans, particularly by using data mining during the design and preparation stages. In addition, it has designed and carried out surveys, applied analytics and created visualizations to relate data points to each other. The platform's results have inspired the European Commission, through RedAInvest.com, and the African Development Bank, through the AIFPlatform, to launch platforms that are interconnected with ConnectAmericas.

## Crosscutting Activities

**Public-Private Partnerships.** The PPP one-stop shop carried out technical assistance for the successful implementation of public-partnerships in Argentina, Brazil, Uruguay, Paraguay, Colombia,



Ecuador, Peru, Costa Rica, Honduras, Trinidad and Tobago, and in sectors including transportation, electric power, water and sanitation, health and education. By the end of 2018, we were supporting the preparation of 14 PPP projects. The Global Infrastructure Fund offered more help to finance and carry out due diligence for the Cardenillo Hydroelectric Generation Project in Ecuador. In addition, the Bank completed nine Country PPP Profiles, which analyze the regulatory framework and institutional capacity of countries to implement PPP projects. The Bank's Regional Departments were trained to evaluate PPP projects and we began developing version 3.0 of the our MOOC (massive online open course) on PPPs. The PPP team received support from the Government of Japan, through its Quality Infrastructure Initiative, which contributed \$5 million to finance the preparation of PPP projects. The first is an energy efficiency project for public lighting in Nova Lima, in the Brazilian state of Minas Gerais, to be executed jointly by the IDB and the state-owned lender Caixa Economica Federal. After providing technical assistance to structure Argentina's first PPP contracts for highway corridor projects, which received offers from 32 consortiums for the six corridors offered, the Argentine government asked for the IDB's help in reviewing the transparency and integrity protocol for the financing of the winning consortiums. The PPP team also provided technical assistance to incorporate the best practices and international transparency standards into the protocol that will be applied to the financing contracts for the projects.

**Energy integration.** The Bank continued to support the consolidation of the Regional Electricity Market (REM) in Central American Isthmus countries, as well as its energy integration with Mexico and the diversification of the regional energy matrix. Regional energy exchanges continued to rise, going from 2,457 GWh in 2017 to 2,656 GWh in the third quarter of 2018. In April, the Bank convened a high-level meeting with the region's

energy ministers, the Mexican government and the U.S. government to help strengthen the REM and the infrastructure of the Central American Electricity Integration System (SIEPAC). We made progress on numerous related technical studies and provided technical elements to boost Mexico's interconnection with the SIEPAC and the general design proposal of the Electricity Market of Mexico, Guatemala and the REM. In addition, the Bank approved new financing for Honduras, which includes investing in its efforts to bolster its association with SIEPAC. Finally, we will continue to support a diversification agenda for the regional energy matrix and to support projects to introduce natural gas to the region.

**Trade facilitation.** The Bank continued to support the implementation of the Central American Strategy for Trade Facilitation and Competitiveness, with an emphasis on Coordinated Border Management (CBM). We approved the Panama Border Integration Program, which will modernize infrastructure and equipment and optimize fiscal and parafiscal control processes. In addition, we launched the second phase of the Central American Digital Trade Platform, with financial support from the European Union (€8 million). The platform will complement investment to modernize infrastructure, equipment and border systems in each country, ensuring the interoperability of controls and facilitating international trade processes. Finally, we approved technical cooperation resources to identify investment in infrastructure, equipment and software to improve border connectivity in the region.

**Telecommunications.** The Bank continued supporting the development of the business plan and commercial strategy for REDCA (the regional fiber optic network operator) under the auspices of the Mesoamerica Project. We also carried out studies involving the interconnection of the countries of the Central American Isthmus with Mexico and Colombia. In addition, the IDB continued to accompany

the work to update the Mesoamerican Digital Agenda, which includes the definition of strategic procedures, priorities, projects and actions that will result in a work plan for 2019. Additionally, as executing agency of two technical cooperation activities of the Korea Technology and Innovation Fund in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic, the Bank continued to advance in the design of roadmaps and action plans for the transition from analogue to digital technology.

**Health.** In 2018, within the framework of the Mesoamerican Health Initiative, we made significant progress toward closing the gap in coverage and health quality for the poorest quintile of the Mesoamerican population. We completed evaluations of the initiative's second operation in seven of the eight participating countries and we disbursed resources to Belize, El Salvador, Honduras and Nicaragua, which achieved excellent results. In addition, we approved the initiative's third operation in these four countries. Meanwhile, we made progress preparing projects for the Regional Initiative for the Elimination of Malaria in Mesoamerica and the Dominican Republic, with donations for Belize, El Salvador, Panama and the Dominican Republic. The IDB will continue providing technical and operational assistance to the countries, together with the Pan American Health Organization, the Council of Ministers of Central America and the Dominican Republic, the Executive Directorate of the Mesoamerica Project, and the Clinton Health Access Initiative.

**Natural disaster risk management.** The Bank collaborated with the Coordination Center for the Prevention of Natural Disasters in Central America and the Mexican National Center for Disaster Prevention to update and consolidate the geospatial platform of the Mesoamerican Network for Integrated Risk Management. This platform improves the exchange of information, defines risk maps and vulnerabilities, and strengthens national civil

protection institutions. We helped reinforce the territorial information system, held national meetings to elaborate each country's diagnostics and elaborated a regional communications strategy. We also helped install a monitoring station in the Central American institution, which will be run through the regional platform.

**Northern Triangle.** The Bank continued to be a strategic partner for El Salvador, Guatemala and Honduras, helping them plan, coordinate, communicate about and follow up on actions carried out under the framework of the Plan of the Alliance for Prosperity in the Northern Triangle. In 2018, we established a mechanism to promote public-private investment in strategic sectors; we implemented a training program for consular officials; we created knowledge products that will help in the development of public policies and we helped set up an online portal to distribute information about the plan. The Bank is one of the main sources of financing for Northern Triangle countries. As of October 2018, the active portfolio included 33 loan operations for an approved total of \$2.4 billion (with an undisbursed balance of about \$1.2 billion) and 71 non-reimbursable technical cooperations that total \$59 million. To support countries in their strategic planning, the Bank presented a portfolio of proposed projects needed to modernize logistics corridors and consolidate energy integration at the regional level. To promote coordination among countries and encourage joint initiatives, the Bank organized and financed a meeting of technical groups from the three countries in Washington, ahead of the II Conference on Prosperity and Security, where we analyzed steps we can take to strengthen the plan's agenda. We also supported countries in the design and creation of a web portal that will make it possible to publicize the plan and detail its progress in each country.

**Financing and Risk Mitigation Program for Strategic Investments in the Northern Triangle.** The



## BELIZE

A sustainable tourism program helped this English-speaking nation increase significantly its overnight visitors in several key destinations, giving its principal economic activity a much-needed boost.

Photo: Juan Carlos Espinoza.

Bank approved a financing program to promote public and private investment in infrastructure and strategic sectors to boost economic growth and opportunities for people in the three countries of the Northern Triangle. The program entails a novel regional operational framework with flexibility at the national level. It promotes multisectoral interventions, efficient allocation of public-private resources and coordination and co-financing with other multilateral development banks, countries and donors. The program also supports the creation of infrastructure funds or other investment mechanisms at the national level. At the regional level, the program is complemented by the platform of the Plan of the Alliance for Prosperity of the Northern Triangle, which will support the use of funds, the preparation of projects and coordination at the regional level. We expect it to mobilize additional private resources through the creation of funds and other investment mechanisms.

**Transparency and integrity.** The Bank, in ratifying its commitment to the regional transparency

and integrity agenda, convened a group of international experts to analyze the most recent trends in measures that battle corruption and favor integrity and transparency. The group presented a report that has served as a strategic input for policy discussions with countries and for updating the Institutional Strategy 2020–2023. The experts recognized that countries have made important advances in recent years, such as adopting measures to ensure greater transparency and integrity (in particular, by embracing international standards). However, experts agree that this is insufficient. The report underscored a series of specific areas for potential intervention based mainly on the right of access to information and the need to implement reforms aimed at limiting the discretionary powers of public officials through clear rules and the use of information technology. It also suggested that, given a recent shutdown in public works projects caused by the revelation of large corruption cases, governments should pursue major reforms that guarantee a transparent environment for infrastructure investment resources.

**TABLE III.** Approved Operations (\$5 million or above),<sup>a</sup> 2018 (In millions of U.S. dollars)

| Country    | Name  | Type | Amount |
|------------|---|------|--------|
| Argentina  | Flexible Risk Mitigation Facility. Program to support productive infrastructure financing in Argentina  | FAC  | 490    |
|            | Program to Support Productive Infrastructure Financing in Argentina   | GCR  | 10     |
|            | Promoting Risk Mitigation Instruments and Finance for Renewable Energy and Energy Efficiency Investments  | GCR  | 100    |
|            | Program to Enhance the Management Capacity of the Federal Administration of Public Revenue  | ESP  | 100    |
|            | Program to Drive Growth   | PBP  | 300    |
|            | Phase Two Of The Program To Build Capacity And Improve Safety On The Accesses To The Cristo Redentor Border Crossing                                    | GOM  | 324    |
|            | Program to support gender equality policies   | PBP  | 200    |
|            | Program to support the equity and effectiveness of the social safety net in Argentina   | PFM  | 900    |
| Barbados   | Macroeconomic Emergency Programme to Protect Economic and Social Progress   | SDS  | 100    |
| Bahamas    | Government Digital Transformation to Strengthen Competitiveness   | ESP  | 30     |
| Belize     | Additional Financing for George Price Highway Rehabilitation Project  | ESP  | 7      |
| Bolivia    | Program to Support Pre-Investment for Development II  | ESP  | 15     |
|            | Cultural Heritage Tourism Management Program  | GOM  | 26     |
|            | Water and Sanitation Program for small and medium-sized Cities  | GOM  | 79     |
|            | Program to Strengthen the Electricity Sector  | PBP  | 52     |
|            | Electricity Infrastructure Expansion Program  | ESP  | 78     |
|            | Comprehensive Water Management Program in Urban Areas   | GOM  | 100    |
|            | Program to improve accessibility to maternal and Neonatal health services in Bolivia  | GOM  | 275    |
| Brazil     | City Of São Paulo Health Care Networks Restructuring And Quality Certification Project - Avança Saúde Sp  | ESP  | 100    |
|            | Tietê River Cleanup Program, Stage IV   | GOM  | 300    |
|            | Program To Modernize And Strengthen Agricultural Health And Food Safety Services (Prodefesa)  | LBR  | 160    |
|            |   | TCR  | 35     |
|            | Program Of Urban Improvement And Citizen Security Program (Phase One Of The Sustainable Vitória Action Plan)  | ESP  | 100    |
|            | Fiscal Management Enhancement Project For The State Of Pernambuco - Profisco li-Pe  | ESP  | 37     |
|            | Public Infrastructure Management Investment Program For Municipal Efficiency  | GCR  | 600    |
|            | Fiscal Management Enhancement Project For The State Of Mato Grosso Do Sul - Profisco li-Ms  | ESP  | 48     |
|            | State Program To Support Urban Development And Municipal Infrastructure Improvements: Paraná Urbano III   | ESP  | 118    |
|            | Promotion And Innovation Of Access To Multisector Medium And Long-Term Credit For Productive Investments By Micro, Small And Medium Enterprises (Msmes) | GCR  | 750    |
|            | Fiscal Management Modernization Project For The State Of São Paulo - Profisco li Sp   | ESP  | 87     |
| Colombia   | Modernization And Quality Improvement Of Health Services Networks In Belo Horizonte - Betterhealth-Bh   | ESP  | 56     |
|            | Program to Deepen Fiscal Reform in Colombia II  | PBP  | 600    |
|            | Program for the Improvement of Connectivity and Digitalization of the Economy   | PBP  | 350    |
|            | Metro of Bogota First Line - First tranch   | ESP  | 70     |
| Costa Rica | Support for Strengthening the Institutional Capacity of the Ombudsman's Office  | ESP  | 18     |
|            | Cantonal Road Network II Program  | GOM  | 144    |

*(continued on next page)*



**TABLE III.** Approved Operations (\$5 million or above),<sup>a</sup> 2018 (In millions of U.S. dollars) *(continued)*

| Country            | Name   | Type | Amount |
|--------------------|--|------|--------|
| Dominican Republic | Power Sector Sustainability and Efficiency Program II  | PBP  | 400    |
|                    | Women City   | ESP  | 20     |
|                    | Sustainable Agroforestry Development Program   | LBR  | 106    |
|                    |  | GOM  | 44     |
|                    | Technical Vocational Education and Training Improvement  | ESP  | 70     |
| Ecuador            | Program To Expand Electricity Networks And Reduce Technical Losses In Distribution Systems   | ESP  | 155    |
|                    | Program To Enhance Fiscal Capacity For Public Investment   | ESP  | 50     |
|                    | Modernization And Renewal Program For Ecuador's Power System   | GOM  | 100    |
|                    | Strengthening Of Quality Services Of Early Childhood Development   | ESP  | 50     |
|                    | Support Program For The Social Inclusion Of People With Disabilities In Ecuador  | ESP  | 40     |
|                    | Social Services Reforms To Promote Gender And Disability Equality In Ecuador   | PBL  | 100    |
|                    | Financing Low-Income Housing In Ecuador  | GUA  | 300    |
| El Salvador        | Fiscal Strengthening for Inclusive Growth  | PBP  | 350    |
|                    | Financing of Energy Efficiency in Small and Medium Enterprises   | GCR  | 20     |
| Guyana             | Establishing an Electronic Single Window for Trade   | ESP  | 6      |
|                    | Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)                                   | ESP  | 21     |
|                    | Strengthening the Energy Sector  | PBL  | 12     |
| Haiti              | Transport and Departmental Connectivity  | GOM  | 225    |
|                    | Solid Waste Management in Northern Haiti   | ESP  | 34     |
|                    | Water supply, sanitation and hygiene project in urban, periurban and rural areas in Haiti's Grand North Region                       | GOM  | 125    |
|                    | Temporary Social Safety Net and Skills for Youth   | GOM  | 40     |
| Honduras           | Support for the National Electricity Transmission Program  | GOM  | 155    |
|                    | Civic Coexistence and Neighborhood Improvement Program   | GOM  | 60     |
|                    | Program to Support Social Protection Reforms   | PBP  | 50     |
|                    | Program to improve the management and quality of maternal-neonatal health services   | ESP  | 69     |
|                    | Honduras Transportation And Freight Logistics Sector Reform Program  | PBP  | 90     |
|                    | Comprehensive Strengthening Of Tegucigalpa'S Trauma And Emergency Care Network   | ESP  | 54     |
| Jamaica            | Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases Programme           | HIB  | 100    |
|                    | Skills Development for Global Services in Jamaica  | ESP  | 15     |
| Mexico             | Program to Support the Implementation and Strengthening of the Energy Reform   | PBP  | 600    |
|                    | Program to Strengthen Urban Development and Land-use Management Reform   | PBP  | 600    |
|                    | Energy Efficiency Project in Federal Government Office Buildings   | ESP  | 30     |
|                    | First Operation Under the CCLIP for the Financing of the Shared Telecommunications Network   | GCR  | 100    |
| Peru               | Program supporting reforms to increase productivity in Peru  | PBP  | 100    |
|                    | Program for the Improvement of the Quality and Relevance of University and Technical Higher Education Services at the National Level | ESP  | 75     |
|                    | Program to Create Integrated Health Networks   | GOM  | 125    |
|                    | Forest Investment Projects in Peru   | ESP  | 17     |
|                    | Improving Tax and Customs Revenue Collection Services Through Digital Transformation   | ESP  | 50     |
|                    | Project to Enhance Control Services for Effective, Preventive, and Enabling Control for Public Management                            | ESP  | 50     |

*(continued on next page)*

**TABLE III.** Approved Operations (\$5 million or above),<sup>a</sup> 2018 (In millions of U.S. dollars) *(continued)*

| Country  | Name  | Type | Amount |
|----------|---|------|--------|
| Panama   | Customs Logistics Integration Program   | GOM  | 75     |
|          | Support to the development of territorial connectivity of Panama's central and western regions                        | ESP  | 87     |
|          | Resilient Urban Watershed Program   | ESP  | 100    |
|          | Support For Panama's Transport and Logistics Sector Reform Program III  | PBP  | 200    |
|          | Program for Transparency and Equity in Spending on Social Protection III  | PBP  | 200    |
|          | Program to support the Productive Development through Human Capital   | ESP  | 20     |
| Paraguay | Promoting Private Sector Investments in Energy Efficiency in the Industrial Sector in Paraguay                        | GCR  | 20     |
|          | Project to Improve and Expand Animal Health Services in Paraguay  | ESP  | 15     |
|          | Investments in Public Finances for Sustainable Development  | ESP  | 25     |
|          | Public finance for sustainable development  | PBL  | 300    |
|          | Housing And Rehabilitation Program For Bañado Sur In Asunción   | ESP  | 100    |
|          | Digital Agenda Support Program  | ESP  | 130    |
|          | Project for the Improvement of the National Early Warning System for Hydrometeorological Events in National Territory | ESP  | 10     |
|          | Rehabilitation and Modernization Program for the Acaray Hydropower Plant  | ESP  | 125    |
| Regional | Modernization of the Salto Grande Binational Hydropower Complex   | ESP  | 80     |
|          | Development and Integration Program of the Salto Grande Region  | ESP  | 50     |
|          | Sustainable Energy Facility (SEF) for the Eastern Caribbean Expanded - (SEF Expanded)                                 | GCR  | 60     |
| Suriname | Sustainable Agricultural Productivity Program   | ESP  | 30     |
|          | Health Services Improvement Project   | ESP  | 20     |
| Uruguay  | Financial Program for Productive Development II   | GCR  | 50     |
|          | Neighborhood Improvement Program III  | GOM  | 70     |
|          | Rural Productive Development Program II   | ESP  | 24     |
|          | Ciudad del Plata Sanitation Program, Stage I  | GOM  | 20     |
|          | Uruguay Global: Promoting digital skills for internationalization   | LBR  | 8      |
|          | Budget and Financial Management Program   | ESP  | 17     |

<sup>a</sup> It excludes reformulations.

**TABLE IV.** Subscriptions to Capital Stock, Contribution Quotas and Voting Power  
as of December 31, 2018  
(In millions of United States dollars)<sup>a</sup>

|                                   | Ordinary Capital Subscribed Capital Stock |             |  |             | % of Total<br>Number of<br>Votes <sup>b</sup> |
|-----------------------------------|---|-------------|--|-------------|---|
| Member countries                  | Paid-in                                   | Callable    | Additional<br>paid-in capital <sup>c</sup> | Total       |   |
| Regional developing members       |   |             |  |             |   |
| Argentina                         | \$ 672.9                                  | \$ 18,742.5 | \$ 303.3                                   | \$ 19,718.7 | 11.354  |
| Bahamas                           | 15.1                                      | 341.4       | 6.0  | 362.5       | 0.209   |
| Barbados                          | 8.1                                       | 224.8       | 1.1  | 234.0       | 0.137   |
| Belize                            | 9.3                                       | 189.9       | 4.1  | 203.3       | 0.117   |
| Bolivia                           | 54.0                                      | 1,505.7     | 28.6                                       | 1,588.3     | 0.913   |
| Brazil                            | 672.9                                     | 18,742.5    | 325.5                                      | 19,740.9    | 11.354  |
| Chile                             | 184.8                                     | 5,147.2     | 94.0                                       | 5,425.9     | 3.119   |
| Colombia                          | 184.8                                     | 5,147.2     | 91.0                                       | 5,423.0     | 3.119   |
| Costa Rica                        | 27.0                                      | 753.3       | 13.8                                       | 794.1       | 0.457   |
| Dominican Republic                | 36.1                                      | 1,005.2     | 20.0                                       | 1,061.3     | 0.610   |
| Ecuador                           | 36.0                                      | 1,002.5     | 18.0                                       | 1,056.6     | 0.608   |
| El Salvador                       | 27.0                                      | 751.3       | 12.8                                       | 791.0       | 0.456   |
| Guatemala                         | 34.7                                      | 951.2       | 19.3                                       | 1,005.2     | 0.577   |
| Guyana                            | 10.5                                      | 264.1       | 4.7  | 279.4       | 0.162   |
| Haiti                             | 27.0                                      | 751.3       | 12.9                                       | 791.2       | 0.456   |
| Honduras                          | 27.0                                      | 753.3       | 15.5                                       | 795.8       | 0.457   |
| Jamaica                           | 34.7                                      | 951.2       | 17.0                                       | 1,003.0     | 0.577   |
| Mexico                            | 432.6                                     | 12,048.4    | 197.4                                      | 12,678.4    | 7.299   |
| Nicaragua                         | 27.0                                      | 751.3       | 14.2                                       | 792.4       | 0.456   |
| Panama                            | 27.0                                      | 751.3       | 14.9                                       | 793.1       | 0.456   |
| Paraguay                          | 27.0                                      | 751.3       | 16.6                                       | 794.9       | 0.456   |
| Peru                              | 90.1                                      | 2,508.9     | 47.3                                       | 2,646.3     | 1.521   |
| Suriname                          | 7.2                                       | 143.8       | 3.4  | 154.5       | 0.089   |
| Trinidad and Tobago               | 26.0                                      | 712.8       | 12.5                                       | 751.4       | 0.433   |
| Uruguay                           | 72.2                                      | 2,010.5     | 33.2                                       | 2,115.9     | 1.219   |
| Venezuela                         | 249.3                                     | 5,568.5     | 171.0                                      | 5,988.8     | 3.403   |
| Total regional developing members | 3,020.3                                   | 82,471.4    | 1,498.1                                    | 86,989.9    | 50.0  |
| Canada                            | 241.7                                     | 6,598.8     | 184.1                                      | 7,024.6     | 4.001   |
| United States                     | 1,813.1                                   | 49,500.7    | 2,923.3                                    | 54,237.1    | 30.006  |
| Nonregional members               |   |             |  |             |   |
| Austria                           | 9.6                                       | 263.4       | 11.2                                       | 284.2       | 0.161   |
| Belgium                           | 19.8                                      | 541.7       | 23.6                                       | 585.1       | 0.329   |
| China                             | 0.2                                       | 5.0         | 123.9                                      | 129.1       | 0.004   |
| Croatia                           | 2.9                                       | 80.2        | 3.5  | 86.7        | 0.050   |
| Denmark                           | 10.3                                      | 280.0       | 11.1                                       | 301.4       | 0.171   |
| Finland                           | 9.6                                       | 263.4       | 10.6                                       | 283.6       | 0.161   |
| France                            | 114.5                                     | 3,126.4     | 123.3                                      | 3,364.2     | 1.896   |
| Germany                           | 114.5                                     | 3,126.4     | 127.8                                      | 3,368.7     | 1.896   |
| Israel                            | 9.5                                       | 259.7       | 9.1  | 278.3       | 0.158   |
| Italy                             | 117.4                                     | 3,241.8     | 121.0                                      | 3,480.1     | 1.965   |
| Japan                             | 302.1                                     | 8,248.8     | 326.6                                      | 8,877.5     | 5.001   |
| Korea, Republic of                | 0.2                                       | 5.0         | 1.0  | 6.1         | 0.004   |
| Netherlands                       | 14.6                                      | 325.6       | 18.6                                       | 358.9       | 0.200   |
| Norway                            | 10.3                                      | 280.0       | 10.9                                       | 301.1       | 0.171   |
| Portugal                          | 3.2                                       | 89.2        | 4.4  | 96.9        | 0.055   |
| Slovenia                          | 1.8                                       | 49.0        | 1.9  | 52.8        | 0.031   |
| Spain                             | 117.4                                     | 3,241.8     | 120.0                                      | 3,479.2     | 1.965   |
| Sweden                            | 19.7                                      | 538.3       | 22.7                                       | 580.7       | 0.327   |
| Switzerland                       | 28.4                                      | 776.3       | 36.7                                       | 841.4       | 0.471   |
| United Kingdom                    | 58.1                                      | 1,588.0     | 98.6                                       | 1,744.8     | 0.964   |
| Total nonregional members         | 964.1                                     | 26,330.0    | 1,206.5                                    | 28,500.8    | 15.980  |
| GRAND TOTAL                       | \$6,039.0                                 | \$164,901.0 | \$5,812.0                                  | \$176,752.0 | 100.0   |

<sup>a</sup> Data are rounded; detail may not add to subtotals and grand total because of rounding.

<sup>b</sup> Each member country's voting power is the same in making decisions concerning the operations of the Ordinary Capital. Except where otherwise expressly provided in the Agreement Establishing the Bank, all matters are decided by a majority of the total voting power of the member countries.

<sup>c</sup> Does not affect voting power.

**TABLE V.** Salary Structure - International Staff (as of December 31, 2018) (In U.S. dollars)

| Grade | Representative Job Titles                                     | Salary Range Minimum | Salary Range Maximum | Staff at Grade Level (%) | Average Salary | Average Benefits Budgeted <sup>a</sup> |
|-------|---|----------------------|----------------------|--------------------------|----------------|--|
| P     | President <sup>b</sup>  |                      | 473,934              | 0.1%                     | 473,934        | 199,052.28                             |
| E2    | Vice President  | 300,100              | 405,100              | 0.2%                     | 384,870        | 161,645.54                             |
| E3    | General Manager   | 274,500              | 398,400              | 0.7%                     | 342,152        | 143,703.84                             |
| E4    | Head of Independent Office                                    | 236,700              | 355,700              | 0.8%                     | 298,376        | 125,318.07                             |
| E5    | Sector Manager  | 210,400              | 315,900              | 0.9%                     | 256,510        | 107,734.38                             |
| R     | Country Representative  | 183,700              | 283,900              | 1.5%                     | 218,954        | 91,960.69                              |
| 1     | Division Chief - Principal Technical Leader/Principal Advisor | 183,700              | 283,900              | 4.4%                     | 226,875        | 95,287.58                              |
| 2     | Unit Chief - Principal Specialist/Senior Advisor              | 162,700              | 251,700              | 9.2%                     | 191,735        | 80,528.67                              |
| 3     | Lead Specialist/Advisor                                       | 137,800              | 220,500              | 16.8%                    | 158,635        | 66,626.68                              |
| 4     | Senior Specialist   | 121,300              | 194,000              | 21.7%                    | 132,475        | 55,639.68                              |
| 5     | Specialist  | 110,500              | 165,800              | 19.0%                    | 116,182        | 48,796.24                              |
| 6     | Senior Associate  | 98,200               | 147,200              | 7.4%                     | 102,701        | 43,134.57                              |
| 7     | Associate   | 87,200               | 130,800              | 4.7%                     | 94,888         | 39,853.15                              |
| 8     | Senior Analyst - Senior Administrative Coordinator            | 76,600               | 114,700              | 5.2%                     | 85,142         | 35,759.61                              |
| 9     | Analyst - Administrative Coordinator                          | 67,700               | 101,300              | 4.2%                     | 76,518         | 32,137.71                              |
| 10    | Senior Assistant  | 54,500               | 87,100               | 2.6%                     | 66,887         | 28,092.56                              |
| 11    | Assistant   | 47,500               | 76,000               | 0.3%                     | 50,251         | 21,105.42                              |

<sup>a</sup> Represents average budgeted amount per grade; including medical, life and disability insurance, accrued termination benefits, and other non-salary benefits.

<sup>b</sup> The President's salary does not include an Executive Allowance of \$84,819.

**TABLE VI.** Consolidated Administrative Expenses (In millions of U.S. dollars)

| Category  | 2016 Actual    | 2017 Actual    | 2018 Actual    |
|---|----------------|----------------|----------------|
| Board of Governors  | \$ 3.2         | \$ 4.0         | \$ 4.0         |
| Board of Executive Directors                                | 21.3           | 21.6           | 21.3           |
| Evaluation Office   | 8.2            | 6.9            | 6.9            |
| Independent Consultation and Investigation Mechanism (MICI) | 2.1            | 2.3            | 2.1            |
| Administrative Tribunal                                     | —              | 0.8            | 0.9            |
| Headquarters and Country Offices                            | 512.0          | 539.7          | 546.1          |
| <b>Total Administrative Gross<sup>a,b,c,d,e</sup></b>       | <b>546.8</b>   | <b>575.3</b>   | <b>581.3</b>   |
| Reimbursement from Funds under Administration and IIC       | (12.4)         | (19.1)         | (19.6)         |
| MIF and INTAL Reimbursements, Administrative Income         | (9.4)          | (11.5)         | (12.5)         |
| <b>Total Administrative Net</b>                             | <b>525.0</b>   | <b>544.7</b>   | <b>549.2</b>   |
| Capital   | 61.8           | 52.4           | 50.6           |
| <b>Total Administrative Net and Capital</b>                 | <b>\$586.8</b> | <b>\$597.0</b> | <b>\$599.8</b> |

<sup>a</sup> Excludes depreciation of \$31.0 million, \$33.7 million and \$38.5 million in 2016, 2017 and 2018, respectively.

<sup>b</sup> Excludes pension and post-retirement benefit costs of \$128 million, \$134 million and \$149 million in 2016, 2017 and 2018, respectively.

<sup>c</sup> Excludes \$1.8 million, \$4.3 million and \$1.5 million of capital projects expenditures not capitalized in 2016, 2017 and 2018, respectively.

<sup>d</sup> Includes prepaid expenses of \$5.5 million, \$6.2 million, and \$5.6 million in 2016, 2017 and 2018, respectively.

<sup>e</sup> Excludes expenses reimbursed from Funds under Administration of \$4.3 million, \$4.0 million and \$ 6.7 million in 2016, 2017 and 2018, respectively. Excludes expenses reimbursed from the IIC of \$5.8 million, \$8.6 million and \$ 9.0 in 2016, 2017 and 2018, respectively. In 2016, 2017 and 2018, excludes \$51.4 million, \$63.7 million and \$72.9 million of expenses paid to the IIC, respectively. Excludes \$3.4 million, \$2.2 million and \$2.0 million related to the Restructuring of the Private Sector Activities in 2016, 2017 and 2018, respectively; and \$5.6 million, \$(3.4) million and \$(17.3) million of other non-budgetary expenses in 2016, 2017 and 2018, respectively.



## APPENDIX I. Governors and Alternate Governors

| Country             | Governor                        | Alternate Governor                |
|---------------------|---------------------------------|-----------------------------------|
| ARGENTINA           | Nicolás Dujovne                 | Guido Sandleris                   |
| AUSTRIA             | Hartwig Löger                   | Edith Frauwallner                 |
| BAHAMAS             | Peter Turnquest                 | Marlon S. Johnson                 |
| BARBADOS            | Mia Amor Mottley                | Ian Carrington                    |
| BELGIUM             | Johan Van Overtveldt            | Alexander De Croo                 |
| BELIZE              | Dean Barrow                     | Joseph Waight                     |
| BOLIVIA             | Mariano Prado Noya              | Mario Alberto Guillén Suárez      |
| BRAZIL              | Esteves Pedro Colnago Junior    | Jorge Saba Arbach Filho           |
| CANADA              | Chrystia Freeland               | Rick Stewart                      |
| CHILE               | Felipe Larraín B.               | José Francisco Moreno Guzmán      |
| CHINA               | Yi Gang                         |                                   |
| COLOMBIA            | Alberto Carrasquilla Barrera    | Gloria Alonso Másmela             |
| COSTA RICA          | María del Rocío Aguilar Montoya |                                   |
| CROATIA             | Zdravko Maric                   | Stipe Župan                       |
| DENMARK             | Morten Jespersen                | Anders Oernemark                  |
| DOMINICAN REPUBLIC  | Donald Guerrero Ortiz           | Isidoro Santana                   |
| ECUADOR             | Richard Iván Martínez Alvarado  | Verónica Artola Jarrín            |
| EL SALVADOR         | Nelson Eduardo Fuentes Menjivar | Oscar Ovidio Cabrera Melgar       |
| FINLAND             | Elina Kalkku                    | Satu Santala                      |
| FRANCE              | Bruno Le Maire                  | Odile Renaud-Basso                |
| GERMANY             | Norbert Barthle                 | Marianne Kothé                    |
| GUATEMALA           | Víctor Martínez Ruiz            | Sergio Francisco Recinos Rivera   |
| GUYANA              | Winston DaCosta Jordan          |                                   |
| HAITI               | Ronald Decembre                 | Aviol Fleurant                    |
| HONDURAS            | Rocío Izabel Tábora Morales     | Wilfredo Rafael Cerrato Rodriguez |
| ISRAEL              | Moshe Kahlon                    | Matan Lev-Ari                     |
| ITALY               | Giovanni Tria                   | Ignazio Visco                     |
| JAMAICA             | Nigel Clarke                    | Darlene Morrison                  |
| JAPAN               | Taro Aso                        | Haruhiko Kuroda                   |
| KOREA, REPUBLIC OF  | Dong Yeon Kim                   | Juyeol Lee                        |
| MEXICO              | José Antonio Gzz Anaya          | Miguel Messmacher Linartas        |
| NETHERLANDS         | Sigrid Kaag                     | R.M. (Reina) Buijs                |
| NICARAGUA           | Ivan Adolfo Acosta Montalván    | Manuel Coronel Novoa              |
| NORWAY              | Jens Frolich Holte              | Bjørn Brede Hansen                |
| PANAMA              | Eyda Varela de Chinchilla       | Gustavo Valderrama                |
| PARAGUAY            | Benigno María López Benítez     | Humberto Colmán Castillo          |
| PERU                | Carlos Augusto Oliva Neyra      | Betty Armida Sotelo Bazán         |
| PORTUGAL            | Mário Centeno                   | Maris Teresa Ribeiro              |
| SLOVENIA            | Andrej Bertoncelj               | Andrej Kavcic                     |
| SPAIN               | Nadia Calviño Santamaría        | Ana de la Cueva Fernández         |
| SURINAME            | Gillmore Hoefdraad              | Stephen Tsang                     |
| SWEDEN              | Ulrika Modéer                   | Magnus Lennartsson                |
| SWITZERLAND         | Raymund Furrer                  | Reto Grüninger                    |
| TRINIDAD AND TOBAGO | Camille R. Robinson-Regis       | Joanne Deoraj                     |
| UNITED KINGDOM      | Penny Mordaunt                  | Lord Bates                        |
| UNITED STATES       | Steven Terner Mnuchin           |                                   |
| URUGUAY             | Danilo Astori                   | Pablo Ferreri                     |
| VENEZUELA           | Oswaldo Javier Pérez Cuevas     | Santiago Armando Lazo Ortega      |

As of December 31, 2018.

## APPENDIX II. Executive Directors and Alternates

|   |   |   | Number<br>of Votes | Percentage<br>of Voting<br>Power |
|---|---|---|--------------------|----------------------------------|
| Toshiyuki Yasui. <b>JAPAN</b><br>Malcolm Geere (Alternate). <b>UNITED KINGDOM</b>                                 | <b>Elected by:</b><br>Croatia<br>Japan<br>Republic of Korea   | Portugal<br>Slovenia<br>United Kingdom  | 865,302            | 6.10                             |
| Stefania Antonella Bazzoni. <b>ITALY</b><br>Ute Heinbuch (Alternate). <b>GERMANY</b>                              | <b>Elected by:</b><br>Belgium<br>China<br>Germany<br>Israel   | Italy<br>The Netherlands<br>Switzerland | 712,259            | 5.02                             |
| Alicia Montalvo Santamaría. <b>SPAIN</b><br>Patrick Jean Hervé (Alternate). <b>FRANCE</b>                         | <b>Elected by:</b><br>Austria<br>Denmark<br>Finland<br>France | Norway<br>Spain<br>Sweden               | 687,703            | 4.85                             |
| Eliot Pedrosa (Alternate). <b>UNITED STATES OF AMERICA</b>  | <b>Elected by:</b><br>United States                           |   | 4,253,799          | 30.01                            |
| Armando José León Rojas. <b>VENEZUELA</b><br>Fernando Ernesto de León de Alba (Alternate). <b>PANAMA</b>          | <b>Elected by:</b><br>Panama                                  | Venezuela                               | 547,051            | 3.86                             |
| Juan Bosco Martí Ascencio. <b>MEXICO</b><br>Carlos Augusto Pared Vidal (Alternate). <b>DOMINICAN<br/>REPUBLIC</b> | <b>Elected by:</b><br>Dominican Republic                      | Mexico                                  | 1,121,196          | 7.91                             |
| Marko Marcelo Machicao Bankovic. <b>BOLIVIA</b><br>Marcelo Bisogno (Alternate). <b>URUGUAY</b>                    | <b>Elected by:</b><br>Bolivia<br>Paraguay                     | Uruguay                                 | 366,858            | 2.59                             |
| Federico Ignacio Poli. <b>ARGENTINA</b>   | <b>Elected by:</b><br>Argentina                               | Haiti                                   | 1,674,226          | 11.81                            |
| José Guilherme Almeida dos Reis. <b>BRAZIL</b><br>Sergio Savino Portugal (Alternate). <b>BRAZIL</b>               | <b>Elected by:</b><br>Brazil                                  | Suriname                                | 1,622,236          | 11.44                            |
| Alex Foxley. <b>CHILE</b><br>Rosa Matilde Guerrero Murgueytio (Alternate). <b>ECUADOR</b>                         | <b>Elected by:</b><br>Chile                                   | Ecuador                                 | 528,355            | 3.73                             |
| Guillermo Enrique Rishchynski. <b>CANADA</b><br>Eric Daniel Madueño (Alternate). <b>CANADA</b>                    | <b>Elected by:</b><br>Canada                                  |   | 567,174            | 4.00                             |
| Selwin Charles Hart. <b>BARBADOS</b><br>Arthur Williams (Alternate). <b>JAMAICA</b>                               | <b>Elected by:</b><br>Bahamas<br>Barbados<br>Guyana           | Jamaica<br>Trinidad and<br>Tobago       | 215,269            | 1.52                             |
| José Mauricio Silva. <b>EL SALVADOR</b><br>Francisco José Mayorga Balladares (Alternate). <b>NICARAGUA</b>        | <b>Elected by:</b><br>Belize<br>Costa Rica<br>El Salvador     | Guatemala<br>Honduras<br>Nicaragua      | 357,450            | 2.52                             |
| Gerardo M. Corrochano. <b>PERU</b><br>Sergio Díaz Granados (Alternate). <b>COLOMBIA</b>                           | <b>Elected by:</b><br>Colombia                                | Peru                                    | 657,710            | 4.64                             |
| <b>TOTAL</b>  |   |   | <b>14,176,588</b>  | <b>100.00*</b>                   |

As of December 31, 2018.

\*The total may not add up due to rounding.

### APPENDIX III. Principal Officers

|   |                           |
|---|---------------------------|
| President   | Luis Alberto Moreno       |
| Executive Vice President  | Julie T. Katzman          |
| Vice President for Countries  | Alexandre Meira da Rosa   |
| Vice President for Sectors and Knowledge  | Ana Maria Rodríguez-Ortiz |
| Vice President for Finance and Administration   | Claudia Bock-Valotta      |
| General Manager, Research Department, and Chief Economist, a.i.   | Alejandro Izquierdo       |
| General Manager, Southern Cone Country Department   | José Luis Lupo            |
| General Manager, Andean Group Country Department  | Rafael de la Cruz         |
| General Manager, Central America, Haiti, Mexico, Panama & the Dominican Republic Country Department                     | Verónica Zavala           |
| General Manager, Caribbean Country Department   | Therese Turner-Jones      |
| Secretary   | Germán Quintana           |
| General Counsel   | John Scott                |
| Chief of Staff, Office of the Presidency  | Luis Alberto Giorgio      |
| Chief Advisor to the Executive Vice President   | José Seligmann-Silva      |
| General Manager, Finance Department and Chief Financial Officer   | Gustavo De Rosa           |
| General Manager, Office of Strategic Planning and Development Effectiveness and Chief Development Effectiveness Officer | Luis Miguel Castilla      |
| General Manager, Budget and Administrative Services Department  | Yeshvanth Edwin           |
| General Manager, Human Resources Department, a.i.   | Daniel Fuster             |
| General Manager, Information Technology Department and Chief Information Officer  | Nuria Simo Vila           |
| General Manager, IDB LAB  | Irene Arias               |
| Executive Auditor, Office of the Auditor General  | Jorge da Silva            |
| Sector Manager, Knowledge, Innovation and Communication Sector  | Federico Basaños          |
| Sector Manager, Infrastructure and Energy Sector  | José Agustín Aguerre      |
| Manager, Social Sector  | Marcelo Cabrol            |
| Manager, Institutions for Development Sector, a.i.  | Juan Antonio Ketterer     |
| Manager, Climate Change and Sustainable Development Sector  | Juan Pablo Bonilla        |
| Manager, Integration and Trade Sector   | Fabrizio Operti           |
| Advisor, Office of Outreach and Partnerships  | Bernardo Guillamón        |
| Advisor, Office of Risk Management and Chief Risk Officer   | Federico Galizia          |
| Chief, Office of Institutional Integrity  | Laura Profeta             |
| Director, Independent Consultation and Investigation Mechanism  | Victoria Márquez Mees     |
| Ethics Officer  | Alberto Rivera-Fournier   |

As of December 31, 2018.



## APPENDIX IV. Country Offices and Representatives

|  |   |   |
|--|---|---|
| <b>ARGENTINA, José Luis Lupo</b><br>Calle Esmeralda 130, pisos 19 y 20<br>(Casilla de correo 181, Sucursal 1)<br>Buenos Aires Tel: 4320-1800                             | <b>ECUADOR, Fernando Quevedo</b><br>Avda. 12 de Octubre N24-528 y Cordero<br>Ed. World Trade Center – Torre II, piso 9<br>(Apartado postal 17-07-9041)<br>Quito Tel: 299-6900 | <b>PARAGUAY, Florencia Attademo-Hirt</b><br>Calle Quesada esq.<br>Legión Civil Extranjera<br>(Casilla 1209)<br>Asunción Tel: 616-2000   |
| <b>BAHAMAS, Daniela Carrera Marquis</b><br>IDB House, East Bay Street<br>(P.O. Box N-3743)<br>Nassau Tel: 396-7800   | <b>EL SALVADOR, Carmiña Moreno</b><br>Edificio World Trade Center, piso 4<br>89 Avda. Norte y Calle El Mirador<br>San Salvador Tel: 2233-8900                                 | <b>PERU, Viviana Caro Hinojosa</b><br>Dean Valdivia 148-Piso 10<br>Centro Empresarial Platinum Plaza<br>San Isidro, Lima Tel: 215-7800  |
| <b>BARBADOS, Juan Carlos de la Hoz</b><br>Maple Manor, Hastings<br>(P.O. Box 402)<br>Christ Church Tel: 227-8500   | <b>GUATEMALA, Carlos Melo</b><br>3 <sup>era</sup> Avenida 13-78, Zona 10<br>Torre Citigroup – Nivel 10<br>(Apartado postal 935)<br>Guatemala Tel: 2327-4300                   | <b>SURINAME, César Falconi</b><br>Peter Brunelaan 2-4<br>Paramaribo Tel: 52-1201  |
| <b>BELIZE, Cassandra Rogers</b><br>1024 Newtown Barracks<br>101 1 <sup>st</sup> floor<br>Marina Towers Building<br>(P.O. Box 1853)<br>Belize City Tel: 221-5300          | <b>GUYANA, Sophie Makonnen</b><br>47 High Street, Kingston<br>(P.O. Box 10867)<br>Georgetown Tel: 225-7951  | <b>TRINIDAD AND TOBAGO, Rocío Medina Bolívar</b><br>17 Alexandra Street, St. Clair<br>(P.O. Box 68)<br>Port of Spain Tel: 822-6400  |
| <b>BOLIVIA, Alejandro Melandri</b><br>Edificio “BISA”, piso 5<br>Avda. 16 de Julio, 1628<br>(Casilla 5872)<br>La Paz Tel: 2217-7700                                      | <b>HAITI, Felipe Gómez-Acebo</b><br>Banque interaméricaine de développement<br>Bourdon 389<br>(Boîte postale 1321)<br>Port-au-Prince Tel: 2812-5000                           | <b>URUGUAY, Morgan Doyle</b><br>Rincón 640 esq. Bartolomé Mitre<br>(Casilla de correo 5029)<br>11000 Montevideo Tel: 915-4330   |
| <b>BRAZIL, Hugo Florez Timoran</b><br>Setor de Embaixadas Norte<br>Quadra 802 Conjunto F<br>Lote 39 – Asa Norte<br>70800-400 Brasília, D.F. Tel: 3317-4200               | <b>HONDURAS, Eduardo Marquez Almeida</b><br>Colonia Lomas del Guijarro Sur<br>Primera Calle<br>(Apartado postal 3180)<br>Tegucigalpa Tel: 290-3500                            | <b>VENEZUELA, Moira Paz Estenssoro</b><br>Av. Venezuela, Torre Principal<br>Banco Bicentenario Piso 3,<br>El Rosal, Caracas 1060 Tel: 955-2900  |
| <b>CHILE, Carolyn Robert</b><br>Avenida Pedro de Valdivia 0193, piso 10<br>(Casilla 16611)<br>Correo 9 (Providencia)<br>Santiago Tel: 431-3700                           | <b>JAMAICA, Therese Turner-Jones</b><br>40-46 Knutsford Blvd., 6th floor<br>(P.O. Box 429)<br>Kingston 10 Tel: 764-0815   | <b>INSTITUTE FOR THE INTEGRATION OF LATIN AMERICA AND THE CARIBBEAN</b><br><b>Gustavo Beliz</b><br>Calle Esmeralda 130, pisos 16 y 17<br>(Casilla de Correo 181, Sucursal 1)<br>Buenos Aires Tel: 4323-2350 |
| <b>COLOMBIA, Rafael de la Cruz</b><br>Carrera 7, N 71-21<br>Torre B, piso 19<br>Edificio Bancafe<br>Bogotá Tel: 325-7000   | <b>MEXICO, Tomás Bermúdez</b><br>Avda. Paseo de la Reforma 222, piso 11<br>Colonia Juárez<br>Delegación Cuauhtémoc<br>06600 México, D.F. Tel: 9138-6200                       | <b>OFFICE IN ASIA</b><br><b>Keisuke Nakamura</b><br>Fukoku Seimei Building 16-F 2-2-2<br>Uchisaiwaicho, Chiyoda-ku<br>Tokyo 100-0011, Japan Tel: 3591-0461  |
| <b>COSTA RICA, Fidel Jaramillo</b><br>Centro Corporativo El Cedral<br>Edificio A, piso 4<br>Escazú, San José Tel: 2588-8700  | <b>NICARAGUA, Baudouin Duquesne</b><br>Edificio BID<br>Km. 4 ½ Carretera a Masaya<br>(Apartado postal 2512)<br>Managua Tel: 264-9080  | <b>OFFICE IN EUROPE</b><br><b>Ignacio Corlazzoli</b><br>Calle de Bailén 41<br>Madrid 28005 Tel: 91-364-6950   |
| <b>DOMINICAN REPUBLIC, Miguel Coronado</b><br>Calle Luis F. Thomen esq. Winston Churchill<br>Torre BHD, piso 10<br>(Apartado postal 1386)<br>Santo Domingo Tel: 784-6400 | <b>PANAMA, Verónica Zavala</b><br>Avda. Samuel Lewis, Obarrio<br>Torre HSBC, piso 14<br>(Apartado postal 0816-02900)<br>Panamá 5 Tel: 206-0900                                |   |

As of December 31, 2018.

**Cataloging-in-Publication data provided by the  
Inter-American Development Bank  
Felipe Herrera Library**

Inter-American Development Bank Annual Report 2018: the Year in Review / Inter-American Development Bank.

p. cm.

1. Development banks-Latin America-Yearbooks. 2. Economic assistance-Latin America. 3. Bank loans-Latin America. I. Inter-American Development Bank. Knowledge, Innovation and Communication Sector.

IDB-AN-197

Copyright © 2019 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution-NonCommercial-NoDerivatives (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.

Note that link provided above includes additional terms and conditions of the license.



The Annual Report is produced by the IDB Knowledge, Innovation and Communication Sector.

Managing Editor: Paul Constance

Production Coordinator: Giselle Delgado Marín

Design and Lay-out: The Word Express, Inc.

Cover photo:

Dominican Republic: A pilot project run jointly by a local NGO, a U.S. drone manufacturer and the Dominican Ministry of Health speeds up the delivery of lab samples to rural hospitals. Photo: Smeldy Ramírez.

The independently audited Financial Statements of the Bank, together with Management's Discussion and Analysis: Ordinary Capital, are available at [www.iadb.org/ar2018/fs](http://www.iadb.org/ar2018/fs).

