PRESIDENT'S REPORT

From Vision to Implementation:

A Record Year of Increasing Scale and Impact

IDB Group

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Introduction

This has been a remarkable year for the IDB Group[1]. It was a year in which we delivered record levels of financing while improving the quality of our processes and operations. This is evidence that IDBImpact+ transformational changes are starting to deliver results.

We are moving from designing and approving reforms to putting them into practice — a welcome new phase at the IDB Group.

Benjamin Franklin, the great inventor and Founding Father of the United States, once said it was better to do something well than to say it well. I'd like to share something that was said about us precisely because of what we did well this year.

*"In the past 12 months, the Washington-based institution has reshaped both its balance sheet and its development model to crowd in far more private capital, while continuing to strengthen the public-sector foundations on which lasting growth depends. The results — record mobilization volumes, bold financial innovation, and a measurable shift toward climate and nature outcomes — **have earned the IDB Group the title of Multilateral Development Bank of the Year.**"* — LatinFinance

I'd like to begin my report by highlighting three key messages:

1. We reached our highest-ever level of overall IDB Group financing[2] and the highest number of public-sector operations since 2019, delivering on our goal of scale.

This year, total IDB Group financing, including mobilization, surpassed $35 billion. This includes a historic level of almost $20 billion in sovereign-guaranteed financing. Nearly $11 billion of this amount corresponds to investment lending. On the private-sector side, we delivered over $13 billion in total financing, the highest ever, including core mobilization.

2. We are fully into the implementation phase of IDBImpact+, delivering on the package of reforms approved by our Governors in 2024.

This includes a new institutional strategy to amplify the scale and impact of our development work (IDBStrategy+); a revamped business model and capital increase for IDB Invest (IDBInvest+); and a more scalable, sustainable model and replenishment for IDB Lab (IDBLab+).

[1] The IDB Group is composed of the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IDB Invest), each a public, international organization, and the Multilateral Investment Fund (IDB Lab), which is a trust fund administered by the IDB.
[2] The figures presented throughout this report are subject to change based on the publication of financial statements for the corresponding period. Monetary amounts are in U.S. dollars.

We are well on our way to completing all reforms outlined in IDBStrategy+. **Two important remaining ones are instrument reforms — including strengthening the quality and reviewing the scale of Policy-Based Loans (PBLs)**, which help countries implement reforms that enable private-sector-led growth — **and designing a new Concessional Resources Allocation Framework** to better serve the region's most vulnerable people. Building on the quality reforms of IDBStrategy+, **Management will also present Procure+**, an initiative to strengthen procurement that will raise standards by improving value for money, conflict-of-interest safeguards, and beneficial-ownership reviews in IDB-financed projects.

IDB Invest also implemented key reforms, including strengthening its governance and rolling out its new originate-to-share business model, supported by a $3.5 billion capital increase that is well underway. To date, 41 countries — representing 89.76% of the new shares — have subscribed or committed to subscribe to the capital increase.

In addition, on December 12, **IDB Lab welcomed the entry into force of MIF IV[3] by reaching the 60% threshold regarding the deposit of instruments**. This marks a milestone and the beginning of its new business model designed to enhance financial sustainability and deliver more scalable impact.

3. We are delivering on impact. Through our institutional transformation, we are embedding reforms to improve the quality of our projects and processes, and as a result, their impact.

The quest for quality meant **improving our internal processes and the quality-at-entry of our lending operations**. Preliminary results from the IDB Board's independent assessment of PBL quality-at-entry suggest we have been **heading in the right direction** since 2023, with an ambitious PBL reform still underway.

Ilan Goldfajn
December 2025[4]

[3] MIF III refers to the third funding cycle of the IDB Lab, which entered into force in March 2019. MIF IV refers to the fourth funding cycle of IDB Lab. It is governed by the Agreement Establishing the Multilateral Investment Fund IV and the Agreement for the Administration of the Multilateral Investment Fund IV.

To date, **roughly two-thirds of Impact Framework indicators are on track**[5]. As highlighted in this year's Impact Report, our active portfolios improved the lives of millions of people, including 34 million people receiving quality health and nutrition services, 2.6 million people with new access to broadband services, support for 3.3 million micro, small, and medium-sized enterprises (MSMEs), and improved agricultural services for 900,000 farmers.

Results independently validated by the Office of Evaluation and Oversight (OVE) show that 63% of completed IDB projects received an overall positive rating last year, **a 16 percentage-point increase from the previous year. IDB Invest exceeded its Impact Framework target for this indicator, with 68% of projects rated positively**.

We also continued to **innovate — integrating our flagship regional programs and thematic initiatives into the core of our business**. We moved from designing regional programs to executing and embedding them into our operational work, with more than half of this year's IDB operations supporting the goals of **Amazonia Forever**, **ONE Caribbean**, **América en el Centro**, and **South Connection**. Our existing and new thematic initiatives — **Ready and Resilient Americas**; the **Alliance for Security, Justice, and Development**; and **IDB Cares** — are already creating new projects and lines of business.

Our bold approach to financial innovation is unlocking billions of dollars in public- and private-sector resources for the region. For example, cutting-edge financial solutions, such as Eco Invest in Brazil, have mobilized over $13 billion for resilient investment in its first two auctions, with two other auctions yet to close. That's real impact and scale.

Finally, we are very grateful for this year's external recognitions of our work, which included **LatinFinance's Multilateral Development Bank of the Year Award**, the **International Knowledge Management Award, IDB Invest's BlueMark Impact Verification and Deal of the Year for Scaling4Impact**, as well as **Environmental Finance's Sustainable Debt Awards for our landmark debt-for-nature transactions in Ecuador and The Bahamas**. In addition, the **Overseas Development Institute** surveyed government officials internationally and found they view the IDB as **one of the world's most effective multilateral development banks**. Between 80% and 90% of officials ranked the IDB among MDBs that best support their priorities.

But we still have a long way to go. This year's report offers a new section on lessons learned and challenges that we will need to address, as we strive to deliver more impact on a larger scale.

If our reforms and initiatives are already showing results, it is because of **our employees, our Boards of Executive Directors, and our Governors**, whose dedication and ideas helped us raise our ambitions and execute a bold agenda.

To all of you, I am grateful. You helped us do more for the region we serve — and do it better. And that's our evergreen goal.

[4] A preliminary version of this report was presented by President Ilan Goldfajn to a joint meeting of the IDB and IDB Invest Boards of Executive Directors on December 12, 2025. The current version was adjusted to reflect year-end numbers and other updates.
[5] Based on data available as of January 12, 2026. The latest information can be found on the Impact Framework website: https://www.iadb.org/en/who-we-are/institutional-strategy/measuring-results/mission-scorecard

2025

PRESIDENT'S REPORT

1

Executive Summary

Executive Summary

This has been a year of record scale, full implementation mode on reforms, and all about improving the quality of operations and processes for greater impact by the IDB Group.

- We scaled up — providing **record financing**, mobilizing more resources, and boosting lending capacity.
- We delivered — moving into the **implementation phase** of IDBImpact+, the package of reforms approved by our Governors in 2024.
- As part of our institutional transformation, and to make our development work more effective, **we are embedding reforms to improve the quality of our projects and processes, and as a result, their impact**.
- We continued to **innovate** — mainstreaming regional programs, advancing existing and new thematic initiatives, and pioneering financial innovation.

Including mobilization, total IDB Group financing reached a record of over $35 billion in support for the region.

- The IDB approved 100 operations, the highest number of operations since 2019, for up to $17.8 billion, including almost $11 billion in investment lending. Overall public-sector financing, including non-reimbursable financing and mobilization, reached **almost $20 billion**.
- IDB Invest delivered a record of **$13.1 billion** in total commitments, combining own-account investments and mobilized resources.
- IDB Lab approved 61 projects, for **$110.6 million**.
- Looking ahead, the IDB Group aims to reach **$38 billion** in annual financing support for the region by 2030, including mobilization.
- The IDB has already increased its own Ordinary Capital lending capacity to $16 billion per year for 2025-2026, with a further expansion to **$19 billion annually by 2030** (excluding mobilization).
- For IDB Invest, the recently approved recapitalization and full implementation of its originate-to-share model are expected to raise total activity for private-sector projects to more than **$15 billion annually by 2030**.
- Overall, improved financial efficiency — combined with strong shareholder support — will enable the IDB Group to provide an **additional $110.5 billion** in financial support over the next decade.

The IDB Group is well on its way to completing all reforms outlined in IDBStrategy+.

- Two important ongoing reform efforts include **strengthening the quality and reviewing the scale of Policy-Based Loans** and designing a new **Concessional Resources Allocation Framework**.
- The IDB is finalizing a **Unified Investment Policy** to consolidate investment instruments into a single, flexible framework to boost investment lending.

- Building on IDBStrategy+ quality reforms, Management will present **Procure+**, an initiative to strengthen procurement that will raise standards by improving value for money, conflict-of-interest safeguards, and beneficial-ownership reviews in IDB-financed projects.

We are improving the quality of our processes and operations and, as a result, their impact.

- This includes the approval and rollout of a new **Development Effectiveness Policy Framework**, including digital decision-support tools, updated project preparation procedures, and strengthened results and risk-management systems across the IDB Group.
- We built better Management oversight of operations, checks and balances for operations quality, and risk management via the approval and implementation of a new PR-200, the process we use to prepare operations. We created a new division in the Office of Strategic Planning and Development Effectiveness (SPD) to support teams and **ensure better quality-at-entry**, particularly for policy-based lending.
- We implemented a new approach to Country Strategies and diagnostics, thematic frameworks, and knowledge, to be more selective and ground operations in the best-available evidence.

IDBInvest+ is deep into its implementation phase, with its new originate-to-share model enabled by a $3.5 billion capital increase that is well underway.

- To date, **41 countries — representing 89.76%** of the new shares — have subscribed or committed to subscribe to the capital increase.
- In 2025, IDB Invest reached a record of **$13.1 billion** in total commitments, **while successfully implementing transformational changes** in its structure, governance, and leadership.
- **New initiatives**, such as Colabora Capital Partners, are attracting institutional investors to sustainable infrastructure and other high-impact sectors.
- IDB Invest also **expanded partnerships** in Europe, Asia, and the United States, positioning the region as a more attractive investment destination for critical minerals, renewable energy, and technology.

IDBLab+ is moving from design to execution, with a scalable, sustainable model in place and its replenishment well underway.

- **IDB Lab welcomed the entry into force of MIF IV on December 12, reaching the 60% threshold regarding the deposit of donor commitments. This marks a milestone and the beginning of its new business model designed to enhance financial sustainability and deliver more scalable impact**. Prior to activation, donors completed all MIF III payments, paving the way for MIF IV to take effect. To date, **over 61% of the instruments of acceptance and contribution have been deposited**.
- IDB Lab also launched new venture-debt and equity products for entrepreneurs, with support increasingly aligned with IDB Group programs, such as Amazonia Forever and ONE Caribbean.
- **IDB Lab's new Impact Framework** and pilot programs to measure IDB Lab's impact on poverty also strengthened its capacity to measure and enhance social and environmental results.

Because integration is in our DNA, we are expanding and mainstreaming our four flagship regional programs — Amazonia Forever, ONE Caribbean, América en el Centro, and South Connection.

- **More than half** of this year's IDB operations support these regional-program goals, including 17 projects for Amazonia Forever, 15 for ONE Caribbean, 12 for América en el Centro, and 14 for South Connection.

We listened to our clients' needs in areas such as security and resilience, and in response, we expanded our thematic initiatives and launched new ones.

- This includes **IDB Cares**, focusing on the care economy; **Ready and Resilient Americas**, a regional disaster-resilience alliance; and the **Alliance for Security, Justice, and Development**, a fast-growing coalition of 22 countries to address organized crime.
- We also began preparing the **IDB LAC Minerals initiative** to position Latin America and the Caribbean as a leader in responsible, value-added mining and mineral development.

The IDB Group solidified its reputation as a pioneer in financial innovation.

- We launched **Financial Instruments for Ready and Resilient Americas (FIRRe)**, expanding disaster-risk protection by $2 billion and scaling up Climate-Resilient Debt Clauses.
- A new **Caribbean Multi-Guarantor Facility** will streamline debt-swap operations with multiple partners.
- A new **Direct Subnational Financing Pilot** will enable eligible cities and regions to borrow directly from the IDB, with the first project for Cartagena focused on improving water and drainage services.
- Meanwhile, **Eco Invest Brazil** and the upcoming global **FX EDGE** platform, based on Eco Invest, will pioneer foreign-exchange protection for development investment, and **ReInvest+** — announced with Brazil's COP30 presidency — will help convert performing local loans into investment-grade securities, unlocking private capital for development.

In a changing world, the IDB Group continues to drive reforms in multilateral development banks (MDBs) and expand global partnerships.

- In a complex global environment, **we promoted joint action among MDBs**, while coordinating more closely with the G20 and in other fora to mobilize more resources and work more effectively as an MDB system.
- We signed agreements with **Korea, Japan, Gulf partners**, and others, including a $1 billion private-sector trust fund with the Japan International Cooperation Agency and agreed to create a $300 million co-financing facility with Korea's Export-Import Bank to mobilize private capital for high-impact infrastructure projects.
- In the meantime, disaggregated credit-risk data from the **Global Emerging Markets Risk (GEMs)** database, which we've promoted, show that emerging-market risk is lower than commonly perceived, supporting greater private investment.
- The IDB led **dialogue between MDBs and credit-rating agencies**, resulting in S&P Global Ratings' updating its methodology to highlight MDBs' exceptional capital adequacy, preferred-creditor status, and strong shareholder backing.
- This change enhances transparency, strengthens AAA ratings, and **could result in a significant increase in sovereign-lending capacity**.
- The IDB continued working to be the **partner of choice for OECD-aligned reforms**, supporting accession processes and governance improvements.
- The IDB Group is also supporting countries' efforts to advance the implementation of the **EU-Mercosur trade agreement**.

The IDB Group advanced its People Strategy, based on impact, meritocracy, and trust.

- We strengthened our competitive processes, with **100% of executive-level and country representative positions filled through open competition**.
- Other Human Resources Department (HRD) milestones include launching a redesigned **performance-management system**; implementing a revamped, **Group-wide process for talent acquisition** that strengthens how we identify and attract top talent; and finalizing a **new culture declaration**.

- **We improved our engagement results**: the IDB achieved a score of 8.2 out of 10, reflecting a 0.2-point increase compared to 2024. IDB Invest had an engagement score of 8.3, a 0.1-point increase from the previous year.
- **We updated our Codes of Ethics and whistleblower protections**, reinforcing integrity and inclusion.

Management and the IDB Board made remarkable progress on a comprehensive reform initiative to modernize IDB governance.

- The **Governance Report** outlines 25 specific actions to strengthen IDB governance. Some include sub-actions, bringing the total to 31.
- Of the 25 actions requiring Management to present a proposal to the Board or complete an action, **18 have been completed (72%)**, 4 are in discussion, and 3 depend on the completion of other actions and are therefore expected to be presented in the first half of 2026.

Current and Future Challenges:

- **Maintaining this financing level next year will be challenging**. This year's records — especially in investment operations — required an intensive effort from Management, the Boards, and the operational teams. Replicating this will require the same level of intensity or more.
- It will also require **building consensus** to secure Governors' approval to adjust the 2026 PBL lending limit as well as advancing a PBL reform framework for the future four-year lending periods, in the context of the overall PBL reform. It will also be **key to again exceed the $10 billion target for investment lending**. Success will depend on the effective rollout of the Unified Investment Policy and Management's sustained origination efforts.
- While substantial progress was made on IDBStrategy+ reforms, **some reforms are still pending** — in particular, the PBL and the Concessional Resources Allocation Framework reforms.
- **Implementing the IDBImpact+ reform package is even more demanding than approving it** and will continue to require extraordinary effort across Management, the Boards, and operational teams.
- **Embedding reforms will also continue to require strong change-management efforts**: phased implementation, expanded training, and robust internal communication, among other steps.
- For **IDB Invest**, continued growth and implementation of its business model in 2026 will depend on **timely arrival of capital payments**, as per the payment schedule endorsed by Governors.
- Having activated MIF IV, IDB Lab's priority for 2026 will be to **complete the process of receiving the remaining donor instruments**.
- The core challenge for regional programs and thematic initiatives is **delivery** — ensuring programs and initiatives translate into concrete country projects, private-sector investment, and higher mobilization.
- Among MDBs, global fragmentation is eroding long-standing consensus areas, including aspects of MDB reform, but targeted coalitions can create opportunities for progress. The IDB Group can play a leading role by **championing shared priorities**, such as private-capital mobilization, critical minerals, and disaster-risk readiness.
- **Advancing IDB governance reform** while implementing major institutional changes and delivering record lending will continue to require sustained effort from Management and the IDB Board.
- In 2026, organizational and cultural reforms — **especially those related to meritocracy and competitive hiring** — must continue to be integrated.

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PRESIDENT'S REPORT

2

Scale and Impact: Our Operations

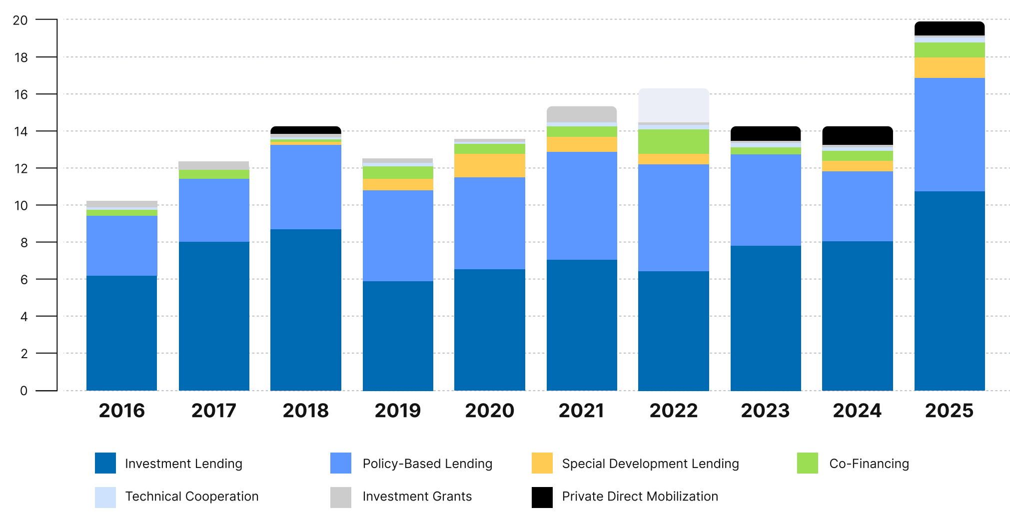
Scale and Impact: Our Operations

2.1 Record Financing

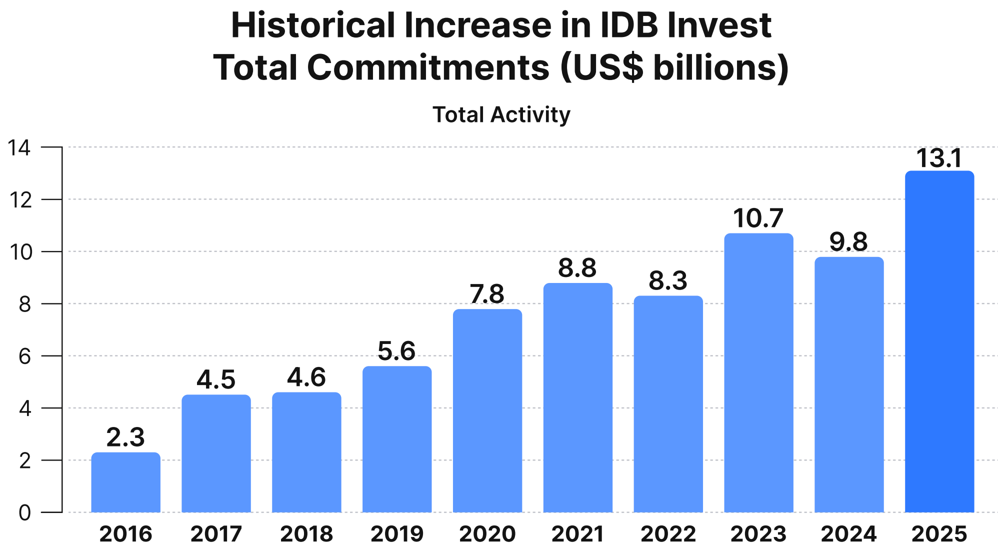
The IDB Group closed the year with a record of over $35 billion in financing for the region, including mobilization.

IDB, IDB Invest, and IDB Lab Financing Support (US$ billions)		
	2024	**2025**
Public-sector financing (IDB)	$14.131	$19.885
Private-sector financing (IDB Invest[6] and IDB Lab)	$9.949	$13.327
PPP advisory services	$2.950	$1.909
Total	**$27.030[7]**	**$35.121**

Historical Increase in IDB Financing (US$ billions)



[6] Includes commitments for advisory services and blended-finance transactions financed with third-party resources.
[7] The overall financing number published in 2024 was updated to include public non-reimbursable financing and direct mobilization.



More Operations at the IDB

In 2025, the IDB approved 100 operations for up to $17.881[8] billion, the highest number of operations since 2019. Overall public-sector financing, including non-reimbursable financing and mobilization, is projected to be $19.885 billion.

Of the total amount approved **almost $11 billion consist of investment operations** — supporting infrastructure[9], social development, and institutional strengthening, among others. This is **up 75% from 2022** and positions us to again reach the ambitious $10 billion goal in 2026. This shows that reforms are working, and the Unified Investment Policy should further boost investment lending.

Non-Reimbursable Financing

The volume of non-reimbursable investment grants and technical cooperation (TC) approvals across the IDB Group reached $433 million in 2025, the second-highest annual level on record. This demonstrates the IDB's sustained ability to attract third party resources and deploy them — together with our own capital — to support our borrowing member countries. To better channel the share of the IDB's own resources dedicated to technical assistance, the Board approved a new Ordinary Capital Strategic Development Program (OC SDP) to optimize the strategic use of technical assistance to help implement IDBStrategy+. The new OC SDP architecture introduces a more streamlined, agile, and impact-driven approach to deploying technical assistance, strengthening the IDB's capacity to respond to country needs and advance institutional priorities.

IDB Invest and IDB Lab

IDB Invest delivered a record of $13.1 billion in total commitments, combining own-account investments and mobilized resources.

IDB Lab approved 61 projects for $110.6 million, including approvals using IDB Lab's own resources, the Social Entrepreneurship Program, and direct-mobilization resources.

[8] This includes $17.377 billion from ordinary capital, $32 million in concessional ordinary-capital resources, $178 million from the IDB Grant Facility, and $294 million from funds under administration. In addition, there was $859 million in co-financing and $765 million in private direct mobilization. Furthermore, $141 million in investment grants was channeled from donor trust funds to supplement or expand the scope of other projects, along with $239 million in technical cooperation projects.

[9] In fact, the IDB's infrastructure portfolio has doubled, signaling a strong post-pandemic recovery in a segment traditionally more complex to design and execute.

IDB Group Mobilization[10]

In 2025, the IDB mobilized $4.84 billion in total third-party financing. This includes $2.67 billion in direct third-party financing[11] and $0.62 billion in indirect third-party financing. Other third-party financing, including concessional cofinancing, funds from public donors, bilateral and multilateral institutions, private companies, philanthropies, foundations, and private donors, totaled $1.54 billion. In addition, co-financing from other MDBs was $1.43 billion.

At IDB Invest, core (direct) mobilization reached $7.7 billion through A-loan and B-loan participations, B-bonds, debt securities, unfunded credit protection, risk participations, and co-financing. Total long-term core mobilization was $5.4 billion, up 49% on the year and 31% above the 2025 target.

IDB Lab raised $36.1 million in core (direct) mobilization in 2025. It also began designing innovative mechanisms to increase participation from private donors, enhancing its capacity to catalyze capital through partnerships.

BID for the Americas

- In 2025 we continued growing **BID for the Americas**, our flagship platform for strengthening trade and investment ties between Latin America and the Caribbean and our non-borrowing member countries.
- The program is now active in **17 of those 22 countries** and **27 cities**. In 2025, it hosted over 175 meetings and connected with **3,500 potential investors and other stakeholders**, while roadshows expanded to new U.S. states and European countries.
- In **public procurement**, participation by firms from non-borrowing countries rose, as registrations by trade and investment professionals and companies on our **ConnectAmericas** platform jumped by 74%.
- **Co-financing transactions** through IDB Invest were up 14% from 2024. Our BID for the Americas app, the program's new AI-powered digital solution, also gained traction, with nearly 2,000 downloads, 3,000 B2B connections, and 14,500 visits in its first year.

2.2 Increasing Lending Capacity

Guided by IDBStrategy+, the IDB Group aims to reach $38 billion in annual lending support to the region by 2030, including mobilization. The IDB has already increased its own Ordinary Capital lending capacity to $16 billion per year for 2025–2026, with a further expansion to $19 billion annually by 2030 (excluding mobilization). For IDB Invest, the recently approved recapitalization and the full implementation of its originate-to-share model are expected to raise total activity for private-sector projects to more than $15 billion annually by 2030.

Achieving meaningful impact requires scale. This expansion in lending capacity has been made possible through balance-sheet optimization measures including, among others, the execution of Exposure Exchange Agreements (EEAs). Overall, improved financial efficiency — combined with strong shareholder support — will enable the IDB Group to provide an additional $110.5 billion in financial support over the next decade.[12]

2.3 Delivering Impact

Through our institutional transformation, we are embedding reforms to improve the quality of our

[10] See definition of direct and indirect third-party financing in the Impact Framework Technical Guidance Note, which is aligned with the harmonized MDB methodology.
[11] Of the $2.67 billion, $1.9 billion corresponds to private-sector investment in public infrastructure in 2025, mobilized by providing advisory services to governments on the preparation and procurement of public-private partnership contracts.
[12] The IDB is committed to increase the annual lending level from $14 billion to $19 billion. Over a decade, this $5 billion increase will translate into $50 billion of additional financing in the region. For IDB Invest, this figure would be an estimated approximately $60.5 billion, due to the capital increase and change in business model. That number includes two different types of lending headroom: $30 billion from fresh capital and $30 billion from capital savings.

projects and processes and, as a result, their impact. The quest for quality meant improving our internal processes and the quality-at-entry of our lending operations. Preliminary results from the IDB Board's independent assessment of PBL quality-at-entry suggest we have been heading in the right direction since 2023, with an ambitious PBL reform still underway.

To date, roughly two-thirds of Impact Framework indicators are on track.[13] As highlighted in this year's Impact Report, our active portfolios improved the lives of millions in 2024, including 34 million people receiving quality health and nutrition services, 2.6 million people with new access to broadband services, 3.3 million MSMEs benefiting from financial or non-financial support, and 900,000 farmers with better access to agricultural services, among other positive impacts. See additional examples below.

The IDB achieved better development results at project completion, while IDB Invest exceeded its Impact Framework target for this indicator. The indicator is based on the independent validation of Project Completion Reports (PCRs) for the IDB and Expanded Supervision Reports (XSR) for IDB Invest by OVE. For the IDB, 63% of PCRs received an overall positive rating in 2024, **a 16 percentage-point increase** from 47% in 2023, though below its 75% target. For IDB Invest, 68% of XSRs received an overall positive rating, above its 65% target and near the 69% achieved in 2023.[14]

Finally, the IDB Group received external recognitions that reflect the growing impact and relevance of our work, including **LatinFinance's Multilateral Development Bank of the Year Award, the International Knowledge Management Award, IDB Invest's BlueMark Impact Verification and Deal of the Year for Scaling4Impact, and Environmental Finance's Sustainable Debt Awards for our landmark debt-for-nature transactions in Ecuador and The Bahamas**. Additional examples are provided below. In addition, the Overseas Development Institute surveyed government officials internationally and found they view the IDB as one of the world's most effective multilateral development banks. Between 80% and 90% of officials ranked the IDB among MDBs that best support their priorities.

Main Institutional Awards Received in 2025

- **LatinFinance's Multilateral Development Bank of the Year (IDB Group)**: recognizing the Bank's regional impact in 2025, including its sweeping institution-level reforms, first-in-market capital innovations, and demonstrable private-sector mobilization gains and nature initiatives at scale
- **International Knowledge Management Award 2025 (IDB)**: recognizing the Bank's leadership in knowledge management for sustainable development and its ability to connect evidence, learning, and action across Latin America and the Caribbean
- **Environmental Finance – Sustainable Debt Awards – Award for Innovation (IDB)**: awarded for the Ecuador debt-for-nature swap (EC-U0007 Guarantee for the Sustainable Development and Biodiversity Program in Ecuador II)
- **Environmental Finance Sustainable Debt Award – Green Loan of the Year (Americas) (IDB)**: awarded for The Bahamas debt-for-nature swap (BH-U0002 Program for Resilient Sustainable Development of the Blue Economy in The Bahamas)
- **IJ Global Investor Awards – Securitization Deal of the Year, Latin America (IDB Invest)**: awarded for the $1 billion portfolio-risk transfer Scaling4Impact, one of the foundational steps in IDB Invest's originate-to-share business model. The transaction was the first securitization focused on Latin American and Caribbean MDB assets for private investors, and the first portfolio-level risk transfer by IDB Invest. It freed up capital, creating additional lending capacity for new development projects.

[13] See footnote 3.
[14] It is important to note that projects not rated satisfactory may still achieve some of their objectives and yield meaningful development outcomes, albeit to a lesser extent than intended. In addition, while MDBs apply similar core criteria in assessing results, methodological differences mean these indicators are not directly comparable across institutions.

- **LatinFinance Awards – DFI-backed Deal of the Year (IDB Invest)**: awarded for the Arauco pulp mill plant in Brazil, creating thousands of jobs, boosting exports, and setting new sustainability standards in pulp production and renewable- energy generation
- **LatinFinance Awards – Bond of the Year (IDB Invest)**: awarded for the $1.8 billion B bond transaction supporting the stabilization of electricity prices in Chile, benefiting households and SMEs, and ensuring energy affordability and financial sustainability for power companies
- **LatinFinance Awards – Infrastructure Financing of the Year (IDB Invest)**: awarded for the Campus San Cristobal project in Central America, expanding access to quality education and sports for 13,000 youth, while fostering inclusion and resilient infrastructure in Guatemala
- **Environmental Finance Sustainable Debt Awards – Social Project Bond of the Year and Award for Innovation in Use of Proceeds (IDB Invest)**: awarded for the Fedecrédito project in El Salvador, supporting access to financing for MSMEs and home acquisition for women, promoting local economic growth
- **Catalyst 2030 Special Recognition Award (IDB Lab)**: recognizing collective efforts in innovation for social inclusion through collaborative, scalable solutions. The award was bestowed by Catalyst 2030, a global initiative launched at the World Economic Forum in Davos, Switzerland.

SNAPSHOT OF **THE IMPACT REPORT**

SOCIAL PROTECTION AND HUMAN CAPITAL DEVELOPMENT

34 million people received quality health and nutrition services

1.2 million people benefiting from quality early-childhood development, schooling and educational programs, and other skills-development services

470,000 people benefited from social safety net programs

70,000 households benefited form housing and urban development solutions

SUSTAINABLE, RESILIENT, AND INCLUSIVE INFRASTRUCTURE

14,000 GWh electricity generated from renewable sources

550,000 people with new or improved access to energy

940,000 people with new or improved access to safely managed drinking water and/ or sanitation

1.6 million people with enhanced access to sustainable transportation infrastructure or services

2.6 million people with new access to broadband services

PRODUCTIVE DEVELOPMENT AND INNOVATION THROUGH THE PRIVATE SECTOR

70,000 direct jobs created

3.3 million MSMEs benefiting from financial and/ or non-financial support

900,000 farmers with improved access to agricultural services and investments for climate adaptation and mitigation

REGIONAL INTEGRATION

1,300 firms
supported on international trade, tourism, and foreign direct investment activities

28.5 million tons
of cargo handled in ports, airports, and railways

BIODIVERSITY, NATURAL CAPITAL, AND CLIMATE ACTION

996,000 people
with enhanced resilience and financial protection against climate disasters and shocks

13.9 million annual tons
of CO_2 equivalent in greenhouse gas emissions avoided

23.7 million
hectares under sustainable management

$2.3 billion
of physical assets secured by investments in climate adaptation

23 countries
with improved disaster-risk management and/or climate change governance

GENDER EQUALITY AND INCLUSION OF DIVERSE POPULATION GROUPS

2.3 million people
benefited by enhanced gender equality and/or inclusion of diverse population groups

780,000 women-led MSMEs
benefiting from financial and non-financial support

7 countries
with strengthened gender equality and diversity policy and institutional frameworks

INSTITUTIONAL CAPACITY, RULE OF LAW, AND CITIZEN SECURITY

8,100 people
with enhanced resilience or capabilities to prevent and respond to crime and violence

27 agencies
and private-sector organizations with strengthened digital capacity

151 agencies
with strengthened, transparent, and accountable domestic resource mobilization, expenditure management, and policy-management capacity

Note: This snapshot is based on results delivered in 2024 by projects in execution.

2.4 Operations Spotlight

Projects approved in 2025 underscore the IDB Group's focus on high-impact development. This section highlights three operations illustrating the year's strategic direction. See annex A for more projects.

- **Strengthening Governance of Disaster-Risk Management – Phase II (The Bahamas | BH-L1062)**: This final operation in a programmatic policy-based series strengthens governance of disaster-risk management (DRM) and positions The Bahamas as a regional leader. Anchored in the IDB's comprehensive support strategy and building on earlier reforms — especially the 2022 DRM Act, which unified key institutions into a single authority — the project supports implementation of the legal framework across all DRM pillars. It aims to raise the scores under our Index of Governance and Public Policy in Disaster Risk Management from 21% to 39%, potentially cutting disaster-related human and economic losses by up to 3% and 4.3%, respectively — equivalent to up to $1 billion. This project aims to benefit over 344,000 people.

- **Guarantee for Non-Conventional Renewable Energy Projects (Ecuador | EC-U0006)**: This operation strengthens Ecuador's electricity sector by reducing reliance on hydropower and boosting climate resilience. By lowering credit risk, the guarantee aims to mobilize $1 billion in private capital for 12 renewable energy projects totaling over 800 MW. The project also illustrates strong synergy with IDB Invest and the private-sector and is the first operation under a new Conditional Credit Line for Investment Projects (CCLIP), paving the way for future energy-sector guarantees.

- **Improving Connectivity and Inclusion Along the Buga-Loboguerrero-Buenaventura Corridor (Colombia)**: IDB Invest anchored $904 million in financing for one of Colombia's most strategic 5G road concessions. Through its originate-to-share model, IDB Invest mobilized co-financiers and secured the full financial package. The project also provides technical assistance to integrate micro, small, and midsize companies, add climate-adaptation measures and promote inclusion along a corridor where nearly 30% of residents live in poverty. Expected results include a 10% cut in travel time, 6% lower vehicle-operating costs, and a stronger role for Buenaventura as one of Colombia's top trade gateways.

Supporting Haiti

In 2025, the IDB Group strengthened its leadership and operational footprint in Haiti, combining immediate support to alleviate extreme fragility with a forward-looking development agenda. A pivotal moment was a mission in May — the first presidential visit since 2017 — which created political traction and reaffirmed our role as Haiti's main development partner. Following a formal mandate from Haiti in February, the IDB assumed responsibility for coordinating, under government leadership and together with the World Bank, United Nations, and the European Union, the design of a Medium-Term Recovery and Development Plan (2025–2030), focused on territorial priorities in the north and south regions. Throughout the year, the IDB led strategic dialogues with donors and partners to align investments and mobilize additional resources around this agenda.

Operationally, the Grant Facility Program for 2025 reached $149.9 million, complemented by $2.4 million in TC resources, with an additional $750,000 expected by year's end, to strengthen project preparation and ensure readiness for the 2026 pipeline.

These efforts reflect the IDB's commitment to channel resources toward countries facing acute fragility within the framework of the **Global Alliance Against Hunger and Poverty**, launched at the G20 Summit in Rio in 2024. Our support in Haiti focused on youth cash-for-work and training, maternal and child health, and school meals under the alliance's Fast Track Initiative.

Jamaica Efforts

Following Hurricane Melissa and at the request of Jamaican Prime Minister Andrew Holness, CAF – Development Bank of Latin America and the Caribbean, the Caribbean Development Bank (CDB), the IDB Group, the International Monetary Fund (IMF), and the World Bank Group jointly assembled a comprehensive package of up to $6.7 billion over three years to strengthen Jamaica's recovery and reconstruction efforts.

Rapid, Early Response Enabled by Jamaica's Planning

The country's robust disaster-risk financing framework enabled the rapid flow of funds to meet urgent response needs. It facilitated critical liquidity to supplement the government's own contingency resources, for a total of $662 million, including $300 million available from the IDB's Contingent Credit Facility (CCF).

Recovery Needs and Institutional Support

With damages estimated at $8.8 billion, recovery will require significant resources and long-term investments. To this end, a financial support package of up to $3.6 billion could be made available to finance the government's recovery and reconstruction program over the next three years, including up to $1 billion in sovereign financing from the IDB in priority areas where the Bank's technical expertise and long-standing engagement can have sustained impact.

Technical Assistance and Grant Support

To ensure Jamaica's recovery is effective, resilient, and informed by global best practices, the five institutions are also providing technical assistance and policy advisory services.

Mobilizing Private Investment for Resilience

Engaging private capital will be essential to scale up recovery efforts and preserve fiscal space. The IDB Group's and World Bank Group's regional platforms are designed to blend public and private solutions from the outset. IDB Invest and the World Bank Group's International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) are working together to mobilize an estimated $2.4 billion in private investment to support Jamaica's recovery and reconstruction, split equally between the IDB Group and the World Bank Group.

2.6 Turning Knowledge into Impact

This year, the IDB was awarded the **International Knowledge Management Award 2025** by Knowledge Management Austria and the global Knowledge for Development Partnership (K4DP). **The distinction recognizes the IDB's leadership in knowledge management for sustainable development and its ability to connect evidence, learning, and action across the region**.

Knowledge is one of the IDB's key comparative advantages. Rather than focusing solely on the volume of studies it produces, **the IDB prioritizes how evidence is integrated into public policy, investment decisions, and the design and supervision of projects**. This approach is reflected in the **IDB Knowledge Loop**, which connects analytical work and operations so that research and data inform project design, while implementation generates new lessons that feed back into future projects and studies.

To sustain this feedback loop, the IDB has **strengthened governance through its Knowledge Advisory Committee (KAC)**, which aligns sector knowledge agendas with institutional priorities across the IDB Group, updates internal policies, and promotes the quality and influence of knowledge products.

The award also shines a light on the Bank's progress in building a modern, digital knowledge ecosystem. The **IDB Group Knowledge Platform** has become the internal, digital backbone for curated and contextualized knowledge, supported by AI, while tools such as the Lessons Learned Writing Assistant turn day-to-day project experience into institutional memory.

In the meantime, we continued producing timely, relevant know-how to help countries design and implement policies with maximum impact. We approved three IDBStrategy+ Approach Documents and work is underway to complete 22 Thematic Framework Documents and 5 Cross-Sectoral Action Plans, which will provide more strategic and selective orientation to our operational teams.

Our flagship Development in the Americas (DIA) series report, ***"Market for Development: Improving Lives through Competition,"*** was one of the year's most groundbreaking products. It gives policymakers insight into how improving market competition can increase growth, reduce inequality, and boost innovation. It shows that economic gains from increased competition are often much larger than expected, underscoring how even modest reforms can yield outsized impact. By offering practical, evidence-based recommendations to remove structural barriers and foster a more competitive environment, the report helps governments design policies that unlock economic potential.

Challenges on Scale and Impact

Maintaining this level of financing next year will be challenging. This year's records — especially in investment operations — required an **intensive effort from operational teams, Management, and the Boards**. Replicating this will require the **same level of intensity or more**. Also, it will require **building consensus** to secure Governors' approval to adjust the 2026 PBL lending limit as well as advancing a PBL reform framework for the future four-year lending periods, in the context of the overall PBL reform. It will also be critical for us to **once again exceed the $10 billion target for investment lending**, which will require the successful rollout of the Unified Investment Policy and sustained origination efforts by Management.

3

IDBImpact+, Deep into the Implementation Phase: From Vision to Action

IDBImpact+, Deep into the Implementation Phase: From Vision to Action

We're actively delivering on IDBImpact+, the package of reforms approved by our Governors at the 2024 Annual Meetings:

I. A new institutional strategy to amplify scale and impact (IDBStrategy+)
II. A revamped business model and capital increase for IDB Invest (IDBInvest+)
III. A more scalable, sustainable model and replenishment for IDB Lab (IDBLab+).

3.1 IDBStrategy+

We are well on our way to completing all reforms outlined in IDBStrategy+. The table below offers a snapshot of this year's progress. The sections that follow highlight a subset of reforms that are particularly relevant for ongoing discussions with the IDB Board and the upcoming 2026 Annual Meetings.

IDBStrategy+ Roadmap for Reforms	Reform Status	Approval Level
1. IDBStrategy+ approach documents	Approved	BOD
2. Impact orientation	Approved	BOD
3. Vulnerability and concessionality	MGMT. proposal under discussion with BOD	BOD/BOG
4. Country classification	Mgmt. is designing a proposal to present to BOD	BOD/BOG
5. Country strategy, dialogue, and programmatic approach	Approved	MGMT
6. Policy-based lending	MGMT. proposal under discussion with BOD	BOD/BOG
7. Innovative instruments and mobilization	Approved	BOD

8. Disaster-related instruments (insurance)	Approved	BOD
9. Investment Instruments	Final version distributed by streamlined procedure without interruptions. Set to be elevated to the Board for approval in January 2026.	BOD/BOG
10. Ordinary capital net income	Some components approved; MGMT. is designing a proposal to present to BOD	BOD/BOG
11. IDB Group synergies	MGMT. is implementing the reform	MGMT
12. Knowledge bank	MGMT. is implementing the reform	MGMT
13. Balance-sheet optimization	Approved	BOD
14. People, incentives, and culture	MGMT. is implementing the reform	MGMT
15. Strategic planning	Approved	BOD
16. Digital transformation	MGMT. is implementing the reform	MGMT
17. Impact Framework	Approved	BOD

BOD – Board/s of Executive Directors BOG – Board/s of Governors MGMT – Management

Modernizing IDB Investment and Policy-Based Financing Instruments

Management and the IDB Board are finalizing a Unified Investment Policy that will merge existing investment instruments into one flexible framework. This will enable more innovative, multi-sector operations, enhance the combination of instruments to support programmatic approaches, and foster deeper collaboration across the IDB Group and with co-financiers. Since November 2024, we've held formal and informal sessions to address Board feedback and clarify key aspects of the reform. In August and November of this year, Management presented an update to the UIP and its Guidelines. With investment lending already at a record high, Management believes this reform will further boost demand and quality.

In 2025, significant progress was achieved in strengthening the quality of PBLs. Complying with a **Governors' mandate to increase the effectiveness of PBLs**, Management launched discussions with the IDB Board in January 2024[15] when it submitted a Proposal to Enhance the Quality and Impact of Policy-Based Operations. The proposal included reforms in four areas — programming, project design, evaluation, and learning — that span the whole project cycle and make the use of PBLs more strategic, technically sound, and aligned with country priorities.

Amid a constructive dialogue, the IDB Board helped further develop and strengthen PBL-quality reform, culminating in a set of 10 quality measures. Since agreeing to them in July, Management has advanced the implementation of many of these measures, including deploying new Country Strategy Guidelines, strengthening project-preparation procedures (PR-200)

[15] GN-3191-1

applicable to PBLs, updating PBL project-document templates to enhance the focus on Theories of Change, reinforcing peer review and quality-control mechanisms, and improving reporting to the Board.

Building on these discussions, Management and the Board are now considering a third revised version of the proposal for a new Policy-Based Financing (PBF) Policy and Guidelines[16]. The proposed policy introduces a modernized framework for PBF operations, enabling the IDB to deploy new instruments and enhance responsiveness to borrowing member countries.

The proposed policy articulates the principles for determining PBF operation size through a Dimensioning Framework. Based on this, Management and the IDB Board are discussing a proposed Dimensioning Framework that offers guidance to operational teams in determining the appropriate size of each PBF, grounded in the operation's potential impact, with the criticality of reforms as a key feature of this concept. If approved, the IDB would set a benchmark among MDBs, as no peer institution currently has a comparable dimensioning framework.

Given increased lending capacity and ongoing improvement of PBL quality[17]**, Management expects to revisit the lending limit set by the IDB Governors in 2011, which limits PBLs to 30% of total lending over a four-year period**. This lending limit is increasingly seen as restrictive, given such strengthened lending capacity and strong regional demand for structural reforms.

Reimagining the Use of Concessional Resources to Better Serve the Region's Most Vulnerable

Management advanced a vulnerability-anchored concessional architecture through continued technical dialogue with the IDB Board. The goal is to strengthen support for the region's poorest countries while reducing vulnerability to external shocks. Dialogue centered on the design of the Concessional Resources Allocation Framework (CRAF), structured around two complementary windows: the Country Window and the Project Window. The Country Window will channel concessional resources to our poorest borrowing members facing systemic vulnerabilities. The Project Window will provide project-level concessionality to borrowers that are highly exposed and weakly resilient to specific, prioritized external shocks. A draft framework was distributed for formal consideration by the IDB Board in early 2026, with the goal of submitting it to the Board of Governors for approval at the 2026 Annual Meetings in Paraguay. To operationalize the CRAF, Management will subsequently present a methodological and operational paper for IDB Board approval in 2026. Once the framework is endorsed, country classification discussions will be sequenced accordingly.

Advancing Quality at the Operational Level

The IDB Group is fostering an effectiveness-based culture by reshaping its internal systems and processes to prioritize development impact. A key internal reform has been the approval this year and rollout of a new Development Effectiveness Policy Framework for the IDB, which sets clearer standards for managing results across the project cycle. As part of this effort, a new, end-to-end, digital decision-support tool, SGDELTA, is being rolled out to guide project teams from preparation through execution and evaluation. In addition, IDB Invest is further reinforcing its end-to-end Impact Management Framework, including enhancing the Development Effectiveness, Learning, Tracking, and Assessment (DELTA) impact rating tool, which assesses impact at entry and throughout supervision. IDB Lab is also strengthening its results-management systems, streamlining the aggregation of outcomes under its Innovation Results Framework to support portfolio-level learning and decision-making.

This institutional transformation marks a significant shift, as we embed reforms in our operational ecosystem. We

[16] The original proposal was first presented to the IDB Board in November 2024.

[17] Preliminary results from the IDB Board's independent assessment of PBLs suggest there is evidence of improvement in 2024 and 2025, compared to 2023.

built better Management oversight of operations, checks and balances for operations quality, and risk management via the approval and implementation of a new PR-200, the process we use to prepare operations. We created a new division in SPD to support teams and ensure better quality-at-entry, particularly for policy-based lending. We implemented a new approach to Country Strategies and diagnostics, thematic frameworks, and knowledge, to be more selective and ground operations in the best available evidence.

An impactful IDB Group requires quality projects, but also agile processes. These reforms go beyond procedural updates. They represent a strategic shift in how we deliver value to our clients. From Country Strategy to an operation's closing, each element is part of a broader, interconnected system aimed at creating a more agile and effective operational cycle. To ensure effective adoption, a comprehensive change-management plan is underway, including targeted communication and training components.

Highlights: Updates to the IDB's Operational Ecosystem for Improved Quality

- **Improving dialogue and pipeline-management tools**: new Country Strategy Guidelines, enhanced connection with the programming process, better pipeline-management process and tools
- **Enhancing focus on quality in project preparation**: an updated PR-200, including new roles for the Quality Review Division and for the Office of Risk Management, as a second line of defense in operations
- **Updating and digitizing templates, annexes, tools, and systems**: theory of change, new Development Effectiveness Matrix (DEM), SGDELTA, Results Matrix
- **Closing the feedback loop in operational learning**: via the Knowledge Platform, creating a network where staff can share best practices; generating more useful data and research through the Intelligence Fund and other groups; improving how the Bank uses lessons learned to strengthen operations
- **Enhancing risk management**: risk screening, updated Risk Matrix
- **Accelerating results-based execution**: Development Effectiveness Rating, Results-Based Portfolio Management approach

Procure+: A Quest for Value for Money, Fairness, and Integrity

Building on IDBStrategy+ quality reforms, Management has been designing a new institutional framework since mid-2025 to strengthen procurement in IDB-financed projects and boost our capacity to deliver impact at scale. The framework reinforces accountability and agility, with faster execution, greater transparency, and closer alignment with other MDBs. Procure+ will better equip teams and executing agencies, raise standards, and **explicitly strengthen value-for-money assessments, anti-conflict of interest controls, and beneficial ownership reviews across the project cycle**. By promoting open competition and data-driven oversight, it will help our projects achieve results with greater efficiency and credibility. Management will present the framework to the IDB Board in 2026.

3.2 IDBInvest+: Capitalization Underway

The transition to IDBInvest+ is well underway thanks to the $3.5 billion capital increase approved by Governors in 2024, which — to date — has been subscribed or committed to by 41 countries, representing 89.76% of the new shares.

Implementing Originate-to-Share

IDB Invest strengthened governance, organizational structure, and leadership — setting the stage for future reforms and closer synergies with the IDB. This will raise impact and ambition, enhance development solutions, reinforce IDB Group synergies, including those between the IDB's and IDB Invest's Boards, achieve greater agility and scalability, and better align IDB Invest's people and culture.

IDB Invest expanded its core structure from five to six departments. As planned, this included the introduction of a new Financial Solutions, Mobilization, and Asset Sharing Department, a driver of financial innovation and resource mobilization to better serve the region's needs. It also included the transformation of the former Investment Operations and Strategy and Development Departments into two new departments: Regions, and Industries and Cross-Cutting Themes, creating a dual approach driven by both industry and regional perspectives to enhance IDB Invest's strategic impact and operational efficiency.

IDB Invest filled key new leadership roles. Working with executive search firms, IDB Invest evaluated over 100 candidates for each position. Nearly 60% of leadership hires came from outside the organization, introducing new perspectives by bringing in fresh talent and strengthening the institution's capacity to deliver on its enhanced mandate.

IDB Invest made operational progress while delivering a record of $13.1 billion in total commitments, combining own-account investments and mobilized resources (as noted in chapter 2). Amid these changes, the region's strong demand for financing and the positive market reaction to the new business model continued to reinforce the thesis that led Governors to approve IDBInvest+. Under the new model, IDB Invest targets impactful investments through a revamped development impact framework, coupled with a bolder risk-management approach. The result is greater impact while safeguarding financial sustainability.

Highlights include:

- **A Bolder Approach to Risk**: In 2025, IDB Invest Management engaged in an in-depth dialogue with the IDB Invest Board, linking the IDBInvest+ strategy with a bolder approach to risk. This included a deep dive on financial risk dimensions[18], including capital allocation, appetites for local currency and credit risk, and non-financial risk dimensions[19] focused on integrity risk, ESG risk, and climate adaptation. These conversations laid a solid groundwork for policy changes to be considered next year.

- **Equity Initiative**: To mobilize more private capital, IDB Invest launched Colabora Capital Partners, an innovative, independently managed investment platform to attract institutional investors, such as pension and sovereign-wealth funds, to development opportunities in Latin America and the Caribbean. Reflecting its new business model, IDB Invest acts as a non-controlling anchor investor to signal confidence and catalyze market interest. Colabora has already assembled its core team, completed legal and marketing groundwork, and begun fundraising. We expect its first fund, focused on sustainable infrastructure, to reach first close in 2026.

[18] CII/GN-590-1
[19] CII/GN-590-2

With a new business model, smarter risk management, and capital mobilization embedded into its work, IDB Invest is set for greater regional and global impact. IDB Invest expanded its work in the international arena by pursuing opportunities in Europe, Asia, and the United States, with a focus on high-impact investments in critical minerals, technology, energy, agribusiness, and sustainable infrastructure.

3.3 IDBLab+Is On: MIF IV Activated

IDB Lab's evolution continued in 2025, marked by major financial and institutional milestones that strengthened its role as the IDB Group's innovation laboratory and venture capital arm for inclusive and sustainable development.

From MIF III to MIF IV

IDB Lab secured all pending MIF III replenishment contributions, clearing the way for MIF IV. To date, 20 countries have made these deposits, **accounting for 61% of the total $205 million pledged. This means that the threshold for MIF IV has been activated and the IDBLab+ process is now in full force**.

Additionally, $41.74 million was paid-in, representing the fastest payment pace of any replenishment cycle to date.

Advancing the IDBLab+ Business Model

IDB Lab began rolling out the IDBLab+ business model, focused on boosting sustainability, scale, and client relevance. A key shift was toward a larger, reimbursable portfolio. In 2025, reimbursable operations such as loans and equity represented more than 70% of approvals from IDB Lab's own resources, which demonstrates its approach to reducing reliance on replenishment cycles and deepening private-sector engagement.

IDB Lab streamlined its four core financial instruments — investments in venture capital funds, direct equity, loans, and grants — and launched venture debt, a new product to address the growing demand from entrepreneurs for flexible and non-dilutive funding. A new seed-stage equity program was launched to support early-stage entrepreneurs in smaller and less mature markets.

Resource mobilization became central to IDB Lab's funding strategy. It met its $35 million target for direct mobilization by blending traditional donor trust funds with innovative mechanisms, such as equity co-investments. IDB Lab's support for entrepreneurial ecosystems increasingly aligned with IDB Group initiatives such as Amazonia Forever and ONE Caribbean, maximizing synergies between public and private capital.

IDB Lab advanced its impact strategy with a new Impact Framework. It launched pilots to measure the impact of poverty and an Impact Enhancement Program to help portfolio companies strengthen social and environmental contributions, which will expand IDB Lab's pipeline of high-impact, investable projects.

In November, IDB Lab hosted the Global Entrepreneurship and Technology for Latin America and the Caribbean Forum (GET Forum) in El Salvador. Co-organized by the IDB Group, the national government, and Grupo Agrisal, the event gathered more than 160 speakers and over 700 global leaders, promoting innovation, productive partnerships, and development for all.

In a landmark step for Caribbean venture capital, IDB **Lab approved a $3 million anchor investment in Morro Ventures Caribbean Fund** — the region's first venture capital fund for early-stage tech startups and SMEs. This catalytic investment positions IDB Lab as the fund's first institutional limited partner, signaling market confidence and helping attract private capital.

After nearly eight successful years under Irene Arias Hofman, IDB Lab begins a new chapter with Graham Macmillan joining as general manager, as of January 5, 2026. Following strong progress to mobilize more capital, innovate, and increase impact, IDB Lab is well positioned to redefine how entrepreneurial innovation for inclusion is financed and scaled across Latin America and the Caribbean.

Challenges on Implementation of IDBImpact+

Approving IDBImpact+ reforms has demanded dedication from staff and the Boards, and implementing them has been — and will continue to be — even more demanding. Having worked day and night, the Boards deserve credit for completing so many reforms. A key lesson learned is the importance of sustained dialogue and consensus-building with and among the Board members, both in formal and informal settings, as demonstrated by the productive PBL retreat in July.

Looking ahead, an important challenge for 2026 will be to finalize pending reforms — such as the PBL and the Concessional Resources Allocation Framework reforms — while operationalizing those already approved. Embedding institutional changes into our operational ecosystem has required — and will continue to require — **strong change-management efforts**, such as phased implementation, expanded training, and strong internal communication, to help teams adopt new tools, procedures, and roles.

IDB Invest faces a similar challenge. It advanced significant institutional reforms while delivering record financing and making strong progress on its recapitalization. **The priority for 2026 will be progress on its capitalization in line with the schedule approved by Governors, so it can fully roll out its business model**.

IDB Lab also underwent a major internal transformation this year. Through sustained engagement, it secured all pending MIF III contributions, activated MIF IV, and made strong progress on its new business model. **The challenge for the new year will be to complete the process of receiving the remaining donor instruments**.

4

Driving Innovation Through New and Existing Programs and Initiatives

Driving Innovation Through New and Existing Programs and Initiatives

4.1 Regional Programs

Four flagship regional programs are integrating a regional approach into our core business, increasing integration and resilience. This year, more than half of the 100 IDB-approved operations supported the goals of **Amazonia Forever** (17), **ONE Caribbean** (15), **América en el Centro** (12), and **South Connection** (14).

Amazonia Forever

Amazonia Forever is scaling impact through financial innovation and investments in sustainable development, biodiversity, and resilience. In 2025, **Amazonia Forever** consolidated its role as our longest-standing regional program. Its portfolio grew from $3.3 billion in 2024 to $5 billion, advancing across all strategic pillars: (i) combating deforestation; (ii) the bioeconomy and creative economy; (iii) people; (iv) cities, connectivity, and sustainable infrastructure; and (v) sustainable, low-carbon agriculture, livestock and forestry.

In November, the IDB issued its first-ever Amazonia Bond, for $100 million, under the $1 billion Amazonia Bond Issuance Program and Guidelines, developed with the World Bank. We also broadened partnership networks, such as by creating the Alliance for Sustainable, Resilient, and Integrated Transport in the Amazon with the World Bank and other partners.

Highlights

- **Operational**: Among several landmark operations, the $130 million River Transport Sustainability Program in Peru introduced floating docks and hybrid boats for medical and school services, improving connectivity for over 175,000 residents in remote areas.
- **Indigenous, community-led initiatives**: Three new Amazonia for Life Fund projects were designed and executed by Indigenous and quilombola organizations: one in Ecuador with Confenaie and two in Brazil with COIAB and CONAQ.
- **Resource mobilization**: New partnerships boosted the program's funding. The Amazon Clean Energy Accelerator was launched in May with $215 million from the Climate Investment Funds to meet energy needs. In June, the Improving Climate Resilience by Increasing Water Security Program secured $162 million from the Green Climate Fund to strengthen water and sanitation systems against climate shocks.

América en el Centro

América en el Centro is driving regional competitiveness by optimizing logistics, accelerating energy integration, and building crucial skills. Launched in 2024, this program tackles shared challenges in Central America, Panama, and the Dominican Republic, fostering a more productive, resilient, and youth-empowered region. In 2025, América en el Centro entered its first full year of implementation.

Highlights

- **CargoPass**: The IDB developed an innovative plan to enhance logistics services along the Pacific Corridor (the region's primary cargo route) by introducing fast-track border clearance for certified operators and digital cargo traceability. Investments would be financed through a user tariff, avoiding fiscal pressure on governments. The proposal was endorsed by the ministers of transportation and finance of Central America, and implementation is anticipated to begin in 2026 through the identification of strategic partners, potentially supported by a regional financial instrument.

- **SIEPAC 2.0**: The IDB promoted high-level dialogue to strengthen the Central American Electrical Interconnection System (SIEPAC) and the Regional Electricity Market (MER). As a result, Central American energy authorities mandated action to advance pending investments and reach the next level of energy integration under SIEPAC 2.0, focusing on extra-regional interconnections, national-grid reinforcements, and development of a second transmission circuit. To support this agenda, the IDB financed technical studies for the Panama-Colombia interconnection and the Third Protocol of the MER Framework Agreement.

- **Talent Up**: América en el Centro launched a regional initiative to align workforce training with labor-market needs in priority value chains. Through a partnership with Google, the initiative will initially focus on developing digital skills, prioritizing vulnerable populations. Preparatory work with national training authorities is underway, with country rollouts planned for 2026.

ONE Caribbean

ONE Caribbean **is accelerating project preparation and resilience through partnerships**. A milestone for ONE Caribbean in 2025 was the launch of the Project Preparation Coordination Mechanism (PPCM), driving a pipeline of critical projects. PPCM links governments and partners with technical expertise to identify, structure, and finance public, private, and public-private partnership (PPP) projects. Sessions were held in Jamaica, The Bahamas, Trinidad and Tobago, and Barbados. So far, 11 projects have been reviewed in renewable energy, port logistics, electricity transmission, and water resilience. Funding is already allocated to two: energy planning in the water sector and the Caymanas Special Economic Zone master plan in Jamaica.

ONE Caribbean also executes non-reimbursable technical cooperations financed by both the IDB's Ordinary Capital and the Multi-Donor Trust Fund (MDTF), approved by the IDB Board in June. Canada and the UK pledged $13 million to the MDTF, deployed across ONE Caribbean's four strategic pillars. Another $1.3 million was mobilized from other sources. In total, $18.9 million funded 18 TCs, laying the foundations for future pipeline investments, such as water transformation in Trinidad and Tobago in 2026.

Highlights

- **Citizen security**: Responding to a call by CARICOM heads of government for deeper regional collaboration, the IDB launched the ONE Safe Caribbean initiative in late 2024. In 2025, it worked with governments, the CARICOM Implementing Agency for Crime and Security, the Regional Security System, the Caribbean Financial Action Task Force, and donor partners to tackle transnational organized crime. Key actions include developing a regional security data platform and a Cybersecurity Technical Assistance Facility, offering vulnerability assessments and resilience support, including for cyberattacks.
- **Private-sector development**: To expand opportunities for SMEs, a new Technical Assistance Facility will support high-growth firms pursuing climate-resilient or adaptation-related projects. These businesses may be eligible for equity or debt investment through the CARICOM Development Fund's Caribbean Community Resilience Fund, supported by IDB Invest and partners. Complementary efforts included the first Caribbean Impact Masterclass for Fund Managers, held in Jamaica, covering impact measurement, deal structuring, and management of venture capital funds.
- **Food security**: In partnership with Amazonia Forever, the program will help modernize irrigation and laboratories in Suriname to boost intraregional food trade. With the World Food Programme, ONE Caribbean has been designing an initiative to strengthen local agricultural production, advancing CARICOM's "25 by 25" food security vision.

South Connection

South Connection is building physical and digital corridors to make South America more competitive. Launched in 2025, South Connection has quickly moved from concept to execution, tackling longstanding barriers to South America's competitiveness, including fragmented infrastructure, costly logistics, and a persistent digital divide. By uniting 11 countries under one framework, it aims to connect people and markets, streamline trade, and harmonize regulations.

Meanwhile, IDB Invest began shaping a complementary portfolio of eight private-sector projects in logistics, energy, manufacturing, and digital infrastructure, while IDB Lab piloted inclusive business models, digital innovations, and solutions for financial inclusion along the routes and corridors connecting countries.

Highlights

Operations approved this year include:

- **Peru**: Delivering reliable broadband to underserved Andean regions (Apurímac, Ayacucho, Junín), boosting digital inclusion, and creating better conditions for regional connectivity.
- **Paraguay**: Promoting the country's international integration by strengthening tools to attract investment, boosting MSME-focused export promotion, and modernizing border management to reduce time and costs of bilateral trade with Brazil.
- **Uruguay**: Providing a senior loan to Grupo RAS, a leading regional transportation and logistics company, to expand the PIR5 logistics hub, boosting storage and distribution capacity and improving the efficiency and resilience of regional trade flows.

4.2 Thematic Initiatives

We listened to our clients' needs in areas such as security and resilience, and in response, we expanded our thematic initiatives, while launching new ones. These are already tackling care gaps, disaster risks, security, and mineral competitiveness.

IDB Cares

Launched at the 2025 Annual Meetings in Santiago, IDB Cares tackles the imbalance in the region's care industry. Despite universal care needs, services remain limited, and women perform three times more unpaid care work than men. IDB Cares is transforming care systems and reducing gender gaps in unpaid work.

The initiative builds on the IDB's experience in care policies through loans, investments, and technical cooperation that have improved service delivery and institutional frameworks in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, the Dominican Republic, and Uruguay. It also leverages the Silver Economy initiative, IDB Lab's support for care-related entrepreneurship, and IDB Invest's work in talent retention and PPP financing for early-childhood centers.

Highlights include the first IDB Cares loan — a $250 million PBL in Costa Rica for long-term care for the elderly and people who are dependent on others — and seven TCs in six countries.

Ready and Resilient Americas

Ready and Resilient Americas **is helping countries manage disasters**. To address urgent risks, the IDB Group and Chile launched the initiative during the 2025 Annual Meetings. Signed by 38 countries, including all 26 borrowing members, and endorsed by 16 partner organizations, it strengthens countries' capacity to cope with disaster through enhanced resilience, response, and financial protection.

Built on three pillars — data for resilience, a regional response alliance, and financial solutions — Ready and Resilient Americas sets a foundation for scalable disaster solutions. The IDB committed $10 million in regional technical cooperation through 2030, aiming to leverage additional resources.

Alliance for Security, Justice, and Development

Our new alliance **for security tackles one of the region's biggest challenges — organized crime**. Launched in Barbados in December 2024, the Alliance has quickly become a leading regional platform against organized crime in Latin America and the Caribbean. This year, it expanded into a 22-country coalition with 13 partners, driving coordinated actions across three pillars: protecting the most vulnerable populations and communities, strengthening institutions, and disrupting illegal financial flows. Working with regional and international institutions, the Alliance has delivered practical tools for security and justice agencies, improved systems for sharing criminal records, and launched pilots for asset recovery and environmental-crime intelligence in the Amazon basin. We also approved an expedited procedure that enables preparation and approval of technical cooperation for emergencies and urgent issues in borrowing member countries in as few as 15 days.

With a project portfolio exceeding **$780 million** — including pioneering security-sector loans in Ecuador, Peru, and Uruguay — the Alliance is becoming a model for regional cooperation. For example, we've received donor funding from the United Kingdom and Spain. Over the next three years, we plan to channel over **$2.5 billion** through our Citizen Security Division to strengthen the region's ability to protect citizens, bolster institutions, and uphold the rule of law.

IDB LAC Minerals

IDB LAC Minerals aims to position the region as a global leader in responsible, secure supply chains for critical minerals. In 2025, the IDB Group laid the groundwork for a forthcoming 2026 agenda that will consolidate our leadership as the region's leading multilateral partner for the responsible and value-added development of critical-mineral ecosystems.

We're helping countries unlock value from their mineral wealth. Building on our regional presence and trusted advisory role, we expanded technical assistance, mobilized financing, and advanced reforms to help countries capture greater value from mineral resources, while upholding high environmental and social standards. Progress in Argentina, Brazil, Chile, the Dominican Republic, Ecuador, and Peru included regulatory modernization, geological-data generation, governance strengthening, and capacity-building for subnational governments and communities. The goal: to turn mineral wealth into long-term competitiveness and local development, not just short-term gains from extraction.

The IDB Group worked to help structure new investment opportunities in midstream processing, refining, and value-chain integration. This will help lay the basis for regional industrialization tied to global energy needs. With the IDB acting as a bridge, strategic alliances with partners, including the European Union, Japan, and global institutions, are mobilizing financing, technology, and risk instruments to accelerate responsible mineral investments. Flagship initiatives, such as the expansion of copper refining and recycling capacity in Chile, show how we're helping countries move up the value chain. These actions will position the region not just as a raw-material supplier, but as a strategic partner for global energy needs and resilient industrial ecosystems.

4.3 Financial Innovation

The IDB Group solidified its reputation as a pioneer in financial innovation, expanding cutting-edge tools to increase access to financing and crowd-in private investment.

Innovative Treasury Instruments for Disaster Risk and Resilience

Guided by the IDBStrategy+ roadmap, the IDB broadened its treasury toolkit in 2025. The IDB Board approved changes to the Global Liability Management Authorization, enabling the launch of the **Financial Instruments for Ready and Resilient Americas (FIRRe) initiative**, a strategic expansion of disaster-risk financing. FIRRe introduces catastrophe insurance and swap mechanisms that embed disaster protection into loan contracts and provide immediate relief when disasters strike.

We expanded the IDB's disaster-risk coverage by $2 billion and launched initiatives to help countries — and, for the first time, companies — manage disasters. This includes scaling up Climate-Resilient Debt Clauses (CRDCs). More governments will gain access to CRDCs, with an additional $1 billion in protection to be made available by 2026, bringing the total coverage to $5.2 billion by the end of that year.

We also initiated a pioneering **Regional Disaster-Risk Transfer Program** to help countries transfer extreme-event risk to insurance and capital markets. For the private sector, we launched a new **Business Resilience Program from IDB Invest**. It introduces next-generation debt clauses to protect private investment from a wider range of shocks. The clauses let companies defer principal payments up to two years, helping de-risk transactions and unlock private investment in sectors such as agribusiness, infrastructure, energy, and tourism.

We also expanded measures to mitigate currency risk. Better derivatives offerings will support new facilities for foreign-exchange hedging (FX hedging), allowing clients to better manage exchange-rate volatility, expand access to local-currency financing, and strengthen sustainable debt management.

New Caribbean Multi-Guarantor Facility

The IDB is creating the next generation of debt-swaps

through regional platforms that streamline execution and expand scale. In recent years, the IDB has pioneered debt-for-development swaps, using its guarantee instrument to help governments mobilize resources for priority investments without increasing debt burdens. These transactions have shown great potential but are limited by their complexity and transactional costs.

The new Caribbean Multi-Guarantor Facility will streamline how guarantors collaborate on a swap. It will bring in non-traditional guarantors, such as private insurers and development finance institutions, to enable larger and more numerous debt swaps, especially in hard-to-finance areas, such as climate resilience and regional public goods. This harmonized approach will also reduce transaction costs and execution times. Developed jointly by the IDB, CAF, and the Caribbean Development Bank, the Facility will also align monitoring and reporting frameworks and be a template for future regional platforms. Its first initiative, a Barbados debt-for-health swap that is in preparation, will channel fiscal savings into health infrastructure and care systems, with participation from other MDBs.

Direct Subnational Financing Pilot

Our new IDB for Cities and Regions initiative will enable cities and subnational governments to access up to $1 billion in financing directly from the IDB. This pioneering five-year pilot program and its combination of financing and technical support is unprecedented in Latin America and the Caribbean. It will let eligible cities, states, and regions invest in resilient infrastructure without a sovereign guarantee, responding to longstanding requests from mayors across Latin America and the Caribbean. The initiative is critical to the region's future, as cities are home to over 80% of its population and are often the places most vulnerable to natural disasters.

The first project, in Cartagena, will expand access to drainage services for nearly 20,000 households in the Ciénaga de la Virgen area, one of the city's poorest neighborhoods, and improve coverage of drinking water for 17,000 households, among other impacts. An urban improvement operation in San José, Costa Rica, is already underway, and three additional projects are in the early stages of preparation, expected to be ready for approval in 2026.

The initiative will also help channel private-sector financing to subnational entities with limited access to capital markets. With the IDB providing technical assistance and strong oversight, we expect investor confidence to grow, paving the way for greater private-sector participation.

FX EDGE to Mitigate FX Risk

Based on Eco Invest, the FX EDGE platform will mobilize billions of dollars for resilient investment. In early 2024, Brazil launched Eco Invest Brasil, in partnership with the IDB and supported by the United Kingdom Sustainable Infrastructure Programme (UKSIP). This landmark program mobilizes foreign private capital and provides FX protection for sustainable investments aligned with Brazil's Ecological Transformation Plan. Eco Invest combines blended financing and innovative hedging instruments to overcome currency volatility and other financial barriers that limit long-term, resilient investment. The program features strong governance, sustainability, and impact-monitoring frameworks, using competitive auctions to allocate catalytic resources efficiently and maximize capital mobilization through public and private financial institutions.

Eco Invest's first two auctions mobilized over $13 billion from 19 financial institutions to finance resilient projects, including to restore 1.4 million hectares of degraded land. The third auction, launched in October 2025, extends the program's reach, attracting foreign private equity through tail-risk FX-hedging instruments to support early-growth and early-stage projects that apply innovation and competitiveness for ecological transformation. The fourth auction, launched in November, focuses on the Amazon and will debut the program's FX Liquidity Facility. These steps will complete the rollout of Eco Invest's full suite of innovative tools.

Building on this success, we launched the FX EDGE platform to replicate Eco Invest globally. Announced at the 4th International Financing for Development Conference in Seville, we'll start FX EDGE in our region and then adapt the model to other emerging markets. Still in its design phase, it will address the persistent mismatch between large pools of international capital and limited long-term investment in developing economies.

ReInvest+: Going Where the Money Is

For too long, the world waited for investors to come to development projects. Now, with ReInvest+, we're taking our projects to where the money is. The IDB Group, along with the Sustainable Business COP30 initiative (SB COP) and Brazil's COP30 Presidency, is designing ReInvest+, an innovative initiative to connect global capital markets with high-impact projects in developing economies. It seeks to unlock some of the more than $3 trillion in performing loans currently on the balance sheets of local banks — assets with proven repayment records, but limited access to international investors. By pooling and enhancing these assets with commercially priced insurance for political and foreign-exchange risks, ReInvest+ aims to convert them into investment-grade, hard-currency securities, opening the door for large institutional investors. Participating local banks would reinvest sale proceeds into projects aligned with national development and climate goals, creating a virtuous cycle of sustainable financing.

Though still in an early phase, we're developing ReInvest+ as a collaborative platform to bring together development banks, commercial lenders, and global investors under a common framework of transparency and reinvestment conditionality.

Challenges on Driving Innovation with New and Existing Programs and Initiatives

We've made remarkable progress scaling regional programs and both existing and new thematic initiatives, mainstreaming them into operations and approaching projects not as isolated interventions, but as interconnected elements of the region's shared development. We've also announced and/or launched innovative financial initiatives. **The challenge ahead will be to make sure they all move from announcement to delivery — ensuring that they translate into more concrete projects in our member countries**.

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5
The IDB Group in a Changing World

The IDB Group in a Changing World

From Our Region to the World and Back

Latin America and the Caribbean is central to global solutions and needs deeper global partnerships. At a time of international uncertainty, the world increasingly views Latin America and the Caribbean as part of the solution to global challenges. The fact is, our region has much of what the world needs, from critical minerals and food to biodiversity in the Amazon. Our region also needs the world. It needs more partnerships, a larger presence on the world stage, and both international development financing and private-sector capital. In 2025, we continued to position the region in the international arena by building bridges, unlocking resources, and amplifying the region's voice abroad.

5.1 MDBs Coordinating in a More Challenging Environment

In a complex global context, MDBs must act even more as a system that delivers greater development impact and scale. In 2024, under the IDB Group's chairmanship, the Heads of MDBs Group approved its first-ever public Joint Action Plan, which shaped the G20 Roadmap recommendations for "better, bigger, and more effective MDBs." Building on this momentum, we reaffirmed private-capital mobilization as a system-wide priority and took concrete steps to expand local- currency lending and FX solutions (e.g., Eco Invest) and strengthen risk assessment for private-sector investment in emerging markets and developing economies.

In this regard, disaggregated credit-risk data from the **Global Emerging Markets Risk Database (GEMs)**, which we have promoted, show that emerging-market risk is lower than commonly perceived, supporting greater private investment.

To further boost the scale of MDB financing, the IDB played a leading role in advancing dialogue between **MDBs and credit rating agencies**, as well as in the publication of a report that outlines progress achieved through MDB advocacy and identifies key areas for future attention. Periodic dialogue between MDBs and rating agencies is key to enhancing transparency and mutual understanding of the banks' unique financial models, helping credit ratings better reflect our low-risk profiles and capacity to mobilize capital for development.

As a result of this dialogue, **S&P Global Ratings updated its methodology for assessing financial strength and risk management at MDBs**. The methodology underscores MDBs' exceptional capital adequacy, preferred-creditor status, and strong shareholder backing, which reinforces their resilience and AAA ratings. This benefits the MDB system by enhancing investor confidence, lowering funding costs, and enabling MDBs to mobilize more private capital for development and climate action. Ultimately, it bolsters the role of MDBs as trusted anchors in global finance, supporting stability and resilient global growth. S&P estimated that this **could significantly increase lending capacity** among MDBs.

In addition, the first **MDB Comparison Report**, prepared by the **Global Risk and Finance Forum (GRaFF)**, strengthened cross-institution benchmarking, enabling shareholders to see what works, compare performance, and maximize the impact of their capital on the development agenda. At our suggestion, the Heads of MDBs Group approved an **MDB-owned dashboard** to coordinate and regularly update priorities and deliverables, track progress systematically, and provide timely guidance — so banks can adjust, refine, or add deliverables as global conditions evolve. MDBs will review priorities on a regular cycle aligned with the World Bank-IMF Spring Meetings, starting in 2026.

Meanwhile, we supported the creation of a comprehensive **Monitoring and Reporting Framework for the G20 Roadmap**. This helps MDBs better communicate progress toward development goals and ensure that our achievements become more visible. It culminated in our inaugural **Implementation Report**, which marked a major step toward greater transparency in joint MDB initiatives.

5.2 Enhanced Partnerships

In **Asia**, we signed the **Korea Package** at the **7th Korea-LAC Business Summit**, which includes an innovative multilateral **credit-substitution guarantee** to expand the IDB's lending capacity in sectors such as artificial intelligence, digital transformation, energy, and critical minerals. We also announced the creation of a **Korea-IDB A.I. Hub** to scale financing and innovation, and secured a **$20 million commitment to replenish the Korea Fund for Technology and Innovation**. In addition, IDB Invest and the Export-Import Bank of Korea agreed to create a **$300 million co-financing facility** to mobilize private capital for high-impact infrastructure projects.

Korea contributed **$8 million** to the **Korean Trust Funds**, which have financed more than **600 TC projects** over the past decade — from smart cities in Brazil to digital connectivity in Honduras.

In **Japan**, we reinforced our partnership with the **Japan International Cooperation Agency**, establishing the **$1 billion TADAC Trust Fund with IDB Invest** — the agency's largest private-sector fund in our region. We also confirmed an **$11 million contribution** to the **Japanese Trust Fund**.

In October, we convened an unprecedented high-level roundtable with the heads of the **Arab Coordination Group (ACG)**. The meeting brought together the Prime Minister of Barbados and finance ministers from The Bahamas, Belize, Chile, Haiti, Jamaica, and Mexico to discuss collaboration on sustainable growth, energy transition, climate resilience, and human capital development. On the sidelines, we signed an **MoU with the Saudi Fund for Development** to facilitate knowledge exchange and capacity building in strategic sectors such as infrastructure, renewable energy, transportation, and social infrastructure.

Additional agreements with Gulf partners in 2025 included: a $100 million framework with Qatar's Education Above All Foundation (EAA) to deepen collaboration in education, skills, and economic empowerment; we welcomed a secondee from EAA — the first ever from a non-member country; an MoU to develop a co-financing facility with the **Qatar Fund for Development (QFFD)**; an agreement with the **Arab Monetary Fund (AMF)** to strengthen cooperation on payment systems and climate markets; a $3 million Project Preparation Facility with **OPEC Fund** for co-financing in transportation, energy, water and sanitation, digital connectivity, and social infrastructure; and a **joint $1 billion commitment with the Islamic Development Bank (IsDB)** over the next five years to support sustainable, inclusive development in **Suriname** and **Guyana**.

While working with partners, we emphasized that partnership is essential to ensuring that our borrowing member countries can effectively tackle shared local, regional, and global challenges, including increasingly costly natural disasters. This requires cross-border solutions, regional and global partnerships, and international investment.

This is why, as noted in chapter 4, we launched FX EDGE to scale the success of Eco Invest Brazil, first in the region, then globally. We also introduced the Amazonia Bonds Issuance Guidelines to help countries and institutions raise private capital for sustainable development in the Amazon region. We followed this by issuing our first Amazonia Bond, raising an initial $100 million out of a $1 billion program to fund high-impact sustainable development projects across the Amazon region.

At COP30, we announced an additional **$6 billion to help close the gaps in financing for resilience and sustainable development** and to support the national priorities of our member countries.

This $6 billion total includes $1 billion from our new **Amazonia Forever for Cities and Resilient Infrastructure Facility**, which is backed by **$200 million** in credit-substitution guarantees from **Impact Fund Denmark**, the **Norwegian Agency for Development Cooperation (Norad)**, and the **Swedish International Development Cooperation Agency (Sida)**, which will support projects related to Amazonia Forever and América en el Centro. As part of this facility, we also launched a **$162 million** Water Security Program with the **Green Climate Fund (GCF)**.

In addition, the IDB and Brazil's Central Bank signed a first-of-its-kind agreement to enable up to **$3.4 billion in foreign-exchange hedging** to help mobilize private investment for sustainable development, starting with Brazil's Eco Invest Program.

Alliances are also key to expanding connectivity, biodiversity, and water security initiatives in the Amazon region. In November, we announced a **$50 million** parallel co-financing agreement with the **French Development Agency (AFD)** to expand submarine cable infrastructure in Brazil, benefiting Amazonian communities. The **Spanish Agency for International Development Cooperation (AECID)** announced **$1.2 million** for **IDB Lab's Sargassum Innovation Quest** and a **$7 million** commitment to the **Spanish Water and Sanitation Fund**, an alliance with the IDB.

5.3 Supporting Country Reforms, OECD Accession Processes, and EU-Mercosur Agreement Work

The IDB is the region's partner of choice for reforms aligned with the Organisation for Economic Co-operation and Development (OECD) and higher standards. In 2025, we solidified our role as the partner of choice for countries seeking to implement reforms and work closer with the OECD. In this role as a bridge, the IDB supports key reforms across multiple sectors and accompanies advanced OECD accession processes (Peru, Argentina), country programs (Paraguay), and deeper early-stage engagement (Panama, Uruguay, Dominican Republic). This is part of our work to reinforce the region's collective capacity to implement high-standard, evidence-based, and internationally recognized reforms that enhance governance, transparency, competitiveness, and sustainable growth.

In addition, we are supporting the efforts of our member countries to deliver on commitments to advance the implementation of the **EU-Mercosur trade agreement**. The agreement **opens a single market of 700 million people**, representing 20% of global GDP, eliminates tariffs on more than 90% of goods and services, and aligns standards, strengthens cooperation, and establishes clear rules. This is the largest expansion of market access for Mercosur since its creation, with impacts across agribusiness, energy, manufacturing, critical minerals, and knowledge-based services, including small and midsized companies' integration into global value chains. Throughout this process, **the IDB Group has been a strategic partner** — providing knowledge, analysis, and institutional support to strengthen the bloc's negotiating capacity — and we are ready to step up support for governments and companies during the ratification and implementation phase.

Challenges in a Changing World

As global fragmentation intensifies, long-standing areas of broad consensus are eroding. One such area is the **reform of MDBs**, where most countries remain generally supportive, yet some divergences have emerged. Each MDB responds to its own governance, strategy, calendars, and incentives, so it's often challenging to coordinate, even when the client is the same. However, **this dynamic also creates opportunities**; by prioritizing and building coalitions around issues that unite us — such as mobilization of private capital, critical minerals, and disaster preparedness — we can make meaningful progress. In addition, by putting the client's needs and experience first, we can all add more value. To do this, it's vital to have strong leadership and commitment at the top.

The IDB Group is well-positioned to be part of the solution to shared challenges. Still, development financing is shrinking globally, and there is a lot of demand for scarce resources to address everything from security to energy resilience. So, we must not rest on our laurels, but find new ways to collaborate and secure funding for our co-financing efforts.

6

People and Culture

People and Culture

In 2025, the IDB Group made significant progress implementing its People Strategy. We strengthened incentives and made progress in five key areas: culture of impact, meritocracy, and trust; total rewards; talent management and leadership development; employment modalities; and HR processes.

Meritocracy remains central to our People Strategy. We strengthened our competitive processes, with **100% of executive-level and Country Representative positions filled through open competition**[20]. Earlier this year, we launched a **revamped Talent Acquisition process** across the IDB Group, significantly improving how we identify and attract top talent. The new approach emphasizes proactive engagement through talent pipelines for critical roles, a new referral program, and targeted sourcing strategies. In parallel, we enhanced our **performance-management framework**, as detailed below, and clarified expectations through updated **leadership standards**. We also refined our **rewards and recognition programs** to better differentiate performance and celebrate excellence, including the introduction of the **Impact+ Awards**, a new way to recognize our culture commitments, excellence, innovation, and how we work as one team across the IDB Group.

Redesigned performance management: We supported our employees in aligning their work programs with IDBStrategy+, with 94% of the work programs approved by the end of Q2. To strengthen a culture of continuous feedback, we introduced quarterly check-ins. We also implemented a revised four-point rating scale to better differentiate performance, deliver targeted feedback, and support employee growth. In parallel, we launched Talent+, an upgraded SAP SuccessFactors platform that improves data integration and agility and simplifies processes.

We finalized a new Culture Declaration, articulated around our pillars — impact, meritocracy, and trust — and updated our value statement, which informed revisions to the Codes of Ethics. We began rolling out the new Culture Declaration by conducting leadership workshops with our senior leaders and launching culture workshops in several country offices.

Improved engagement results: The employee engagement survey remains one of our most important tools to understand how we are doing as an Institution — what is working, what is improving, and where we must continue to grow. With 90% of employees responding, we exceeded the previous year's rate. **In terms of overall engagement, the IDB achieved a score of 8.2, reflecting a 0.2-point increase compared to 2024. IDB Invest reported an engagement score of 8.3, a 0.1-point increase from the previous year**. Regarding

[20] From January 1, 2018, through September 30, 2020, 62% of executive-level positions were filled without a competitive process. Similarly, from October 1, 2020, to November 30, 2022, 73% were filled without a competitive process.

the Employee Net Promoter Score (eNPS)[21], the IDB's score **rose from 43 to 48, while IDB Invest increased from 50 to 53**.

Other HR Highlights

- **Modernized compensation:** As part of the Total Rewards Framework, we updated the salary segmentation approach to strengthen market competitiveness for staff members who demonstrated exceptional performance, hold critical responsibilities, possess scarce skills, and generate impact in their respective areas. We also redesigned the variable pay program by linking compensation directly to the Impact Framework, reinforcing accountability for institutional results.
- **Enhanced staff mobility**: We advanced a framework to promote geographic, intra-Group, and external and functional mobility across the IDB Group, aligning workforce capabilities with organizational needs to strengthen our talent pipeline and foster a more dynamic talent marketplace.
- **Future-ready workforce**: We launched the new Vice Presidency for Human Resources and Digital Transformation, expanded AI for everyday use (1,600 Copilot licenses), and provided digital-fluency training (1,000+ staff, including Board members).

Embedding Ethics at Our Core

This year, we launched new and more robust Codes of Ethics and Professional Conduct for the IDB and IDB Invest. Organized around four core values — **respect, inclusion, integrity, and accountability** — the updated Codes will guide our everyday decisions and actions and are a key part of our broader effort to build a culture rooted in impact, meritocracy, and trust. An important addition emphasizes psychological safety, encouraging a space where all employees can speak up without fear of retaliation. In addition, we updated the IDB's **Whistleblower Protection Policies**, expanding what's protected from retaliation to include the use of informal resources, such as the Office of the Ombuds, and refusal to follow an order that one reasonably believes is unlawful, while clarifying how to request protective measures. The revised Codes also address new topics, such as artificial intelligence and data privacy, reflecting our commitment to ethical standards as our reality changes. In addition to sexual harassment, they now also address prevention of sexual exploitation and abuse.

IDB Governance Reform

Building on the IDB Board's guidance, this administration has taken decisive steps to strengthen governance across the institution. It has fostered a culture of greater meritocracy, developed the Strategic Framework to enhance the Board's strategic role, and advanced additional measures to reinforce sound governance practices. In September 2024, the IDB Board approved the Governance Report, an action plan that included the first comprehensive review of the IDB's governance since the institution's creation in 1959.

The Governance Report outlines 25 specific actions to strengthen governance. Some include sub-actions, bringing the total to 31. Of these, six are to be complied with in the future and/or on an ongoing basis or are not subject to Management's purview (e.g., an OVE evaluation in 2030). **Of the 25 actions requiring Management to present a proposal or fulfill an action, 18 have been completed (72%), four are in discussion, and three are expected to be presented in the first half of 2026**. See annex B for further details.

[21] Employee Net Promoter Score (eNPS): metric that measures how likely employees are to recommend their organization as a place to work. It is calculated by subtracting the percentage of "detractors" from the percentage of "promoters," providing a simple indicator of overall loyalty and advocacy.

Continuous engagement between Management and the IDB Board throughout a busy year of reforms reflects our shared commitment to modernizing the IDB's governance framework and making us one of the most advanced MDBs in this area.

Highlights of Approved Actions

- New regulations for the Secretary, giving the Board a key role in the appointment, renewal, and dismissal of the person in this position, as well as a consultative role in their annual performance review
- Criteria and process for the mutual assessment of the performance of the President and the Board
- A formal mechanism enabling the Board to contract consultants or other external advisory services in specific circumstances
- Procedures for addressing ethics breaches by the President, the EVP, and the VPs
- Amendment to the Principles of Human Resources Management to ensure that, except in specific cases, all staff positions are subject to competitive processes
- Revised guidelines allowing more timely discussions with Board members on the format, agenda, and content of Annual Meetings

Topics under discussion include:

- A comprehensive review of the Principles of Human Resources Management
- A plan to make better use of the Board's time, allowing for more strategic discussions
- A formal process for the President to engage the Board ahead of EVP and VP appointments

Highlights: Improving How We Communicate

A New Brand Identity

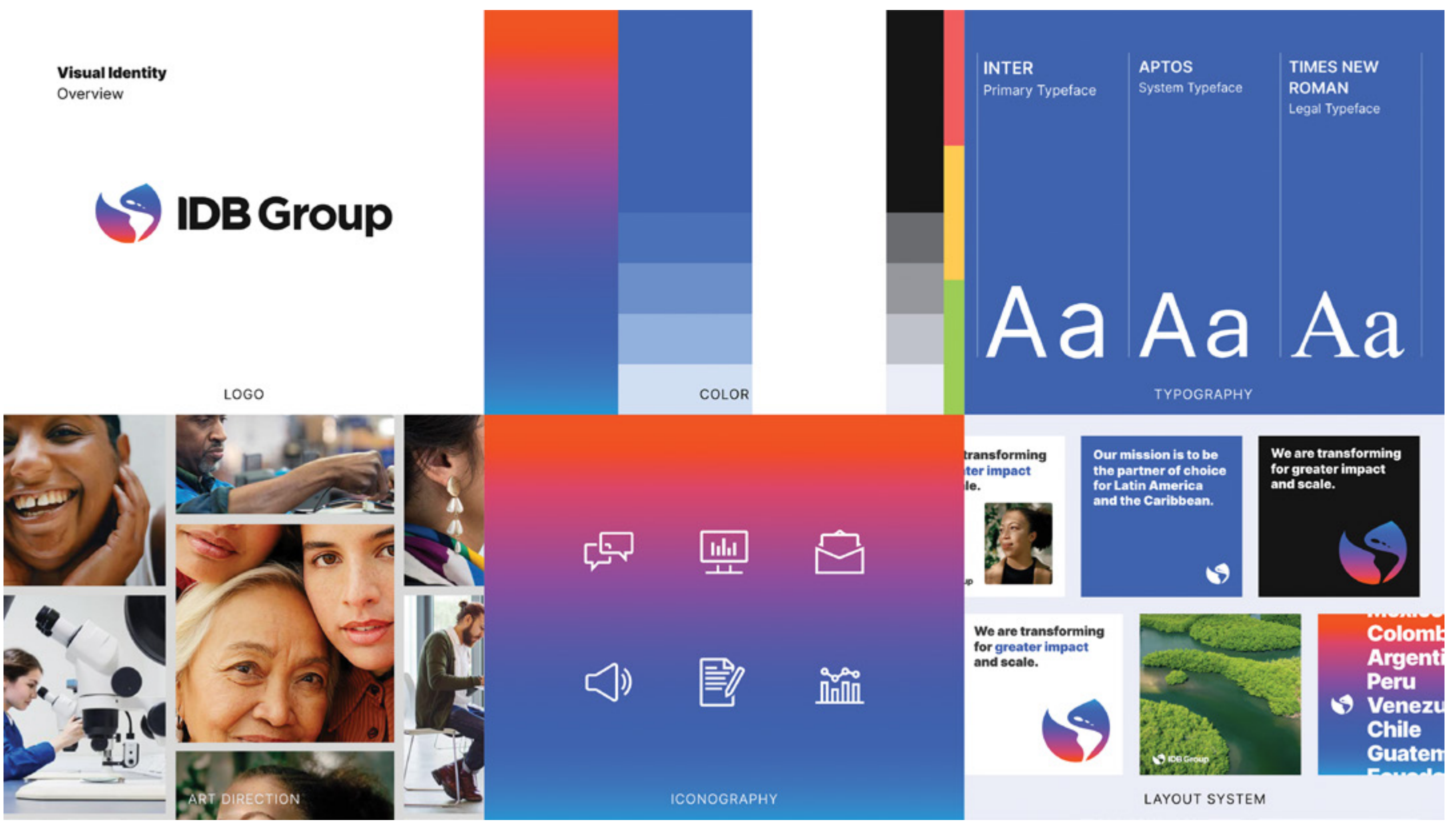
- While implementing reforms across the IDB Group, we also reviewed how we communicate and present ourselves to our stakeholders.
- This included an in-depth market study from a communications and positioning perspective that led to a deeper understanding of stakeholder needs and perceptions. These insights led us to develop a unified brand identity for the IDB Group.
- The new brand reflects the synergistic strengths of our three entities under one umbrella. It also illustrates our evolution, combining visual and verbal expressions that embody the IDB Group's image and voice.
- This includes a new, modern, versatile typeface system that meets accessibility standards; art that reflects our people and region; and a logo that reflects the individuality of our three entities, whose primary colors — cyan, magenta, and orange — are now unified by a signature IDB Group gradient and blue. Why? Because color is a tool for clarity, emotion, and instant recognition.
- A clean, coherent, consistent brand-identity system — spanning visuals, tone, and messaging — ensures every interaction reinforces trust, strengthens recognition, and communicates who we are and what we stand for.

Internal Communications

- Our main internal communications channel, My IDB, had more than 1.6 million visits.
- The President also stepped up personal communications to employees through the "Connect with Ilan" blog. This included 10 posts on institutional updates, reforms, external engagement, and missions. The best-performing post reached 1 of 3 employees (2,400+ views). This year, views rose about 63%.
- The President also hosted three IDB Group-wide town halls and had meetings in five Country Offices to engage with and inform employees, with transparency and accountability to them and our Boards.

External Communications

- While upgrading our corporate website, we also launched a new Korea website and updated our Japan site.
- The IDB also launched a new, unified blog site, backed by strengthened editorial guidelines. Featuring IDB authors and specialists, it will better help audiences access, navigate, and absorb our content.
- We launched a new online catalogue of financial offerings, consolidating information from across the IDB Group to help our member countries and clients determine which instruments can best serve them.
- We rolled out a new procurement website that's more accessible and linked to BID for the Americas.
- Country pages now better position the IDB within the specific context and conversation of each member country.



Challenges on People and Culture

In 2026, we must ensure that organizational and cultural reforms, including those related to meritocracy and competitive hiring processes, are not only adopted and completed, but fully integrated. Building a future-ready workforce — anchored in impact, meritocracy, and trust — will require ongoing investment in talent, digital fluency, and leadership, as well as continued support for staff to navigate new ways of working. Embedding these changes will be essential to sustaining reform momentum and delivering greater impact.

A big challenge this year was advancing our Governance Reform while simultaneously implementing other major institutional reforms and working to deliver record levels of financing. This has required, and will continue to require, **sustained effort from our Management and IDB Board**.

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7 Challenges and Lessons Learned

Challenges and Lessons Learned

For our member countries and clients, this year was one of economic and geopolitical transition, posing **ongoing challenges**.

This also poses a challenge for us, especially if the priorities of our members diverge from each other. Yet, this year has also been a poignant reminder that **transitions can create opportunities**. Our experience at the IDB Group shows that no matter how complex the challenges are, there's always something that aligns us — areas where important interests converge and collaboration is both possible and impactful.

In this environment, I see **four clear areas of common interest**, where we can seize opportunities that benefit everyone. These include **efficiency, private-sector-led development, disaster-risk management and resilience, and improving security — in all its dimensions**.

As we look to 2026 and beyond, we'll continue to seek **common ground**, while addressing both old and emerging challenges. In this chapter, which I'm including for the first time, I'd like to highlight some of the challenges we expect to face.

Scale and Impact

Maintaining this level of financing next year will be challenging. This year's records — especially in investment operations — required an **intensive effort from operational teams, Management, and the Boards**. Replicating this will require the **same level of intensity or more**. Also, it will require **building consensus** to secure Governors' approval to adjust the 2026 PBL lending limit as well as establish a PBL lending framework for the four-year period ahead, in the context of the overall PBL reform. It will also be critical for us to **once again exceed the $10 billion target for investment lending**, which will require the successful rollout of the Unified Investment Policy and sustained origination efforts by Management.

Implementing IDBImpact+

Approving IDBImpact+ reforms has demanded dedication from staff and the Boards, and implementing them has been — and will continue to be — even more demanding. Having worked day and night, the Boards deserve credit for completing so many reforms. A key lesson learned is the importance of sustained dialogue and consensus-building with and among the Board members, both in formal and informal settings, as demonstrated by the productive PBL retreat in July.

Looking ahead, an important challenge for 2026 will be to finalize pending reforms — such as the PBL and the Concessional Resources Allocation Framework reforms — while operationalizing those already approved. Embedding institutional changes into our operational ecosystem has required — and will continue to require — **strong change-management efforts**, such as phased implementation, expanded training, and strong internal communication, to help teams adopt new tools, procedures, and roles.

IDB Invest faces a similar challenge. It advanced significant institutional reforms while delivering record financing and making strong progress on its recapitalization. **The priority for 2026 will be progress on its capitalization, in line with the schedule approved by Governors, so it can fully roll out its business model**.

IDB Lab also underwent a major internal transformation this year. Through sustained engagement, it secured all pending MIF III contributions, activated MIF IV, and made strong progress on its new business model. **The challenge for the new year will be to complete the process of receiving the remaining donor instruments**.

Driving Innovation with New and Existing Programs and Initiatives

We've made remarkable progress scaling regional programs and both existing and new thematic initiatives, mainstreaming them into operations and approaching projects not as isolated interventions, but as interconnected elements of the region's shared development. We've also announced and/or launched innovative financial initiatives. **The challenge ahead will be to make sure they all move from announcement to delivery — ensuring that they translate into more concrete projects in our member countries**.

A Changing World

As global fragmentation intensifies, long-standing areas of broad consensus are eroding. One such area is the **reform of MDBs**, where most countries remain generally supportive, yet some divergences have emerged. Each MDB responds to its own governance, strategy, calendars, and incentives, so it's often challenging to coordinate, even when the client is the same. However, **this dynamic also creates opportunities**; by prioritizing and building coalitions around issues that unite us — such as mobilization of private capital, critical minerals, and disaster preparedness — we can make meaningful progress. In addition, by putting the client's needs and experience first, we can all add more value. To do this, it's vital to have strong leadership and commitment at the top.

The IDB Group is well-positioned to be part of the solution to shared challenges. Still, development financing is shrinking globally, and there is a lot of demand for scarce resources to address everything from security to energy resilience. So, we must not rest on our laurels, but find new ways to collaborate and secure funding for our co-financing efforts.

People and Culture

In 2026, we must ensure that organizational and cultural reforms, including those focused on meritocracy and competitive hiring processes, are not only adopted and completed, but fully internalized. Building a future-ready workforce — anchored in impact, meritocracy, and trust — will require ongoing investment in talent, digital fluency, and leadership, as well as continued support for staff to navigate new ways of working. Embedding these changes will be essential to sustaining reform momentum and delivering greater impact.

A big challenge this year was advancing our Governance Reform while simultaneously implementing other major institutional reforms and working to deliver record levels of financing. This has required, and will continue to require, **sustained effort from our Management and IDB Board**.

Looking Ahead

Big changes are never easy, but I'm confident that by working closely with our Boards and Governors, we'll reach successful outcomes. We've already made remarkable progress in a short period of time, reflecting the talent, commitment, and resilience of our teams and the many people involved.

Ultimately, our transformation at the IDB Group is about unlocking the potential of our region and the people we serve. That's our greatest mandate — to improve people's lives. And together, we'll do it. We'll meet the demands of our members and deliver greater impact and scale for the people of Latin America and the Caribbean, benefiting not just our region, but the world.

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Annex A
Selected Projects

Annex A

Selected Projects

- **Reforms for Mobilization of Foreign Private Capital and Institutional Improvements (Brazil | BR-L1639)**: This program supports structural policy reforms under Brazil's Ecological Transformation Plan (ETP), a framework for financial, regulatory, and fiscal innovation to mobilize public and private capital. Backed by strong IDB support and broad partnerships, these reforms aim to position Brazil as a global leader in building a green, productive, resilient, and inclusive economy. The program exemplifies a reform-driven approach designed to crowd-in private investment.

- **Institutional Strengthening for Prevention of Crime and Violence (Ecuador | EC-L1301)**: This is the IDB's first policy-based financing for citizen security and the first to explicitly target organized crime, addressing Ecuador's limited capacity to confront criminal violence and illicit financial flows. The country will use this operation to prevent gang recruitment, modernize policing, target money laundering, and curb illegal mining. It will benefit about 5.5 million youth and 641,000 Amazon residents, support 1,800 high-risk schools, and roll out a new police model that will reach about one-third of all Ecuadorians.

- **Water, Sanitation, and Drainage Program for Cartagena de Indias (Colombia | CO-L1316)**: This first operation under the Subnational Government Financing Program improves water and sanitation services, strengthens local revenue management, and boosts financial autonomy. It tackles Cartagena's flood risk and will directly benefit over 20,000 households in southeastern Ciénaga de la Virgen, one of the city's most vulnerable areas. The local government will sign revenue-pledging contracts to back the guarantees provided by the Bank.

- **Comprehensive Drinking Water, Sanitation, and Reuse Program – Punta Cana-Bávaro (Dominican Republic | DR-L1172)**: This project is part of the IDB's broader strategy to transform the water and sanitation sector in areas of high environmental and tourism value. As the third investment in a series, it brings total investment to $970 million along 140 km of coastline. The combined interventions will benefit nearly 1 million people from Boca Chica to Punta Cana through improved access to water and sanitation services and stronger environmental protections.

- **Program to Strengthen the Social Security System (Chile | CH-L1187)**: The IDB's first results-based investment loan (LBR) in social security supports the implementation of Chile's pension reform under Law 21,735, introducing a blended contributory pillar and new government roles. The phased reform plan follows clear timelines and addresses pension-coverage gaps, reduces gender inequities, and improves access to information.

- **Program for the Improvement of the Pension System (Panama | PN-L1193)**: This policy-based financing strengthens Panama's pension system, ensuring it can meet short-term obligations while maintaining long-term fiscal sustainability. It boosts social equity by guaranteeing lifelong pensions at or above the poverty line for contributions with at least 10 years of service, while addressing disparities in life expectancy between men and women and promoting equal treatment for people with comparable work histories.

- **Ecological Restoration Concession – Triunfo do Xingu, Pará (Brazil | BR-U0002)**: This innovative project uses an IDB guarantee to support the first subnational-level forest-restoration project through a public-private concession model. The concessionaire will restore about 10,000 hectares, create over 2,000 local jobs, improve climate resilience and biodiversity conservation, and generate revenue by selling verified carbon credits, environmental services, and sustainable forest products. It advances Brazil's deforestation-reduction goals and offers a replicable model for private-sector participation in restoration of the Amazon rainforest.

- **Program to Strengthen the National Institute of Social Services for Retirees and Pensioners (Argentina | AR-L1411)**: This $500 million results-based loan supports Argentina in improving the health-related quality of life of retirees and pensioners affiliated with the National Institute of Social Services for Retirees and Pensioners (INSSJP). The program reduces gaps in timeliness and quality of care by strengthening clinical pathways and service delivery for priority populations. Over four years, it will improve management and continuity of care for individuals with hypertension, diabetes, and chronic kidney disease; increase timely access to treatment for breast and colorectal cancer; expand services for people with functional dependency; and enhance patient experience and satisfaction. This operation also marks the Bank's first sovereign loan in Argentina dedicated to strengthening the national care system for people with dependency — an area where the IDB has been leading regionally.

- **El Salvador – Tigo Broadband Expansion**: IDB Invest and Bladex co-led a $205 million financing package for Tigo El Salvador, combining loans, a revolving credit facility, and a digital-receivables facility. This innovative structure expands broadband and mobile connectivity and exemplifies the originate-to-share approach by blending innovative financing, advisory services, partner mobilization, and incentives to strengthen the digital ecosystem's resilience.

- **Colombia – Buga-Loboguerrero-Buenaventura Corridor**: IDB Invest anchored the COP-equivalent $904 million in local-currency financing for one of Colombia's most strategic 5G road concessions. Under its originate-to-share model, IDB Invest's leadership mobilized additional financiers and secured the full package. Beyond financing, it provides technical assistance to integrate MSMEs, embed climate-adaptation measures, and promote social inclusion in a corridor where nearly 30% of residents face multidimensional poverty. The project will reduce travel times by 10%, lower vehicle operating costs by 6%, and strengthen Buenaventura's role as Colombia's principal trade gateway — delivering a high-impact combination of capital mobilization, advisory services, and development results.

- **Argentina – SME Financing with Banco Supervielle**: IDB Invest structured a $229 million financing package to expand access to credit for SMEs in Argentina and support job creation. The operation includes advisory support to strengthen Supervielle's sustainability strategy and provides longer-term funding better aligned with SMEs' needs. The transaction also showcases IDB Invest's originate-to-share model by mobilizing regional and international investors through the B- loan program and channeling resources from the newly established Trust Fund - Achieving Development of Latin America and the Caribbean (TADAC), created in partnership with the Japan International Cooperation Agency (JICA).

- **Equity Investment – Morro Ventures Caribbean Fund (Regional | IDB Lab)**: This landmark anchor investment expands access to venture capital across the Caribbean by supporting technology startups that address structural development challenges. Through a $3 million equity investment in the Morro Ventures Caribbean Fund (MVCF), IDB Lab became the first institutional limited partner, helping catalyze financing for up to 15 high-growth startups and fostering greater integration between Caribbean, Latin American, and U.S. capital markets. The initiative complements broader ecosystem efforts such as CARIBEquity, a 12.8 million euro facility cofinanced by the EU to strengthen innovation ecosystems in the region.

- **Silver Ventures – Catalyzing the Silver Economy Ecosystem**: This initiative is IDB Lab's first program dedicated to strengthening the entrepreneurial ecosystem of the "silver economy" in Latin America and the Caribbean. It takes a systemic approach to activating and scaling startups that deliver innovative solutions for older adults. The program will accelerate 200 startups, build a network of 20 specialized accelerators, and mobilize investment through strategic partnerships and innovative financing mechanisms. By leveraging regional events and platforms, Silver Ventures aims to raise the visibility of the silver economy and position it more prominently on public, private, and corporate agendas.

- **GovTech Connect – Boosting Public-Private Collaboration Ecosystems Through Emerging Technologies and Open-Source Solutions**: This regional initiative bolsters the GovTech ecosystem by connecting and empowering key actors across Latin America. It supports the acceleration and scaling of emerging technological solutions in local governments in Argentina, Brazil, Chile, and Uruguay to improve efficiency, transparency, service delivery, and climate resilience — particularly for vulnerable populations. The project focuses on three pillars: strengthening the supply of GovTech solutions; strengthening demand from government institutions; and promoting open-source digital platforms. This initiative exemplifies IDB Lab's role as a connector between the public and private sectors, leveraging its ecosystem-building capabilities to advance solutions that can scale across the IDB Group.

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Annex B

Modernizing IDB Governance

Annex B

Modernizing IDB Governance: Status of 31 Actions

- Actions highlighted in green are approved/fulfilled (18)
- Actions highlighted in yellow are under discussion (4)
- Actions highlighted in gray are sequenced to the approval of another action (3)
- Actions highlighted in orange are to be taken in the future or on an ongoing basis (5)
- Action highlighted in blue is not under Management's purview (1)

Action	Description	Status
1	Inventory of policies, rules, regulations, and other documents related to governance	Completed
2	Report from Executive Auditor identifying overlaps, gaps, and possible conflicts of interest	Sequenced to Action 1
3	Timeline for review and possible revision of the policies, rules, and regulations	Sequenced to Actions 1 and 2
4	Annual consolidated update of the inventory	To be complied with annually, once Actions 1, 2, and 3 are fulfilled
5	Plan for biannual updates from Management to the Board on ongoing Strategic Planning Discussions	Approved
6	Detailed plan to rationalize the IDB's strategic planning process	Approved
7	Timetable for the review of all sector and thematic strategy documents over the next 5 to 10 years	Approved
8.1	Job description for each of the Board's positions	Approved
8.2	Submission of job descriptions for Board endorsement, to be shared with Governors as a reference when nominating or appointing Board representatives	Approved job descriptions (8.1), to be shared with Governors as a reference when nominating

9	Institutionalization of an annual, in-person onboarding program for Board members	Approved
10	Structured curriculum for the Board Learning and Knowledge annual program	Approved
11	Formal mechanism to enable SEC to contract consultants or other external advisory services to advise or support the Board in specific circumstances	Approved
12.1	Amendment of the Principles of HR Management to ensure that, except for specific cases, all staff positions are subject to competitive processes	Approved
12.2	Comprehensive review of the Principles of HR Management	In discussion
13	Formal process for the President to engage the Board ahead of EVP and VPs appointments	In discussion
14	Template for a Senior Management Transition Plan	Approved
15	Transition plan and onboarding brief to be prepared three months prior to President's departure date	To be shared 3 months prior to end of term
16.1	Criteria and process for the Board's assessment of the President's performance	Approved
16.2	Board's assessment of the President's performance	To be conducted on an annual basis
17	President's annual assessment of the performance of the EVP and VPs, with input from the Board	In discussion
18.1	Amendment to the Board's Code of Conduct and the staff's Code of Ethics, clarifying their applicability to the President, EVP, and VPs	Sequenced to Action 18.2
18.2	Procedures for dealing with ethics breaches by the President, EVP, and VPs	Approved
19.1	Self-evaluation framework for the Board	Approved
19.2	Board's formal self-evaluation	To be conducted on an annual basis
20	Terms of Reference for the Secretary and draft regulations giving the Board a key role in the appointment, renewal, and dismissal of the Secretary, as well as a consultative role in their annual performance review	Approved
21	Plan to make better use of the Board's time, allowing additional time for strategic discussions and reducing the "bunching" of loan approvals	In discussion
22.1	Progress in implementing the proposed Tracking System for Management Commitments (TSMC)	Completed

22.2	Proposal for the system and governance of the TSMC	Approved
23	Revised guidelines to allow more timely discussions with Board members on the format, agenda, and content of Annual Meetings	Approved
24	Status report on the implementation of Governance Reforms	Approved
25	OVE to prepare an update to the evaluation of governance	To be conducted by OVE

IDB Group