

# The Year in Review

Inter-American Development Bank



2012 Annual Report



## Financial Summary 2008–2012

(In millions of U.S. dollars)	2012	2011	2010	2009	2008
<b>Operational Highlights</b>					
Loans and Guarantees Approved <sup>1,2</sup>	\$10,799	\$10,400	\$12,136	\$15,278	\$11,085
Loan Disbursements <sup>3</sup>	6,883	7,898	10,341	11,424	7,149
Loan Repayments	4,571	4,601	5,598	4,542	4,740
<b>Balance Sheet Data</b>					
Cash and Investments—Net, After Swaps	\$14,592	\$13,882	\$16,585	\$20,204	\$16,371
Loans Outstanding	68,640	66,130	63,007	58,049	51,173
Undisbursed Portion of Approved Loans	26,987	23,994	22,357	21,555	19,820
Total Assets	92,209	89,432	87,217	84,006	72,510
Borrowings Outstanding, After Swaps	59,754	58,015	57,874	57,697	47,779
Equity	20,681	19,794	20,960	20,674	19,444
<b>Income Statement Data</b>					
Loan Income, After Swaps	\$1,668	\$ 1,742	\$ 1,830	\$ 2,002	\$ 2,355
Investment Income (Loss)	382	108	624	831	(973)
Borrowing Expenses, After Swaps	519	462	550	951	1,764
Operating Income (Loss)	910	836	1,252	1,294	(972)
<b>Ratio</b>					
Total Equity <sup>4</sup> to Loans Ratio	31.1%	31.3%	33.4%	34.2%	35.3%
<b>Fund for Special Operations</b>					
(In millions of U.S. dollars)	2012	2011	2010	2009	2008
<b>Operational Highlights</b>					
Loans Approved	\$ 320	\$ 181	\$ 297	\$ 228	\$ 138
Loan Disbursements	317	368	398	414	415
Loan Repayments	196	195	214	220	229
<b>Balance Sheet Data</b>					
Cash and Investment	\$ 1,200	\$ 1,212	\$ 1,413	\$ 1,410	\$ 1,355
Loans Outstanding, Net <sup>5</sup>	4,277	4,162	4,004	4,317	4,101
Undisbursed Portion of Approved Loans	843	846	1,038	1,290	1,502
Total Assets	5,494	5,392	5,436	5,747	5,479
Fund Balance	4,958	4,796	4,670	5,205	4,976
<b>Income Statement Data</b>					
Loan Income	\$ 65	\$ 68	\$ 74	\$ 83	\$ 91
Technical Cooperation Expense (Income)	(8)	(9)	24	23	33
Debt Relief Expense	—	—	484	(3)	—
General Reserve Transfers	—	44	364	122	50
Net Income (Loss)	66	20	(792)	(14)	(72)

<sup>1</sup> Excludes guarantees issued under the Trade Facilitation Program.

<sup>2</sup> In 2009, includes \$800 million of loan approvals cancelled during the year.

<sup>3</sup> Loan disbursements are presented after swaps.

<sup>4</sup> “Total Equity” is defined as Paid-in Capital stock, less capital subscriptions receivable, Retained earnings and the allowances for loan and guarantee losses, minus borrowing countries’ local currency cash balances, net receivable from members (but not net payable to members), and the cumulative effects of Net fair value adjustments on non-trading portfolios.

<sup>5</sup> In 2008, net of allowance for debt relief.

## Letter of Transmittal

As required by the By-Laws of the Inter-American Development Bank, the Board of Executive Directors hereby submits to the Board of Governors the Annual Report of the Bank for 2012. The Annual Report consists of a printed volume entitled “The Year in Review,” containing a review of the Bank’s operations in 2012 (loans, guarantees, and grants). The electronic version of the Annual Report at [www.iadb.org/ar/2012](http://www.iadb.org/ar/2012) contains, in addition, the full set of the financial statements of the Bank’s resources.



**IDB**

A Partner for Latin America and the Caribbean

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Annual Report **2012**

The Year in Review

**The IDB Group** is composed of the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF, a fund administered by the IDB). The IDB, the oldest and largest regional multilateral development bank, is the main source of multilateral financing for economic, social, and institutional development in Latin America and the Caribbean. The IIC focuses on support for small and medium-sized businesses, while the MIF promotes private-sector growth through grants and investments. By the end of 2012, the IDB had approved \$219 billion in loans and guarantees to finance projects with investments totaling over \$462 billion, as well as \$5.3 billion in grants. The IDB obtains its own financial resources from its 48 member countries, borrowings on the financial markets and trust funds that it administers, and through cofinancing ventures. The IDB's debt rating is Triple-A, the highest available. The IDB is headquartered in Washington, D.C. and has Country Offices in all 26 of its member countries in Latin America and the Caribbean, as well as in Madrid and Tokyo.

## MEMBER COUNTRIES

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

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*Additional content available on-line only*

Management's Discussion and Analysis: Ordinary Capital Financial Statements

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    Intermediate Financing Facility Account  
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Tables and Appendixes





**Costa Rica's Ministry of Culture and Youth is evaluating and strengthening its National Music Education System, aimed at marginal and poor communities, both urban and rural. A Bank technical assistance grant from the Korean Fund is helping to measure impacts in areas such as school attendance rates and academic performance.**

# Message from the President

In a year that was dominated, once again, by concerns about the course of the world economy, Latin America and the Caribbean continued to consolidate its position as a region of comparative stability and growth.

The efforts by certain European countries to trim their public debt were the main area of attention in 2012. Although the United States showed signs of recovery, there continued to be long-term issues that will require difficult political solutions. And China proceeded in its efforts to rebalance its economy and shift toward domestic consumption.

In this global environment, the nations of Latin America and the Caribbean have shown considerable economic strength. The region's performance is encouraging, but we still have a very long way to go. Today 66 million Latin Americans cannot meet their minimum daily income needs. Governments must continue to work to close this income gap and make recent economic gains sustainable.

To that end, the region needs to remain vigilant and maintain prudent macroeconomic policies to rebuild fiscal, monetary and external buffers in order to fend off global risks.

It is also essential for our region to keep pace with global advances in innovation and technology to ensure the sustainability of our agriculture, for example, since abundant water and fertile land are not enough.

We need to invest more in infrastructure, and we must develop rules of the game that promote investment. We must also work to break down financial, bureaucratic, and information-related barriers, paving the way for private initiative to flourish.

In all these objectives, the Inter-American Development Bank has a key role to play, strengthened by the agenda of the Ninth General Capital Increase. In 2012, the Bank continued to be a leading source of multilateral credit for the Latin American and Caribbean countries. We approved 169 operations in 2012 for a total of \$11.4 billion. These results solidified the rising trend in the Bank's average annual approvals in both amount and number of projects and included a growing share of approvals to Group C and D countries. Haiti merits special mention. It is a country where we remain committed to making substantial long-term progress. Yet strategic challenges remain.

In addition, the Bank is building best practices into its operations and management. In 2012, as noted in the Office of Evaluation and Oversight's midterm report on the Capital Increase, we continued to consolidate key reforms, to improve our strategic focus, effectiveness, and efficiency. The



fact that we have accomplished so much in so short a time is testament to the joint effort and commitment of Management and the Board of Executive Directors.

The development agendas of the countries of Latin America and the Caribbean require us to look for innovative solutions to complex, crosscutting issues—our initiatives on emerging sustainable cities and citizen security, for example, and efforts to promote greater connectivity and access to broadband. The activities that we are planning in order to promote the internationalization of medium-sized enterprises in the region also fit into this category. More broadly, deeper integration with the various non-sovereign guaranteed windows and greater public-private synergies will contribute to maximizing the development impact of the Bank's work through the private sector.

Throughout 2013, we will continue to renew our commitment to helping the countries of Latin America and the Caribbean to spread the benefits of prosperity, locking in the gains that have already been achieved, and overcoming the inequalities that persist.



**Luis Alberto Moreno**  
President  
Inter-American Development Bank

# Board of Executive Directors

The IDB shareholders—its 48 member countries—are represented by the Board of Governors, the highest decision-making authority of the Bank. The Governors delegate many of their powers to the Board of Executive Directors, whose 14 members they elect or appoint for three-year terms. Executive Directors for the United States and Canada represent their own countries; all others represent groups of countries. The Board of Executive Directors also includes 14 Alternates, who have full power to act when their principals are absent. The Board of Executive Directors is responsible for day-to-day oversight of the Bank's operations. It establishes the institution's policies, approves projects, sets interest rates for Bank loans, authorizes borrowings in the capital market, and approves the institution's administrative budget. The work of the Board of Executive Directors is guided by the Regulations of the Board of Executive Directors and the Code of Ethics for Executive Directors. The agendas and minutes of the meetings of the Board of Executive Directors and its standing committees are public documents.



**Front row:** Kurt M. A. Kisto, Gabriela V. Costa, Cecilia Ramos Ávila, Adina Bastidas, Mattia Adani, María Pérez Ribes, Alejandro Foxley Tapia, Yasuhiro Atsumi

**Middle row:** C. Anai Herrera, Gustavo Arnavat, Carol Nelder-Corvari, Roberto Prieto Uribe, Marcelo Bisogno, Carmen María Madríguez, Xavier Eduardo Santillán, Sérgio Portugal, James Allison Haley

**Back row:** Ricardo de Medeiros Carneiro, Antonio de Roux, Muriel Alfonseca, Luis Hernando Larrazábal, Zulfikar Ally, Kurt Johnny Burneo Farfán, Gerry Duffy, Federico Chinchilla, Per Oyvind Bastoe, Ulrike Metzger



A Bank loan to the Nicaraguan Water and Sewerage Company ENACAL focused initially on an emergency program to reduce or eliminate water rationing for 300,000 people living in the country's principal urban areas. Another component is financing improvements to existing systems in ten selected cities, ensuring that low-income households are connected to the network.

# I. Operational Summary

## Projects: Approvals, Disbursements, Net Flows, and Active Portfolio

Consistent with the Long-term Financial Plan, in 2012 the Bank approved a program of 169 projects for a total of \$11.4 billion in funding. This program included 151 investment projects for \$9.2 billion, 45 of them non-sovereign guaranteed operations and guarantees totaling \$1.5 billion, and nine operations approved under the IDB Grant Facility (GRF) for \$245 million for Haiti. Also included as part of the year's funding total were 18 policy-based projects for \$2.3 billion. Of the 2012 total approvals, \$10.8 billion was from the Ordinary Capital (OC), \$320 million from the Fund for Special Operations (FSO), and the remainder from the GRF.

These results consolidate the growth trend in the Bank's level of approvals. On average, approvals have nearly doubled in the last five years, in relation to the results for the preceding five-year period, increasing from average annual approvals of \$6.9 billion in the period 2003–2007, to \$12.3 billion for the period 2008–2012.

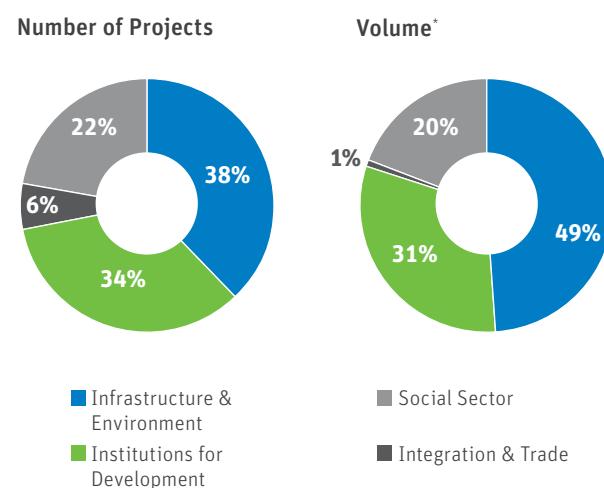
The share of approvals to the Group C and D countries continued to grow in 2012 to 43 percent of total approved lending resources, above the 33 percent and 35 percent recorded in 2010 and 2011, respectively.

The 2012 loan approvals focused on the five priority areas of the Bank's Ninth General Capital Increase (IDB-9, see chapter II) and have contributed to the objectives set in its Results Framework (contained in the 2012 *Development Effectiveness Overview*). By sector, 49 percent of approved lending by volume focused on infrastructure and environment sector programs, 31 percent on strengthening of institutions for development, 19 percent on social sector programs, and 1 percent on integration and trade

sector programs. In terms of the number of projects, 38 percent of the new operations were approved for the infrastructure and environment sectors, 34 percent for institutions for development, 22 percent for the social sectors, and 6 percent for integration and trade. These data do not reflect the progress made in promoting joint work across sectors and windows, which helped improve the overall quality and efficiency of the Bank's operational efforts.

**Disbursements.** In 2012, the Bank disbursed a total of \$7.4 billion, of which \$147 million corresponded to the IDB Grant Facility (Table II). Although lower than the last three years, this figure is consistent with the rising trend in disbursements observed prior to the financial crisis.

**Figure I** 2012 Approvals by Sector



\*Total does not add due to rounding.

**Table I.** 2012 Approvals by Sector<sup>1</sup>

(In millions of U.S. dollars)

<b>Sector</b>	<b>Number of projects</b>	<b>Amount</b>	<b>%</b>
Agriculture And Rural Development	9	211	2
Energy	15	1,312	11
Environment And Natural Disasters	7	600	5
Sustainable Tourism	3	96	1
Transport	17	1,674	15
Water And Sanitation	14	1,705	15
<b>Subtotal Infrastructure &amp; Environment</b>	<b>65</b>	<b>5,597</b>	<b>49</b>
Financial Markets	19	1,024	9
Industry	2	301	3
Private Firms And Sme Development	8	142	1
Reform/Modernization Of The State	15	1,473	13
Science And Technology	3	265	2
Urban Development And Housing	10	317	3
<b>Subtotal Institutions for Development</b>	<b>57</b>	<b>3,522</b>	<b>31</b>
Trade	10	63	1
<b>Subtotal Integration &amp; Trade</b>	<b>10</b>	<b>63</b>	<b>1</b>
Education	12	523	5
Health	7	697	6
Social Investment	18	1,021	9
<b>Subtotal Social Sector</b>	<b>37</b>	<b>2,241</b>	<b>20</b>
<b>Total</b>	<b>169</b>	<b>11,424</b>	

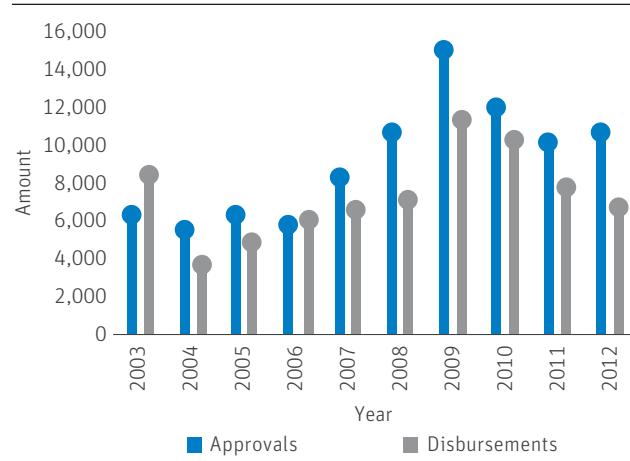
<sup>1</sup> Totals may not add due to rounding

**Net flow of resources.** The net loan flow to the region was positive in 2012, at \$2.6 billion. The net cash flow to the region was also positive at \$65 million; this latter

figure is calculated on the basis of resources disbursed less scheduled payments of principal (\$4.6 billion), pre-payments (\$153 million), payments of interest and fees (\$2.2 billion), and \$361 million in conversions under the Local Currency Facility and contributions of capital. If disbursements of technical cooperation operations are included, the net inflow to the region was \$337 million.

**Figure II** Approvals and Disbursements 2003–2012

(In millions of U.S. dollars)



**Active portfolio.** At year-end 2012 the Bank's active portfolio of sovereign-guaranteed projects in execution comprised 622 operations with an undisbursed balance of \$25.3 billion. Of total undisbursed resources, 61 percent corresponded to the infrastructure and environment sector, 24 percent to institutions for development programs, and 14 percent to social sector programs. These results, supported by higher approvals, solidify the growth trend in the Bank's portfolio. On average, portfolio volume has grown 12 percent in the past five years, compared to the previous five-year period. The average

annual volume rose from \$38.9 billion in 2003–2007 to \$43.4 billion in 2008–2012. In terms of performance, in 2012, 60 percent of the active portfolio of sovereign-guaranteed projects were rated “satisfactory,” 24 percent were on “alert” status, and 12 percent were “problem projects.” The most common reasons for classifying a project in the “problem” category include: (a) delays in competitive bidding processes; (b) optimistic projections for annual planning figures; and (c) lack of clarity about Bank administrative processes or procedures on the part of the executing agency, particularly at the beginning of a project’s execution. Support to execution units was also stepped up, to strengthen project fiduciary management activities and the projection of disbursements.

**Non-sovereign guaranteed operations.** In 2012, the Bank approved 45 non-sovereign guaranteed operations for a total amount of \$1.5 billion. The Structured and Corporate Finance Department (SCF) had approvals in 2012 of 35 projects (loans and guarantees) accounting for the vast majority of the lending volume, with 43 percent in the Group C and D countries. Disbursements to year-end 2012 totaled \$942 million. In 2012, SCF successfully closed 24 transactions for \$1.2 billion in A loans, and \$385 million in B loans. Under the Trade Finance Facilitation Program, the Bank approved seven A loans for a total of \$17 million, and 12 new uncommitted credit lines and ten increases to existing lines amounting to \$359 million. Under the same program, the Bank disbursed \$17 million in loans and issued \$755 million in guarantees.

The Bank’s Opportunities for the Majority (OMJ) initiative, which focuses on developing innovative market-based projects for low-income communities, approved ten projects (loans and guarantees) for \$57.2 million in 2012, in seven countries. With this, OMJ has a total of 42 approved projects, committing \$247 million of the total amount for that facility. In order to increase the impact of its operations, OMJ, in coordination with the Syndications Unit of SCF, raised \$10 million in B loans for its projects in 2012.

Multilateral Investment Fund (MIF) projects focused on the three areas in which lack of “access”—to basic services, to finance, and to markets and capabilities—are

viewed as the determinants of poverty in the region. MIF approvals for the year totaled \$97 million for 76 projects, 67 of which were technical assistance grants and the remaining nine loan or investment operations combined with grants. During 2012 the MIF leveraged additional financial resources totaling over \$263 million. Over half of projects approved in 2012 benefitted the Group C and D countries. At the end of 2012, the MIF had an active portfolio of 540 projects for a total approved amount of \$714 million. Under the Social Entrepreneurship Program, administered by the MIF, ten projects (20 operations) were approved for a total value of \$10.3 million, financed by an allocation of Ordinary Capital resources and a contribution from the Spanish Trust Fund for the Social Entrepreneurship Program. Of the SEP resources approved in 2012, 54 percent were allocated to Group C and D countries.

The Inter-American Investment Corporation (IIC), an affiliate of the IDB Group, approved a total of 73 operations for \$379 million. The IIC Annual Report is available at [www.iic.org](http://www.iic.org).

## Grant Financing

The availability of grant financing for 2012 increased approximately 38 percent with respect to 2011, as a result of significant contributions to donor trust funds. Especially noteworthy were Canada’s contribution of \$250 million to create the Canadian Climate Fund for the Private Sector in the Americas, and new contributions to the Mesoamerican Health Facility, Clean Technology Fund, and Multidonor Fund for Regional Integration Initiatives.

Grant financing approvals in 2012 were \$280 million, with 22 percent going to support the preparation, execution, or evaluation of a loan operation, 43 percent to meet specific client needs untied to lending products, and 35 percent to financing research and dissemination products.

**Grant Financing Portfolio.** At year’s end the Grant Financing Portfolio consisted of 1,437 operations with an approved amount of \$982 million. As of December 31, 2012, the undisbursed balance of these resources was \$528 million (48 percent). This reflects a 13 percent

increase in disbursements of operations financed with OC resources, mainly as a result of the effort to optimize the use of technical cooperation resources. Disbursements of operations financed with FSO resources declined 43 percent as a natural consequence of the reduction in the FSO portfolio. The active portfolio of investment grant operations includes 71 projects for an approved amount of \$714 million.

**New Funds.** Total cash contributions received in 2012 amounted to \$489 million, including the reimbursable contribution from Canada, which is the new trend followed by donors. For the first time, borrowing and non-borrowing member countries contributed to a multidonor fund, as part of the Regional Infrastructure Integration Fund (known by its Spanish-language acronym FIRII), for a total amount of \$22 million.

**Table II. Yearly (2012) and Cumulative (1961–2012) Approvals and Disbursements<sup>1,2</sup>**  
*(In millions of U.S. dollars)*

Country	Total Cost of Projects				Approvals <sup>4</sup>				Disbursements			
	2012		1961–2012		Total Amount		Ordinary Capital		Funds for Special Operations		Funds in Administration <sup>3</sup>	
	2012	1961–2012	2012	1961–2012	1961–2012	1961–2012	1961–2012	1961–2012	1961–2012	1961–2012	1961–2012	1961–2012
Argentina	\$ 1,677.0	\$ 58,806.3	\$ 1,390.0	\$ 32,750.4	\$ 32,056.3	\$ 644.9	\$ 49.2	\$ 1,029.2	\$ 28,231.8	\$ 27,537.7	\$ 644.9	\$ 49.2
Bahamas	103.3	1,023.8	89.0	711.4	709.4	—	2.0	61.9	539.2	537.2	—	2.0
Barbados	100.2	1,098.1	98.0	787.6	727.1	41.5	19.0	9.5	545.4	484.9	41.5	19.0
Belize	—	253.8	—	182.4	182.4	—	—	12.8	152.2	152.2	—	—
Bolivia	332.2	7,394.2	315.0	4,947.1	2,208.4	2,666.2	72.5	205.7	4,162.0	1,674.5	2,415.0	72.5
Brazil	2,792.1	120,669.3	2,009.4	43,834.8	42,144.1	1,556.0	134.7	1,396.7	36,749.1	35,058.4	1,556.0	134.7
Chile	11.5	15,337.2	7.5	6,448.6	6,197.8	205.8	45.0	64.8	6,227.8	5,977.0	205.8	45.0
Colombia	604.8	32,560.2	515.2	18,633.9	17,779.7	767.3	86.9	465.5	17,296.0	16,461.8	767.3	66.9
Costa Rica	2,011.7	8,304.0	700.0	4,327.3	3,820.8	369.3	137.2	137.8	3,043.1	2,536.5	369.3	137.3
Dominican Republic	878.0	7,252.1	357.0	5,023.8	4,182.3	752.2	89.3	104.0	4,171.1	3,329.6	752.2	89.3
Ecuador	418.7	11,472.9	365.0	7,203.8	6,114.2	994.7	94.9	389.8	6,084.4	5,001.9	987.6	94.9
El Salvador	325.2	6,825.8	303.8	4,816.6	3,864.7	804.1	147.8	266.1	4,399.9	3,448.7	804.1	147.1
Guatemala	247.2	6,319.8	242.2	4,674.4	3,845.5	759.0	69.9	139.7	3,985.3	3,210.2	705.2	69.9
Guyana	69.2	1,502.2	66.2	1,298.9	242.3	1,049.7	6.9	51.4	1,147.6	179.2	961.5	6.9
Haiti	252.3	2,026.7	248.5	2,265.2	3.0	1,154.1	1,108.1	149.6	1,687.1	2.0	1,154.1	531.0
Honduras	186.0	5,746.1	182.0	3,900.0	1,327.6	2,507.4	65.0	216.8	3,369.9	972.6	2,331.9	65.4
Jamaica	51.4	4,260.8	36.8	3,277.5	2,905.0	173.6	198.9	69.6	2,928.1	2,555.6	173.6	198.9
Mexico	6,666.4	69,932.6	1,519.9	31,685.4	30,909.0	559.0	217.4	1,291.4	28,598.5	27,902.1	559.0	137.4
Nicaragua	300.3	4,980.0	250.4	3,414.4	782.8	2,563.5	68.1	180.4	2,982.4	559.6	2,354.4	68.4
Panama	566.2	13,341.9	528.0	4,561.4	4,224.3	295.7	41.4	289.2	3,377.4	3,040.2	295.7	41.5
Paraguay	416.8	4,472.3	186.0	3,144.3	2,430.8	701.1	12.4	102.8	2,523.1	1,864.2	646.5	12.4
Peru	558.3	23,409.3	250.1	10,494.3	9,834.3	438.9	221.1	177.3	9,770.7	9,110.7	438.9	221.1
Suriname	103.3	514.6	88.7	380.4	374.0	6.4	—	57.8	278.8	272.4	6.4	—
Trinidad and Tobago	246.5	2,460.7	246.5	1,903.1	1,847.3	30.6	25.2	29.8	1,497.1	1,441.3	30.6	25.2
Uruguay	971.9	7,996.8	629.2	6,157.3	6,011.2	104.3	41.8	272.8	5,180.6	5,034.5	104.3	41.8
Venezuela	512.0	19,643.0	400.0	7,618.3	7,444.0	101.4	72.9	45.1	5,905.6	5,731.3	101.4	72.9
Regional	3,261.0	24,354.9	400.0	4,387.9	4,134.1	239.7	14.1	179.0	3,230.8	2,983.0	233.7	14.1
<b>Total</b>	<b>\$23,663.2</b>	<b>\$461,959.2</b>	<b>\$11,424.4</b>	<b>\$218,830.5</b>	<b>\$196,302.4</b>	<b>\$19,486.4</b>	<b>\$3,041.7</b>	<b>\$7,396.5</b>	<b>\$188,065.0</b>	<b>\$167,059.3</b>	<b>\$18,640.9</b>	<b>\$2,364.8</b>

<sup>1</sup> Cumulative amounts are after cancellations and exchange adjustments. Totals may not add up due to rounding.

<sup>2</sup> Detail includes non-sovereign-guaranteed loans, net of participations, and guarantees, as applicable.

<sup>3</sup> Includes financings of the IDB Grant Facility.

<sup>4</sup> Excludes lines of credit approved and guarantees issued under the Trade Finance Facilitation Program.



Construction on the portion of the TransJamaica highway financed by the IDB was completed in 2012, and the project, a public-private partnership stemming from a concession originally executed in 2001, came in on time and within budget. The highway features solar-powered lighting and noise-abatement walls. Technical assistance was provided to help the families of displaced fishermen settle into a new village.

## II. Implementation of the Ninth General Capital Increase

With the Ninth General Increase in the Resources of the Inter-American Development Bank (IDB-9), the Governors established a detailed agenda for actions and reforms to strengthen the relevance, efficiency, and effectiveness of the Bank's activities. Continued satisfactory progress was made on the agenda in 2012. This chapter summarizes that progress, which builds upon the actions reported in the 2011 Annual Report of the Bank.

In February 2012, the Bank received the minimum necessary number of votes approving the Ninth General Capital Increase for the Ordinary Capital (OC). For the Fund for Special Operations (FSO) IDB-9 had entered into effect in 2011.

As part of the IDB-9 agreement, the Bank's independent evaluation office, the Office of Evaluation and Oversight (OVE), was charged with conducting a mid-term evaluation to assess whether the reforms mandated in the agreement were being implemented fully and effectively. OVE conducted this evaluation during the second half of the year, measuring progress and effectiveness against an accountability framework. The evaluation will be published on the IDB website after consideration by the Board of Governors at the 2013 Annual meeting in Panama. Bank Management regards the insights of the evaluation as critical for maintaining an institutional environment of continued learning and improvement.

Though in some instances it is too early to assess the results definitively, the evaluation found that IDB management has made intensive efforts to implement the IDB-9 mandates and affirmed specifically that the requirement of "full implementation has been met or is in

the process of being met in most fronts." The process of this internal evaluation helped to identify areas where changes may be needed to ensure future effectiveness, to validate the progress made thus far in implementing the IDB-9 mandates, and to enhance the Bank's ongoing efforts to continue to improve its strategic focus, effectiveness and efficiency. Despite the many challenges that have arisen in the course of pursuing an agreed reform program as deep and far-reaching as IDB-9—and pursuing it as Bank member countries continue to emerge from a global economic crisis and as the Bank itself adjusts to a period of rapid portfolio growth—progress is evident in many areas of implementation.

**Results.** The Bank's focus on results has increased, particularly at the project level, and continued efforts will help to complete the implementation of the Development Effectiveness Framework and deepen results-based budgeting. The Results Framework (RF) set out as part of IDB-9 has become an integral part of the Bank's efforts to use empirical evidence to manage for development results, and is central to ensuring accountability for delivering results. The RF is based on the Bank's five institutional priorities and is set to allow shareholders to monitor the Bank's contribution toward selected regional development goals, as well as desired progress on outputs and operational effectiveness and efficiency. Progress on the RF is reported annually as part of the Development Effectiveness Overview (DEO), at [www.iadb.org/deo2012](http://www.iadb.org/deo2012). In 2012 all country strategies, country program documents, and sovereign and non-sovereign guaranteed

operations approved by the Board of Executive Directors were assessed for their degree of ex-ante evaluability through the application of a Development Effectiveness Matrix (DEM) designed for each of these instruments. In total, there were eight results-based country strategies; 26 country program documents; and 124 of sovereign-guaranteed operations and 44 of non-sovereign guaranteed operations. The percentage of approved SG and NSG operations that were rated “Highly Evaluable” under the DEM evaluability criteria reached 99 percent in 2012, surpassing the expected target of 85 percent set forth in the Results Framework.

**Support to smaller and less developed countries.** Under IDB-9, the Bank is committed to allocating 35 percent of total lending to small and vulnerable countries by 2015. Clear progress was made in this regard in 2012, with 43 percent of new approvals targeting this group of countries. The total amount of FSO/OC loans was \$814 million among the eligible countries. As part of technical assistance activities with this group of countries, there was a marked focus during 2012 on initiatives to improve the preparation and execution of operations, and to strengthen the technical, project management and planning capacity of executing agencies and local counterparts.

**Haiti.** In keeping with the commitment to provide resources to Haiti through the IDB Grant Facility, at its Annual Meeting, the Board of Governors approved a new transfer of funds from the Ordinary Capital in 2012, resulting in the approval of grants to Haiti totaling \$245 million in 2012. The year also saw the approval of the Bank’s first non-sovereign guaranteed loan in the country. In addition to this financial support, the Bank continued to provide substantial technical assistance to Haiti. During the year, in the context of the political changes associated with a newly formed government, the Bank maintained constant dialogue with the authorities, placing special emphasis on consolidation of programs in the Bank’s six key areas of intervention (education, private sector development, energy, agriculture, transportation, and water and sanitation). The Bank has also continued to monitor the pace of disbursements closely, in an attempt to ensure they keep

up with the significant amounts of approvals of recent years. Disbursements in 2012 remained higher than in pre-earthquake years, at \$147 million.

**Sector Priorities and Targets.** IDB-9 strengthens sector mandates, requiring a specific percentage of new approvals to be targeted on these areas by 2015. This mandate has been fundamental in guiding the work plans of the different units and programming dialogues with the countries. Steps have also been taken to clarify the criteria for each target and verify the baselines for monitoring purposes. The Bank continued working in 2012 under the framework of the four sector strategies: (i) Social Policy for Productivity; (ii) Global and Regional Integration; (iii) Institutions for Growth and Productivity; and (iv) Climate Change and Sustainable Energy. Also, in October the Board approved the document “Strategies, policies, sector frameworks, and guidelines at the IDB.” In the context of this document, Management committed to prepare a fifth sector strategy for infrastructure, revise the existing public utilities policy, and develop 20 sector framework documents over the coming three years.

**Actions to Promote Development via the Private Sector.** As outlined under IDB-9, the Bank would diversify its instruments to support development via the private sector by establishing, among other things, fee-based advisory services. During 2012, the Bank advanced in the development of such an instrument, which would serve not only private-sector clients, but counterparts in the public sector, in keeping with the IDB’s longstanding, integrated approach to addressing the region’s development challenges. In 2012, Management executed many of the goals of the Private Sector Development Strategy, including expanding access to finance for SMEs through both private-sector development and private-sector operations, fostering financial inclusion through innovative technology and instruments, providing earlier and more robust input in the country strategy and country programming exercises, and improving development effectiveness scoring and evaluability. Following up on commitments contained in the NSG Business Plan for 2012–2014, the IDB and IIC signed a memorandum of understanding that recognizes

the special relationship between the two institutions and pledges inter-institutional cooperation and coordination in private-sector and NSG activities, including joint financing efforts.

**Better Bank Agenda.** As stipulated in IDB-9, Management delivered the 2011 Annual Progress Report on Implementation of the Agenda for a Better Bank to the Board of Executive Directors during 2012, focusing on key areas including those described below.

Management continued with year two of the Action Plan for the implementation of the Results-based Budgeting (RBB) framework. The major focus has been in integrating elements of the RBB in the budget cycle, such as the development of an application to automatically link outputs to financial indicators. Major efforts were also directed towards introducing more quantitative, qualitative, and efficiency indicators into the business plans of the operational and nonoperational departments. The 2013 Program and Budget Proposal that was approved by the Board of Executive Directors incorporated additional RBB elements in the strategic focus, building on initial steps taken during the previous year's budget exercise.

In 2012, the Bank established a unit in the Office of the Secretary tasked specifically with implementing the 2011 Access to Information policy, including ongoing technical support to all of the business units of the Bank. Implementation Guidelines were established to strengthen implementation of the policy in 2012; document "classification instructions" were created; training programs were

designed and implemented; and the membership and guidelines of the External Review Panel, charged with reviewing appeals of the denial of information to outside requesters, was approved by the Board of Executive Directors.

In 2012, the IDB's Gender Action Plan activities focused on solidifying gains in gender mainstreaming in projects, drafting analytical work for country strategies, developing direct investment loan opportunities in gender equality and women's empowerment, and screening loan operations for gender-based risks. In addition, the Diversity and Inclusion Advisory Group presented its 2012–2017 framework and action plan to mainstream diversity and inclusion throughout all of the Bank's activities.

Reforms in the areas of finance and risk management were implemented on schedule, including new rules on income management and capital adequacy. Continued observance of the new guidelines and adherence to the income management model, including continuous review of the potential need for adjustment, will help ensure optimal use of capital and maintenance of the Bank's Triple-A credit rating. Reforms to strengthen the Bank's business processes and human resource management are also moving forward. Regarding the latter, the Bank advanced in the implementation of its Human Capital Strategy, and in particular, deploying its new Employment Model Framework and implementing the recommendations approved by the Board for strengthening the ethics, conduct and grievance systems.



A \$200 million loan helped finance the Montes del Plata eucalyptus plantation-based pulp production plant. The complex also includes a 160-MW bio-mass electricity generation facility. The project is expected to contribute around \$750 million a year to Uruguay's GDP and to account for 11 percent of Uruguay's total exports in coming years.

ORDINARY CAPITAL  
INTER-AMERICAN DEVELOPMENT BANK

## BALANCE SHEET

Expressed in millions of United States dollars

	December 31,	
	2012	2011
<b>ASSETS</b>		
<b>Cash and investments</b>		
Cash—Notes C and W .....	<b>\$ 1,021</b>	\$ 1,189
Investments—Trading—Notes D, K, L and W, Schedule I-1 .....	<b>14,399</b>	13,703
<b>Loans outstanding—Notes E, T and W, Schedules I-2 and I-3...</b>	<b>68,640</b>	66,130
Allowance for loan losses .....	<b>(180)</b>	(150)
<b>Accrued interest and other charges</b>		
On investments .....	35	40
On loans .....	439	466
On swaps, net .....	<b>352</b>	345
<b>Receivable from members—Note G</b>		
Non-negotiable, non-interest-bearing obligations:		
Demand notes .....	72	73
Term notes .....	<b>205</b>	221
Amounts required to maintain value of currency holdings .....	<b>1</b>	1
<b>Currency and interest rate swaps—Notes K, L and W</b>		
Investments—trading—Schedule I-1.....	50	11
Loans.....	24	112
Borrowings—Schedule I-4.....	<b>6,450</b>	6,702
Other.....	<b>279</b>	215
<b>Other assets</b>		
Receivable for investment securities sold .....	—	2
Property, net—Note H .....	<b>331</b>	325
Miscellaneous.....	<b>91</b>	47
<b>Total assets</b> .....	<b>\$92,209</b>	<b>\$89,432</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Borrowings—Notes I, J, L and W, Schedule I-4		
Short-term.....	<b>\$ 840</b>	\$ 898
Medium- and long-term:		
Measured at fair value .....	<b>45,458</b>	48,901
Measured at amortized cost .....	<b>19,267</b>	14,124
Currency and interest rate swaps—Notes K, L and W		
Investments—trading—Schedule I-1.....	73	80
Loans .....	<b>1,855</b>	1,658
Borrowings—Schedule I-4.....	<b>639</b>	794
Payable for investment securities purchased.....	—	33
Payable for cash collateral received .....	<b>805</b>	910
Liabilities under retirement benefit plans—Note S.....	<b>1,153</b>	796
Due to IDB Grant Facility .....	<b>351</b>	272
Amounts payable to maintain value		
of currency holdings—Note G .....	61	219
Accrued interest on borrowings .....	<b>532</b>	538
Accounts payable and accrued expenses.....	<b>494</b>	415
<b>Total liabilities</b> .....	<b>71,528</b>	<b>69,638</b>
<b>Equity</b>		
Capital stock—Note O, Schedules I-5 and I-6		
Subscribed 9,688,828 shares (2011- 8,702,335 shares) .....	<b>116,880</b>	104,980
Less callable portion .....	<b>(112,240)</b>	(100,641)
Paid-in capital stock .....	<b>4,640</b>	4,339
Capital subscriptions receivable .....	<b>(18)</b>	—
Retained earnings—Note P .....	<b>16,392</b>	15,488
Accumulated other comprehensive income (loss)—Note Q .....	<b>(333)</b>	(33)
<b>Total liabilities and equity</b> .....	<b>\$92,209</b>	<b>\$89,432</b>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

**ORDINARY CAPITAL**  
INTER-AMERICAN DEVELOPMENT BANK

## **STATEMENT OF INCOME AND RETAINED EARNINGS**

*Expressed in millions of United States dollars*

	<b>Years ended December 31,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Income</b>			
Loans			
Interest, after swaps—Notes E and K .....	\$ 1,601	\$ 1,683	\$ 1,764
Other loan income .....	67	59	66
	<u>1,668</u>	<u>1,742</u>	<u>1,830</u>
Investments—Note K			
Interest .....	89	99	178
Net gains .....	293	9	446
	<u>113</u>	<u>112</u>	<u>7</u>
Other interest income—Note K .....	<u>26</u>	<u>18</u>	<u>21</u>
Other .....	<u>2,189</u>	<u>1,980</u>	<u>2,482</u>
<b>Expenses</b>			
Borrowing expenses			
Interest, after swaps—Notes I, J, K and L .....	508	455	523
Borrowing issue costs .....	12	12	27
Debt repurchase income .....	(1)	(5)	—
	<u>519</u>	<u>462</u>	<u>550</u>
Provision for loan and guarantee losses—Note F .....	22	3	24
Administrative expenses—Note B .....	663	600	573
Special programs .....	75	79	83
Total expenses .....	<u>1,279</u>	<u>1,144</u>	<u>1,230</u>
<b>Income before Net fair value adjustments on non-trading portfolios and Board of Governors approved transfers</b>			
Net fair value adjustments on non-trading portfolios—Notes I, J, K and R .....	194	(919)	(850)
Board of Governors approved transfers—Note N .....	(200)	(200)	(72)
Net income (loss) .....	904	(283)	330
Retained earnings, beginning of year .....	<u>15,488</u>	<u>15,771</u>	<u>15,441</u>
Retained earnings, end of year .....	<u>\$16,392</u>	<u>\$15,488</u>	<u>\$15,771</u>

## **STATEMENT OF COMPREHENSIVE INCOME**

*Expressed in millions of United States dollars*

	<b>Years ended December 31,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Net income (loss) .....</b>			
Net income (loss) .....	\$904	\$ (283)	\$330
<b>Other comprehensive income (loss)—Note Q</b>			
Translation adjustments .....	(8)	(3)	(25)
Recognition of changes in assets/liabilities under retirement benefit plans—Note S .....	(292)	(880)	(19)
Total other comprehensive income (loss) .....	<u>(300)</u>	<u>(883)</u>	<u>(44)</u>
Comprehensive income (loss) .....	<u>\$604</u>	<u>\$1,166</u>	<u>\$286</u>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

**ORDINARY CAPITAL**  
INTER-AMERICAN DEVELOPMENT BANK

**STATEMENT OF CASH FLOWS**

*Expressed in millions of United States dollars*

	<b>Years ended December 31,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from lending and investing activities</b>			
Lending:			
Loan disbursements (net of participations) .....	\$ <b>(6,883)</b>	\$ (7,898)	\$ (10,341)
Loan collections (net of participations) .....	<b>4,571</b>	<b>4,601</b>	<b>5,598</b>
Net cash used in lending activities .....	<b>(2,312)</b>	(3,297)	(4,743)
Gross purchases of held-to-maturity investments.....	—	—	(4,409)
Gross proceeds from maturities or sale of held-to-maturity investments .....	—	—	7,373
Purchase of property .....	<b>(22)</b>	(21)	(33)
Miscellaneous assets and liabilities .....	<b>(32)</b>	(9)	(30)
Net cash used in lending and investing activities .....	<b>(2,366)</b>	(3,327)	(1,842)
<b>Cash flows from financing activities</b>			
Medium- and long-term borrowings:			
Proceeds from issuance .....	<b>12,067</b>	6,808	11,726
Repayments .....	<b>(9,613)</b>	(7,919)	(9,998)
Short-term borrowings:			
Proceeds from issuance .....	<b>4,445</b>	6,121	469
Repayments .....	<b>(4,503)</b>	(5,253)	(2,349)
Cash collateral received .....	<b>(105)</b>	898	12
Collections of receivable from members .....	<b>16</b>	71	30
Collections of capital subscriptions .....	<b>358</b>	—	—
Payments of maintenance of value to members .....	<b>(158)</b>	(317)	—
Net cash provided by (used in) financing activities .....	<b>2,507</b>	409	(110)
<b>Cash flows from operating activities</b>			
Gross purchases of trading investments.....	<b>(29,087)</b>	(21,150)	(31,865)
Gross proceeds from sale or maturity of trading investments.....	<b>28,723</b>	23,977	32,691
Loan income collections, after swaps .....	<b>1,695</b>	1,748	1,864
Interest and other costs of borrowings, after swaps .....	<b>(1,000)</b>	(215)	(373)
Income from investments .....	<b>(7)</b>	18	251
Other interest income.....	<b>113</b>	114	—
Other income .....	<b>38</b>	18	21
Administrative expenses.....	<b>(586)</b>	(576)	(574)
Transfers to the IDB Grant Facility.....	<b>(121)</b>	—	—
Special programs.....	<b>(78)</b>	(69)	(55)
Net cash provided by (used in) operating activities .....	<b>(310)</b>	3,865	1,960
<b>Effect of exchange rate fluctuations on cash.....</b>	<b>1</b>	—	(8)
<b>Net increase (decrease) in Cash .....</b>	<b>(168)</b>	947	—
<b>Cash, beginning of year.....</b>	<b>1,189</b>	242	242
<b>Cash, end of year.....</b>	<b>\$ 1,021</b>	\$ 1,189	\$ 242

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

FUND FOR SPECIAL OPERATIONS  
INTER-AMERICAN DEVELOPMENT BANK

## BALANCE SHEET

*Expressed in millions of United States dollars*

	December 31, 2012
<b>ASSETS</b>	
<b>Cash and investments</b>	
Cash—Notes C and M .....	\$ 408
Investments—Notes D, E, M and Schedule II-1 .....	<u>792</u>
	<b>\$1,200</b>
<b>Loans outstanding, net—Notes F, M and Schedule II-2 .....</b>	<b>4,277</b>
<b>Accrued interest and other charges on loans .....</b>	<b>16</b>
<b>Other assets .....</b>	<b>1</b>
<b>Total assets .....</b>	<b><u>\$5,494</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses .....	\$ 3
Undisbursed technical cooperation projects and other financings—Note H .....	24
Due to IDB Grant Facility—Note I .....	225
Amounts payable to maintain value of currency holdings—Note G .....	<u>284</u>
	<b>\$ 536</b>
<b>Fund balance</b>	
Contribution quotas authorized and subscribed—Note J and Schedule II-3 .....	10,238
Less: Contribution quotas receivable .....	<u>(96)</u>
	<b>10,142</b>
Receivable from members—Note G	
Non-negotiable, non-interest-bearing obligations:	
Demand notes .....	(446)
Term notes .....	(109)
Amounts required to maintain value of currency holdings .....	<u>(56)</u>
	<b>(611)</b>
General reserve (deficit) .....	(4,672)
Accumulated other comprehensive income—Note K .....	<u>99</u>
<b>Total liabilities and fund balance .....</b>	<b><u>\$5,494</u></b>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

FUND FOR SPECIAL OPERATIONS  
INTER-AMERICAN DEVELOPMENT BANK

## **STATEMENT OF INCOME AND GENERAL RESERVE (DEFICIT)**

*Expressed in millions of United States dollars*

	Year ended December 31, 2012
<b>Income</b>	
Loans	
Interest .....	\$   64
Other loan income .....	1
	<hr/>
Investments—Note D .....	65
Total income .....	13
	<hr/>
	78
<b>Expenses</b>	
Administrative expenses—Note B .....	20
Total expenses .....	20
	<hr/>
<b>Income before technical cooperation .....</b>	<b>58</b>
<b>Technical cooperation income .....</b>	<b>8</b>
<b>Net income .....</b>	<b>66</b>
	<hr/>
<b>General reserve (deficit), beginning of year .....</b>	<b>(4,738)</b>
<b>General reserve (deficit), end of year .....</b>	<b><u>\$4,672</u></b>

## **STATEMENT OF COMPREHENSIVE INCOME**

*Expressed in millions of United States dollars*

	Year ended December 31, 2012
<b>Net income .....</b>	<b>\$66</b>
<b>Translation adjustments—Note K .....</b>	<b>1</b>
<b>Comprehensive income .....</b>	<b><u>\$67</u></b>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

FUND FOR SPECIAL OPERATIONS  
INTER-AMERICAN DEVELOPMENT BANK

## **STATEMENT OF CASH FLOWS**

*Expressed in millions of United States dollars*

	<b>Year ended December 31, 2012</b>
<b>Cash flows from lending activities</b>	
Loan disbursements .....	\$ (317)
Loan collections .....	196
Loan participations, net .....	(4)
Miscellaneous assets and liabilities .....	(1)
Net cash used in lending activities .....	<u>(126)</u>
<b>Cash flows from financing activities</b>	
Collections of receivable from members .....	15
Contribution quotas from members.....	73
Net cash provided by financing activities.....	<u>88</u>
<b>Cash flows from operating activities</b>	
Gross purchases of investments.....	(1,730)
Gross proceeds from sale or maturity of investments.....	1,726
Loan income collections.....	64
Income from investments .....	18
Administrative expenses.....	(20)
Technical cooperation and other financings .....	(17)
Cash transfers to the IDB Grant Facility .....	(28)
Net cash provided by operating activities .....	<u>13</u>
<b>Effect of exchange rate fluctuations on Cash.....</b>	<b>7</b>
<b>Net decrease in Cash.....</b>	<b>(18)</b>
<b>Cash, beginning of year.....</b>	<b>426</b>
<b>Cash, end of year .....</b>	<b>\$ 408</b>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

INTERMEDIATE FINANCING FACILITY ACCOUNT  
INTER-AMERICAN DEVELOPMENT BANK

## BALANCE SHEET

*Expressed in millions of United States dollars*

	December 31,	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash .....	\$ —	\$ —
Investments—Notes C and D .....	<u>153</u>	<u>171</u>
<b>Total assets .....</b>	<b><u>\$153</u></b>	<b><u>\$171</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Due to Ordinary Capital .....	\$ 3	\$ 4
Fund balance .....	<u>150</u>	<u>167</u>
<b>Total liabilities and fund balance .....</b>	<b><u>\$153</u></b>	<b><u>\$171</u></b>

## STATEMENT OF CHANGES IN FUND BALANCE

*Expressed in millions of United States dollars*

	Years ended December 31,		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Additions</b>			
Income from investments—Note C .....	\$ 4	\$ 1	\$ 5
Total additions .....	<u>4</u>	<u>1</u>	<u>5</u>
<b>Deductions</b>			
Interest paid on behalf of Ordinary Capital borrowers .....	21	27	33
Total deductions .....	<u>21</u>	<u>27</u>	<u>33</u>
<b>Change in fund balance .....</b>	<b>(17)</b>	<b>(26)</b>	<b>(28)</b>
<b>Fund balance, beginning of year .....</b>	<b>167</b>	<b>193</b>	<b>221</b>
<b>Fund balance, end of year .....</b>	<b><u>\$150</u></b>	<b><u>\$167</u></b>	<b><u>\$193</u></b>

## STATEMENT OF CASH FLOWS

*Expressed in millions of United States dollars*

	Years ended December 31,		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>			
Income from investments .....	\$ 4	\$ 4	\$ 4
Interest paid on behalf of Ordinary Capital borrowers .....	(22)	(30)	(33)
Net decrease in investments .....	<u>18</u>	<u>26</u>	<u>28</u>
<b>Net cash used in operating activities and net decrease in Cash .....</b>	<b>—</b>	<b>—</b>	<b>(1)</b>
<b>Cash, beginning of year .....</b>	<b>—</b>	<b>—</b>	<b>1</b>
<b>Cash, end of year .....</b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

## BALANCE SHEET

*Expressed in millions of United States dollars*

	December 31,	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash .....	\$ 2	\$ —
Due from Fund for Special Operations .....	225	253
Due from Ordinary Capital .....	351	272
Total assets .....	<u>\$578</u>	<u>\$525</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Undisbursed grants—Note D .....	\$577	\$481
Fund balance .....	1	44
Total liabilities and fund balance .....	<u>\$578</u>	<u>\$525</u>

## STATEMENT OF CHANGES IN FUND BALANCE

*Expressed in millions of United States dollars*

	Years ended December 31,		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Additions</b>			
Transfers from Fund for Special Operations .....	\$ —	\$ 44	\$364
Transfers from Ordinary Capital .....	<u>200</u>	<u>200</u>	<u>72</u>
Total additions .....	<u>200</u>	<u>244</u>	<u>436</u>
<b>Deductions</b>			
Grants .....	243	241	395
Change in fund balance .....	<u>(43)</u>	<u>3</u>	<u>41</u>
Fund balance, beginning of year .....	<u>44</u>	<u>41</u>	<u>—</u>
Fund balance, end of year .....	<u>\$ 1</u>	<u>\$ 44</u>	<u>\$ 41</u>

## STATEMENT OF CASH FLOWS

*Expressed in millions of United States dollars*

	Years ended December 31,		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>			
Cash transfers from Fund for Special Operations .....	\$ 28	\$ 175	\$ 134
Cash transfers from Ordinary Capital .....	<u>121</u>	<u>—</u>	<u>—</u>
Grant disbursements .....	<u>(147)</u>	<u>(175)</u>	<u>(134)</u>
<b>Net cash provided by operating activities and net increase in cash .....</b>	<u>2</u>	<u>—</u>	<u>—</u>
<b>Cash, beginning of year .....</b>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Cash, end of year .....</b>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ —</u>

The Notes and Schedules are an integral part of these financial statements and can be found on the Bank's Website at <http://www.iadb.org/ar/2012>.

**Table III.** Ten years of Operations, 2003–2012

(In millions of U.S. dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>CAPITAL</b>										
<b>Subscriptions (End of Year)</b>										
Ordinary Capital <sup>1</sup>	100,951	100,951	100,953	100,953	100,953	100,938	104,980	104,980	104,980	116,862
Fund for Special Operations <sup>1</sup>	9,636	9,637	9,639	9,639	9,640	9,636	9,762	10,000	10,069	10,142
Other Funds <sup>2</sup>	2,938	3,026	3,078	2,772	3,274	3,422	4,162	4,459	4,823	5,340
<b>Total</b>	<b>113,525</b>	<b>113,614</b>	<b>113,670</b>	<b>113,364</b>	<b>113,867</b>	<b>113,996</b>	<b>118,904</b>	<b>119,439</b>	<b>119,872</b>	<b>132,344</b>
<b>BORROWINGS<sup>3</sup></b>										
Outstanding (End of Year)	48,112	46,190	43,999	43,959	44,854	44,624	57,641	61,124	59,630	61,513
Gross Annual Borrowings	9,109	4,710	4,937	5,419	6,089	11,069	17,886	13,719	6,798	12,888
<b>OPERATIONS</b>										
<b>Loans and Guarantees Approved (Cumulative)<sup>4</sup></b>										
Ordinary Capital <sup>5</sup>	110,436	116,799	117,804	124,580	135,006	148,991	162,533	176,180	186,041	196,302
Fund for Special Operations	16,652	17,391	17,486	18,257	18,525	18,519	18,870	19,054	19,204	19,486
Other Funds	1,769	1,747	1,743	1,751	1,772	1,755	1,768	1,791	1,877	1,940
<b>Total</b>	<b>128,857</b>	<b>135,937</b>	<b>137,033</b>	<b>144,588</b>	<b>155,303</b>	<b>169,265</b>	<b>183,171</b>	<b>197,025</b>	<b>207,122</b>	<b>217,728</b>
<b>Loans and Guarantees Approved (Annual)<sup>6</sup></b>										
Ordinary Capital <sup>5,6</sup>	6,232	5,468	6,448	5,632	8,577	11,085	15,278	12,136	10,400	10,799
Fund for Special Operations	578	552	410	605	152	138	228	297	181	320
Other Funds <sup>11</sup>	—	—	—	2	6	3	1	31	90	60
<b>Total</b>	<b>6,810</b>	<b>6,020</b>	<b>6,858</b>	<b>6,239</b>	<b>8,735</b>	<b>11,226</b>	<b>15,507</b>	<b>12,464</b>	<b>10,671</b>	<b>11,179</b>
<b>Loan Disbursements (Annual)<sup>7</sup></b>										
Ordinary Capital <sup>5</sup>	8,416	3,768	4,899	6,088	6,725	7,149	11,424	10,341	7,902	6,882
Fund for Special Operations	486	463	424	398	393	415	414	398	368	317
Other Funds <sup>11</sup>	—	1	5	3	6	44	13	34	—	50
<b>Total</b>	<b>8,902</b>	<b>4,232</b>	<b>5,328</b>	<b>6,489</b>	<b>7,124</b>	<b>7,608</b>	<b>11,851</b>	<b>10,773</b>	<b>8,270</b>	<b>7,249</b>
<b>Loan Repayments (Annual)<sup>7</sup></b>										
Ordinary Capital	7,279	5,199	5,224	8,615	5,265	4,740	4,542	5,598	4,601	4,571
Fund for Special Operations	296	294	301	290	275	229	220	214	195	196
Other Funds	12	9	5	3	4	4	5	5	6	6
<b>Total</b>	<b>7,587</b>	<b>5,502</b>	<b>5,530</b>	<b>8,908</b>	<b>5,544</b>	<b>4,973</b>	<b>4,767</b>	<b>5,817</b>	<b>4,802</b>	<b>4,773</b>
<b>Loans Outstanding</b>										
Ordinary Capital	50,655	49,842	48,135	45,932	47,954	51,173	58,049	63,007	66,130	68,640
Fund for Special Operations	6,670	6,971	6,878	3,733	3,966	4,101	4,317	4,004	4,162	4,277
Other Funds	104	98	94	94	96	126	135	156	142	184
<b>Total</b>	<b>57,429</b>	<b>56,911</b>	<b>55,107</b>	<b>49,759</b>	<b>52,016</b>	<b>55,400</b>	<b>62,501</b>	<b>67,167</b>	<b>70,434</b>	<b>73,101</b>
<b>Grant Financings Approved (Annual)<sup>8</sup></b>										
Ordinary Capital	—	—	12	34	37	68	94	86	93	93
Fund for Special Operations	30	36	36	28	34	43	33	36	—	—
IDB Grant Facility <sup>9</sup>	—	—	—	—	50	50	122	251	241	245
Other Funds	47	39	57	53	92	109	283	457	311	187
<b>Total</b>	<b>77</b>	<b>75</b>	<b>105</b>	<b>115</b>	<b>213</b>	<b>270</b>	<b>532</b>	<b>830</b>	<b>645</b>	<b>525</b>
<b>Multilateral Investment Fund</b>										
<b>Operations Approved (Annual)<sup>10</sup></b>	<b>69</b>	<b>116</b>	<b>114</b>	<b>125</b>	<b>135</b>	<b>178</b>	<b>119</b>	<b>122</b>	<b>108</b>	<b>97</b>
<b>ADMINISTRATION</b>										
<b>Administrative Expenses</b>										
<b>Total – Bank Funds</b>	<b>386</b>	<b>404</b>	<b>473</b>	<b>507</b>	<b>564</b>	<b>501</b>	<b>542</b>	<b>584</b>	<b>618</b>	<b>683</b>

<sup>1</sup> Net of Capital subscriptions receivable of \$18 million and \$96 million for the OC and FSO, respectively.

<sup>2</sup> Includes the Multilateral Investment Fund. Excludes terminated funds.

<sup>3</sup> Medium- and long-term borrowings outstanding net of unamortized discounts (before swaps and mark-to-market adjustments). Medium- and long-term Gross Annual borrowings at face value, before swaps.

<sup>4</sup> Net of cancellations. Includes exchange adjustments.

<sup>5</sup> Net of non-sovereign-guaranteed loan participations. Includes Project Preparation Execution Facility.

<sup>6</sup> In 2009, includes \$800 million of loan approvals cancelled during the year.

<sup>7</sup> Based on original amounts in U.S dollar equivalent.

<sup>8</sup> Includes Social Entrepreneurship Program financing, technical cooperations, special program, project specific and other grants. Excludes Multilateral Investment Fund operations which are presented separately.

<sup>9</sup> In 2010, excludes \$144 million of undisbursed loan balances transferred from the Fund for Special Operations and converted to grants.

<sup>10</sup> Includes technical cooperations, loans and equity investments. Also includes increases of already existing operations.

<sup>11</sup> Does not include IDB Grant Facility.

**Table IV.** Statement of Approved Operations (\$5 Million or above), 2012

(In millions of U.S. dollars)

<b>Country</b>	<b>Project</b>	<b>Type</b>	<b>Amount</b>
Argentina	Forest Sustainability and Competitiveness Program	ESP	60
	Program for Rural Development and Family Agriculture, PRODAF	ESP	30
	Program to Strengthen Provincial Fiscal Management II (PROFIP II)	ESP	36
	Productive Development in the Province of San Juan	GCR	60
	Norte Grande Road Infrastructure II	GOM	300
	Norte Grande Water and Sanitation Infrastructure	GOM	500
	Sustainable Development Tourism Sector in Salta Province	ESP	34
	Technological Innovation Program III	CLP	200
	Multiphase Program for Managing Chronic Non-communicable Diseases	PFM	150
	Multisector Preinvestment Program Phase IV (CCLIP)	CLP	20
Barbados	Skills for the Future	ESP	20
	Public Sector Smart Energy (PSSE) Program	ESP	17
	Four Seasons Barbados	PSI	55
Bahamas	Trade Sector Support Program	ESP	17
	New Providence Transport Program Supplementary Financing II	SUP	65
	Social Safety Net Reform Program	ESP	8
Bolivia	Grow Well to Live Well Early Childhood Development Program	ESP	20
	Productive Communitarian Secondary Education	ESP	40
	Program for Comprehensive Solid Waste Management Implementation	GOM	20
	Program Sector Reforms Water, Sanitation and Water Resources	PBP	78
	Montero-Yapacaní Segment of the Santa Cruz-Cochabamba Highway	ESP	122
	Improved Access to Health Services	ESP	35
Brazil	Historic Center Revitalization for the City of São Luis	GCR	14
	Regional Urban Development Program	ESP	67
	PROCIDADES – Colatina	GCR	11
	PROCIDADES – Novo Hamburgo	GCR	24
	PROCIDADES – Recife	GCR	20
	Finance Administration Modernization Program-PROFISCO	ESP	12
	PROFISCO-Tocantins	ESP	40
	Program for Modernization of Pension System Management II – PROPREV II	PFM	10
	Blumenau's Sustainable Urban Mobility Program (BID-Blumenau Program)	ESP	59
	Pro-Energy RS Distribution	ESP	131
	Social Inclusion and Opportunities for Youth in Rio de Janeiro	ESP	60
	Environmental Sanitation Program for Ipojuca Basin	GOM	200
	Program to Strengthen the Social Assistance System	ESP	66
	CEEE Generation and Transmission Project	ESP	89
	Maués Integrated Sanitation Program – PROSAIMAUÉS	ESP	25
	Sao Bernardo do Campo Urban Transportation Program II	GOM	125
	Santa Catarina Logistics Infrastructure Program	GOM	250
Chile	Fiscal Stability Consolidation Program for Bahia	PBL	600
	Fiscal Consolidation Program for Rio Grande del Sur	PBL	200
	Program to Support SENCE's Effectiveness	ESP	8

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**Table IV.** Statement of Approved Operations (\$5 Million or above), 2012 (*continued*)

(In millions of U.S. dollars)

<b>Country</b>	<b>Project</b>	<b>Type</b>	<b>Amount</b>
Colombia	Support Program to Quality Education Plan for Prosperity	ESP	46
	Program to Promote Outsourced Services	ESP	12
	Program to Strengthen the Legal Defense of the State	ESP	10
	Cali Integrated Transport System: Supplementary Financing	SUP	105
	Rural Water Supply and Wastewater Management Program	ESP	60
	Reform for the Strengthening of National Human Capital Training System SNFCH	PBP	100
	FINDETER – Lending Program for Public Service Providers III	CLP	75
	Consolidation Program for Subnational Fiscal Responsibility II	PBP	100
	La Hipotecaria – Colombia Guarantee	PSG	5
Costa Rica	Innovation and Human Capital for Competitiveness Program	ESP	35
	Power Sector Development Program 2012–2016 (Reventazon Hydroelectric Project)	CLP	250
	Building and Equipping of Education Infrastructure	ESP	167
	Reventazon Hydroelectric Power Project	PSH	200
	Banco Improsa SME Facility	PSI	8
	Banco BAC San Jose Financing Facility	PSI	40
Dominican Republic	Viadom Toll Road Project	PSI	130
	Support for Consolidation of the Social Protection System	ESP	130
	Research and Agricultural Development Program	ESP	22
	Second Individual Loan to Support the 10-year Education Plan	CLP	50
	Santiago Water Supply Service Improvement Program	ESP	25
Ecuador	Program to Support Integrated Early Childhood Development	ESP	40
	Universidad Politécnica Salesiana Expansion Project	PSI	15
	Financial Inclusion Support Investment Program	ESP	10
	Quito Metropolitan Urban Transport System	ESP	100
	Investment Program for Decentralized Autonomous Governments Phase I	PFM	100
	Social Housing National Program II	ESP	100
El Salvador	Violence Prevention Strategy Comprehensive Support Program	ESP	45
	Innovation for Competitiveness Program	ESP	30
	Support for Labor and Social Security Policies	ESP	20
	Comprehensive Fiscal Sustainblty & Climate Change Adaptation Program	PBL	200
	La Hipotecaria	PSI	8
Guatemala	Fiscal Consolidation Program	HIB	237
	Banco G&T Continental TFFP Loan under SCB Facility	PSI	5
Guyana	Road Network Upgrade and Expansion Program	ESP	66
Haiti	Land tenure security program in rural areas	ESP	27
	Support for Transport Sector in Haiti II	ESP	53
	Institutional Transformation and Modernization Program of the Energy Sector II	PBP	12
	Institutional Strengthening and Reform of the Agriculture Sector I	PBP	15
	Productive Infrastructure Program	GOM	50
	Increasing Access to Quality Education in Haiti	ESP	50
	Private Sector Development through Investment Promotion	ESP	18
	Emergency Road Rehabilitation Program in Response to Hurricane Sandy	ERF	18

(continued on next page)

**Table IV.** Statement of Approved Operations (\$5 Million or above), 2012 (*continued*)

(In millions of U.S. dollars)

<b>Country</b>	<b>Project</b>	<b>Type</b>	<b>Amount</b>
Honduras	Support for the Implementation of the Urban Coexistence Program	ESP	60
	Support to the Social Protection Network Program	ESP	75
	Mother and Child Hospital Network Strengthening Program	ESP	30
	Program for Urban Coexistence	ESP	17
Jamaica	Integrated Social Protection and Labor Program	ESP	30
	Caribe Hospitality Kingston	PSI	7
Mexico	Global Credit Program for Development of Mortage Markets IV	CLP	229
	Etileno XXI	PSI	300
	Multiphase Training and Employment Support Program Phase III	PFM	300
	Management and Investment Strengthening Project 3 x 1 for Migrants, Phase II	PFM	21
	Entrepreneurial Development in Mexico Phase III	CLP	100
	Financing Low Carbon Strategies in Forest Landscapes	GCR	10
	CTF-IADB "ECOCASA" Program	CLP	100
	Vinte Viviendas Integrales SAPI de CV	PSG	15
	BNS2 Wind Power Corporate Loan	PSI	76
	Salud Digna Expansion Project	PSI	10
	Growing healthy; strengthening healthcare for Mexican Children	ESP	350
	FINAE II – Expansion of University Education Loan Program	PSH	10
Nicaragua	Support to the Transportation Sector II Program	GOM	39
	Program to Implement the National Policy for Children	ESP	20
	National Sustainable Electrification and Renewable Energy Program III	ESP	35
	Improving Expenditures on Health and Social Protection II	PBP	45
	Rent to Own: Innovation to Improve Access to Social Housing in Nicaragua	PSI	10
	Sustainable Agricultural Productivity Development Program	ESP	40
	Integrated Health Care Networks	ESP	56
	Basic Services and Social Housing	PSI	5
Peru	Improving Road Lima-Canta-Huallay-Unish	CLP	70
	Innovation Project for Competitiveness	ESP	35
	Project for the Development of Solid Waste Management Systems in Priority Areas	ESP	15
	Program to Enhance Productivity and Competitiveness II (PEPC II)	PBP	30
	Improvement of Territorial Public Investment Management	ESP	20
	Social Sectors Reform Program III	PBP	30
	Colegios Peruanos: Quality Private Education for Emerging Social Classes	PSI	15
	Development of a New Sustainable Energy Matrix Program IV	PBP	30
	Banco Interamericano de Finanzas (BanBif)- MSME Downscaling	PSG	5
	Innovation in School Infrastructure	ESP	70
Panama	Reducing Vulnerability to Natural Disasters and Climate Change II	PBP	100
	La Hipotecaria	PSI	5
	Strengthening Macrofinancial and Fiscal Management	PBP	350
	Public Management Modernization Program II	PBP	100
Paraguay	Support to Early Childhood Development	ESP	27
	Support for the Electricity Transmission System	PFM	50
	Development of Associative and Community Platforms for Access to Financing	PSI	6

(continued on next page)

**Table IV.** Statement of Approved Operations (\$5 Million or above), 2012 (*continued*)

(In millions of U.S. dollars)

<b>Country</b>	<b>Project</b>	<b>Type</b>	<b>Amount</b>
Regional	CDB Global Loan Program for the IDA-Eligible OECS Member Countries	GCR	20
	Emerging Energy Latin America Fund II, L.P.	PSI	30
	Green Line Banco Itau BBA S.A. *Nassau Branch*	PSI	100
	LAC – China Infrastructure Fund	PSI	50
	Isolux Corporate Loan	PSI	100
	LAC – China Natural Resources Fund	PSI	50
	LAC – China Mid-Cap Corporate Fund	PSI	50
Suriname	Basic Education Improvement Program II	PFM	14
	Meerzorg – Albina Integration Corridor Rehabilitation: Supplementary Financing	SUP	40
	Support to the Institutional and Operational Strengthening of the Energy Sector	PBP	15
	Strengthening of Public Expenditure Management II	PBP	20
Trinidad and Tobago			
	Multi-Phase Wastewater Rehabilitation Program – Phase I	PFM	247
Uruguay	Local Development and Subnational Management Program	ESP	70
	Estancias del Lago	PSI	65
	Local Public Safety Integrated Management Program	ESP	5
	Road Infrastructure Program II	ESP	80
	Punta del Tigre Combined Cycle Power Generation Project	ESP	200
	Program to Support Future Entrepreneurs	ESP	8
	Integrated Sanitation Program of Ciudad de la Costa: Supplementary Financing	SUP	9
	El Libertador Wind Project	PSI	66
	Montevideo Urban Transportation Program II	ESP	52
	Palmatir Wind Project	PSI	42
	Ciudad de la Costa II	CLP	27
Venezuela	Optimization of Water Quality Management In Small Communities	ESP	100
	Sanitation of Guaire River	ESP	300

## Key:

CLP, Conditional Credit Line for Investment; ERF, Emergency Reconstruction Facility; ESP, Investment; GCR, Global Credit; GOM, Global of Multiple Works; PBL/PBP/HIB, Policy based and Programmatic; PFM, Multi-Phase; PSG, Private Sector Guarantee; PSH, Private Sector Hybrid; PSI, Private Sector Investment; PSS, Private Sector Supplemental; SUP, Supplemental Financing; TCR, Reimbursable Technical Cooperation

**Table V. Subscriptions to Capital Stock, Contribution Quotas and Voting Power as of December 31, 2012**

(In millions of U.S. dollars)

<b>Member countries</b>	<b>Ordinary Capital Subscribed Capital Stock</b>			<b>% of Total Number of Votes<sup>2</sup></b>	<b>FSO Contribution Quotas</b>
	<b>Paid-in</b>	<b>Callable</b>	<b>Total</b>		
<b>Regional developing members</b>					
Argentina	\$ 501.7	\$ 11,862.4	\$ 12,364.1	10.904	\$ 532.2
Bahamas	12.2	226.9	239.1	0.212	11.2
Barbados	6.1	142.0	148.1	0.132	1.9
Belize	7.6	118.7	126.3	0.113	8.0
Bolivia	40.3	952.4	992.7	0.877	51.1
Brazil	501.7	11,862.4	12,364.1	10.904	573.2
Chile	137.8	3,257.3	3,395.1	2.995	166.1
Colombia	137.8	3,257.3	3,395.1	2.995	161.2
Costa Rica	20.1	476.2	496.3	0.439	24.5
Dominican Republic	26.9	635.7	662.6	0.586	35.7
Ecuador	26.9	635.7	662.6	0.586	31.9
El Salvador	20.1	476.2	496.3	0.439	22.5
Guatemala	26.9	635.7	662.6	0.586	34.4
Guyana	8.3	175.8	184.1	0.164	8.7
Haiti	20.1	476.2	496.3	0.439	22.9
Honduras	20.1	476.2	496.3	0.439	27.8
Jamaica	26.9	635.7	662.6	0.586	30.2
Mexico	322.5	7,625.4	7,947.9	7.010	346.4
Nicaragua	20.1	476.2	496.3	0.439	25.4
Panama	20.1	476.2	496.3	0.439	26.7
Paraguay	20.1	476.2	496.3	0.439	29.3
Peru	67.1	1,587.4	1,654.5	1.460	84.0
Suriname	6.0	95.0	101.0	0.091	6.6
Trinidad and Tobago	20.1	476.2	496.3	0.439	22.0
Uruguay	53.8	1,272.0	1,325.8	1.170	58.7
Venezuela	249.3	5,568.5	5,817.8	5.132	315.3
<b>Total regional developing members</b>	<b>2,320.7</b>	<b>54,356.2</b>	<b>56,676.9</b>	<b>50.015</b>	<b>2,657.6</b>
<b>Canada<sup>3</sup></b>	<b>185.8</b>	<b>7,906.1</b>	<b>8,091.9</b>	<b>4.004</b>	<b>328.0</b>
<b>United States</b>	<b>1,393.9</b>	<b>32,658.1</b>	<b>34,052.0</b>	<b>30.028</b>	<b>5,076.4</b>
<b>Nonregional members</b>					
Austria	7.4	173.2	180.6	0.161	21.0
Belgium	15.2	356.8	372.0	0.330	44.6
China	0.1	2.6	2.7	0.004	131.1
Croatia	2.2	52.4	54.6	0.050	6.2
Denmark	7.9	184.2	192.1	0.171	21.0
Finland	7.4	173.2	180.6	0.161	19.9
France	88.0	2,062.2	2,150.2	1.897	232.8
Germany	88.0	2,062.2	2,150.2	1.897	241.3
Israel	7.3	170.8	178.1	0.158	18.0
Italy	88.0	2,062.2	2,150.2	1.897	227.2
Japan	232.2	5,441.7	5,673.9	5.005	623.3
Korea, Republic of	0.1	2.6	2.7	0.004	1.0
Netherlands	14.6	325.6	340.3	0.301	36.9
Norway	7.9	184.2	192.1	0.171	21.0
Portugal	2.5	58.4	60.9	0.055	8.2
Slovenia	1.4	31.8	33.2	0.031	3.6
Spain	88.0	2,062.2	2,150.2	1.897	226.4
Sweden	15.1	354.6	369.7	0.327	42.2
Switzerland	21.8	511.6	533.4	0.472	66.9
United Kingdom	44.7	1,047.2	1,091.9	0.964	183.9
<b>Total nonregional members</b>	<b>739.8</b>	<b>17,319.8</b>	<b>18,059.6</b>	<b>15.954</b>	<b>2,176.8</b>
<b>Grand Total</b>	<b>\$4,640.0</b>	<b>\$112,240.0</b>	<b>\$116,880.0</b>	<b>100.000</b>	<b>\$10,238.0</b>

<sup>1</sup> Data are rounded; detail may not add to subtotals and grand total because of rounding.

<sup>2</sup> Each member country's voting power is the same in making decisions concerning the operations of the Ordinary Capital and the FSO. Except where otherwise expressly provided in the Agreement Establishing the Bank, all matters are decided by a majority of the total voting power of the member countries.

<sup>3</sup> Ordinary Capital's subscribed capital stock includes 294,529 non-voting temporary callable shares with a par value of \$3,553.0 million. These shares are excluded from the calculation of the voting power.

**Table VI.** International Staff – Salary Structure

(as of December 31, 2012)

(In U.S. dollars)

<b>Grade</b>	<b>Representative Job Titles</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Staff at Grade Level (%)</b>	<b>Average Salary/Grade</b>	<b>Average Benefits<sup>1</sup></b>
12	Administrative Support	37,540	60,064	0.2%	41,483	17,423
11	Assistant	41,808	66,893	1.7%	48,349	20,307
10	Senior Assistant	47,990	76,785	5.1%	61,228	25,716
9	Analyst -Administrative Coordinator	59,517	89,275	4.6%	71,484	30,023
8	Senior Analyst - Sr. Administrative Coordinator	67,177	100,765	4.9%	77,814	32,682
7	Associate	76,581	114,871	5.0%	85,793	36,033
6	Senior Associate	86,196	129,293	9.2%	93,211	39,149
5	Specialist	96,528	144,791	16.6%	104,439	43,864
4	Senior Specialist	105,949	169,518	19.0%	121,732	51,127
3	Lead Specialist/Advisor	120,416	192,667	18.1%	147,324	61,876
2	Unit Chief- Principal Specialist/Sr. Advisor	144,287	216,430	7.5%	175,965	73,905
1	Division Chief - Principal Tech. Leader/Pr. Advisor	164,862	239,050	4.2%	203,764	85,581
R	Country Representative	164,862	254,472	1.3%	195,842	82,254
E5	Sector Manager	203,577	254,472	0.9%	232,359	97,591
E4	Head of Independent Office	229,184	286,480	0.2%	250,803	105,337
E3	General Manager	260,356	325,445	1.2%	292,638	122,908
E2	Vice President	279,022	334,826	0.3%	317,866	133,504
E1	Executive Vice President	297,225	356,670	0.1%	356,670	149,801
P	President		440,798 <sup>2</sup>	0.1%	440,798	185,135

<sup>1</sup> Includes annual leave, medical, life and disability insurance; accrued termination benefits; and other non-salary benefits.<sup>2</sup> Does not include Executive Allowance of \$78,889.**Table VII.** Consolidated Administrative Expenses

(In millions of U.S. dollars)

<b>Category</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>
Board of Governors	\$ 3.3	\$ 4.0	\$ 4.4
Board of Executive Directors	20.0	20.1	20.1
Evaluation Office	7.1	7.1	8.1
Independent Consultation and Investigation Mechanism (MICI)	–	1.7	1.8
Headquarters and Country Offices	524.2	552.4	576.1
<b>Total Administrative Gross</b> <sup>1,2,3,4,5,6</sup>	<b>554.7</b>	<b>585.3</b>	<b>610.5</b>
Reimbursement from Funds under Administration and IIC	(4.1)	(5.6)	(3.4)
MIF and INTAL Reimbursements, Administrative Income	(5.8)	(4.6)	(5.4)
<b>Total Administrative Net</b>	<b>544.7</b>	<b>575.1</b>	<b>601.7</b>
Capital	41.9	29.8	37.2
<b>Total Administrative Net and Capital</b>	<b>\$586.6</b>	<b>\$604.9</b>	<b>\$638.9</b>

<sup>1</sup> Excludes depreciation of \$22.6 million, \$24.8 million and \$28.3 million in 2010, 2011 and 2012 respectively.<sup>2</sup> Excludes an increase in prepaid post-retirement benefit costs of \$2.6 million in 2010; and a decrease in prepaid post-retirement benefits costs of \$4.7 million and \$66.5 million in 2011 and 2012 respectively.<sup>3</sup> When applicable, excludes \$2.4 million, \$4.1 million and \$4.2 million in realignment expenses, the Inter-American Culture and Development Foundation, loss on disposal of fixed assets and capital projects expenditures not capitalized in 2010, 2011 and 2012, respectively.<sup>4</sup> Includes prepaid expenses of \$2.2 million, \$1.8 million, and \$3.4 million in 2010, 2011 and 2012, respectively.<sup>5</sup> Excludes expenses reimbursed from Funds under Administration of \$1.2 million and \$2.1 million in 2011 and 2012, respectively.<sup>6</sup> In 2012, excludes reversal of expenses pertaining to prior years of \$25.3 million.

## Appendix I. Governors and Alternate Governors

<b>Country</b>	<b>Governor</b>	<b>Alternate Governor</b>
ARGENTINA	Hernán Lorenzino	Mercedes Marcó del Pont
AUSTRIA	Maria Fekter	Edith Frauwallner
BAHAMAS	Michael Halkitis	Ehurd Cunningham
BARBADOS	Christopher Peter Sinckler	Grantley W. Smith
BELGIUM	Steve Vanackere	Franciscus Godts
BELIZE	Dean Barrow	Joseph Waight
BOLIVIA	Elba Viviana Caro Hinojosa	Luis Alberto Arce Catacora
BRAZIL	Miriam Aparecida Belchior	Carlos Augusto Vidotto
CANADA	John Baird	Rob Stewart
CHILE	Felipe Larraín	Julio Dittborn Cordúa
CHINA	Xiaochuan Zhou	Yi Gang
COLOMBIA	Mauricio Cárdenas Santa María	Mauricio Santa María Salamanca
COSTA RICA	Edgar Ayales	Rodrigo Bolaños Zamora
CROATIA	Slavko Linic	Boris Lalovac
DENMARK	Franz-Michael Skjold Mellbin	Thomas Djurhuus
DOMINICAN REPUBLIC	Simón Lizardo Mezquita	Juan T. Montás
ECUADOR	Patricio Rivera Yáñez	Jeannette Sánchez Zurita
EL SALVADOR	Alexander E. Segovia Cáceres	Carlos Enrique Cáceres Chávez
FINLAND	Anne Sipiläinen	Jorma Julin
FRANCE	Pierre Moscovici	Ramón Fernández
GERMANY	Gudrun Kopp	Martin Dippl
GUATEMALA	Pavel Vinicio Centeno López	Edgar Baltazar Barquín Durán
GUYANA	Ashni Kumar Singh	Clyde Roothan
HAITI	Marie Carmelle Jean-Marie	Laurent Salvatore Lamothe
HONDURAS	Wilfredo Rafael Cerrato Rodríguez	María Elena Mondragón Ordóñez
ISRAEL	Stanley Fischer	Oded Brook
ITALY	Vittorio Grilli	Ignazio Visco
JAMAICA	Peter D. Phillips	Wesley Hughes
JAPAN	Jun Azumi	Masaaki Shirakawa
KOREA, REPUBLIC OF	Jaewan Bahk	Choongsoo Kim
MEXICO	Luis Videgaray Caso	Fernando Aportela Rodríguez
NETHERLANDS	Ben Knapen	Rob Swartbol
NICARAGUA	Ivan Adolfo Acosta Montalván	Manuel Coronel Novoa
NORWAY	Arvinn E. Gadgil	Kare Stormark
PANAMA	Frank De Lima G.	Mahesh C. Khemlani
PARAGUAY	Manuel Ferreira Brusquetti	Ramón Isidoro Ramírez Caballero
PERU	Luis Miguel Castilla Rubio	Carlos Augusto Oliva Neyra
PORTUGAL	Vitor Gaspar	Maria Luís Albuquerque
SLOVENIA	Janez Sustersic	Mitja Mavko
SPAIN	Luis de Guindos Jurado	Fernando Jiménez Latorre
SURINAME	Gillmore Hoefdraad	Adelien Wijnerman
SWEDEN	Johan Borgstam	Per Örneus
SWITZERLAND	Beatrice Maser Mallor	Sybille Suter
TRINIDAD AND TOBAGO	Bhoendradatt Tewarie	Vasant Bharath
UNITED KINGDOM	Justine Greening	Alan Duncan
UNITED STATES	Timothy F. Geithner	Robert D. Hormats
URUGUAY	Fernando Lorenzo	Luis Porto
VENEZUELA	Jorge A. Giordani C.	

Al 31 de diciembre de 2012

## Appendix II. Executive Directors and Alternates

	<b>Elected by:</b>	<b>Number of Votes</b>	<b>Percentage of Voting Power</b>
<b>Yasuhiro Atsumi, JAPAN</b> Gerry Duffy (Alternate), UNITED KINGDOM	Croatia Japan Korea	511,113	6.105
<b>Mattia Adani, ITALY</b> Ulrike Metzger (Alternate), GERMANY	Portugal Slovenia United Kingdom	426,523	5.092
<b>Gustavo Arnavat, UNITED STATES</b> Vacante (Alternate)	Belgium China Germany Israel	2,512,664	30.006
<b>Adina Bastidas, VENEZUELA</b> Antonio De Roux (Alternate), PANAMA	Italy The Netherlands Switzerland	518,658	6.194
<b>Cecilia Ramos Ávila, MEXICO</b> Muriel Alfonseca (Alternate), DOMINICAN REPUBLIC	United States of America	627,122	7.489
<b>Marcelo Bisogno, URUGUAY</b> Hernando Larrazábal (Alternate), BOLIVIA	Dominican Republic Mexico	205,291	2.452
<b>Gabriela V. Costa, ARGENTINA</b> Federico Chinchilla (Alternate), ARGENTINA	Bolivia Paraguay	936,545	11.184
<b>Ricardo de Medeiros Carneiro, BRAZIL</b> Sérgio Portugal (Alternate), BRAZIL	Uruguay	907,766	10.84
<b>Alex Foxley Tapia, CHILE</b> Xavier Eduardo Santillán (Alternate), ECUADOR	Argentina Haiti	295,653	3.53
<b>James A. Haley, CANADA</b> Carol Nelder-Corvari (Alternate), CANADA	Brazil Suriname	335,022	4.001
<b>Kurt Kisto, TRINIDAD AND TOBAGO</b> Zulfikar Ally (Alternate), GUYANA	Chile Ecuador	126,574	1.511
<b>Carmen María Madriz, COSTA RICA</b> Carla Anai Herrera (Alternate), GUATEMALA	Canada	126,574	1.511
<b>María Pérez Ribes, SPAIN</b> Per Oyvind Bastoe (Alternate), NORWAY	Bahamas Barbados Guyana	126,574	1.511
<b>Roberto Prieto Uribe, COLOMBIA</b> Kurt Johnny Burneo Farfán (Alternate), PERU	Jamaica Trinidad and Tobago	202,692	2.42
<b>TOTAL</b>	Austria Denmark Finland France	400,427	4.783
	<b>Elected by:</b> Colombia Peru	367,878	4.393
		<b>8,373,928</b>	<b>100.00*</b>

**Office of Evaluation and Oversight**

Cheryl W. Gray, Director

As of December 2012

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

### Appendix III. Principal Officers

<b>President</b>	Luis Alberto Moreno
<b>Executive Vice President</b>	Julie T. Katzman
<b>Vice President for Countries</b>	Roberto Vellutini
<b>Vice President for Sectors and Knowledge</b>	Santiago Levy Algazi
<b>Vice President for Finance and Administration</b>	Jaime Alberto Sujoy
<b>Vice President for Private Sector and Non-Sovereign Guaranteed Operations</b>	Steven J. Puig
<b>General Manager, Department of Research, and Chief Economist</b>	José Juan Ruiz Gómez
<b>General Manager, Country Department — Southern Cone</b>	José Luis Lupo
<b>General Manager, Country Department — Andean Group</b>	Veronica Zavala
<b>General Manager, Country Department — Central America, Mexico, Panama, and the Dominican Republic</b>	Gina Montiel
<b>General Manager, Country Department — Caribbean</b>	Gerard S. Johnson
<b>General Manager, Country Department — Haiti</b>	José Agustín Aguerre
<b>Secretary</b>	Germán Quintana
<b>General Counsel</b>	Jorge Alers
<b>Chief of Staff, Office of the Presidency</b>	Luis Alberto Giorgio
<b>Chief Advisor to the Executive Vice President</b>	Juan Pablo Bonilla
<b>General Manager and Chief Financial Officer, Finance Department</b>	Edward Bartholomew
<b>General Manager and Chief Development Effectiveness Officer, Office of Strategic Planning and Development Effectiveness</b>	Luis Estanislao Echebarría
<b>General Manager, Budget and Administrative Services Department</b>	Yeshvanth Edwin
<b>General Manager, Structured and Corporate Finance Department</b>	Hans Schulz
<b>General Manager, Human Resources Department</b>	Claudia Bock-Valotta
<b>General Manager and Chief Information Officer, Information Technology Department</b>	Simon Gauthier
<b>General Manager, Office of the Multilateral Investment Fund</b>	Nancy Lee
<b>Executive Auditor, Office of the Auditor General</b>	Jorge da Silva
<b>Manager, Office of External Relations</b>	Marcelo Cabrol
<b>Sector Manager, Infrastructure and Environment Sector</b>	Alexandre Meira da Rosa
<b>Sector Manager, a.i., Social Sector</b>	Héctor Salazar Sánchez
<b>Sector Manager, Institutional Capacity and Finance Sector</b>	Ana Maria Rodriguez-Ortiz
<b>Sector Manager, Integration and Trade Sector</b>	Antoni Estevadeordal
<b>Sector Manager, Knowledge and Learning Sector</b>	Graciela Schamis
<b>Sector Manager, Opportunities for the Majority Sector</b>	Luiz Ros
<b>Advisor, Office of Outreach and Partnerships</b>	Bernardo Guillamón
<b>Advisor, Office of Risk Management and Chief Risk Officer</b>	Gustavo De Rosa
<b>Chief, a.i., Office of Institutional Integrity</b>	Maristella Aldana
<b>Executive Secretary, Independent Consultation and Investigation Mechanism</b>	Victoria Márquez-Mees
<b>Ethics Officer</b>	Daisy Fernandez Seebach

Al 31 de diciembre de 2012

## Appendix IV. Country Offices and Representatives

<b>ARGENTINA, Hugo Florez Timoran</b> Calle Esmeralda 130, pisos 19 y 20 (Casilla de correo 181, Sucursal 1) Buenos Aires Tel: 4320-1800	<b>ECUADOR, Sergio Taborga, a.i.</b> Avda. 12 de Octubre N24-528 y Cordero Ed. World Trade Center - Torre II, piso 9 (Apartado postal 17-07-9041) Quito Tel: 299-6900	<b>PARAGUAY, Masamai Yamamori, a.i.</b> Calle Quesada esq. Legión Civil Extranjera (Casilla 1209) Asunción Tel: 616-2000
<b>BAHAMAS, Astrid Wynter</b> IDB House, East Bay Street (P.O. Box N-3743) Nassau Tel: 396-7800	<b>EL SALVADOR, Rodrigo Parot</b> Edificio World Trade Center, piso 4 89 Avda. Norte y Calle El Mirador San Salvador Tel: 2233-8900	<b>PERU, Fidel Jaramillo</b> Dean Valdivia 148-Piso 10 Centro Empresarial Platinum Plaza San Isidro, Lima Tel: 215-7800
<b>BARBADOS, Joel Branski</b> Maple Manor, Hastings (P.O. Box 402) Christ Church Tel: 227-8500	<b>GUATEMALA, Alejandro Fros, a.i.</b> 3era Avenida 13-78, Zona 10 Torre Citigroup – Nivel 10 (Apartado postal 935) Guatemala Tel: 2327-4300	<b>SURINAME, Marco Carlo Nicolá</b> Peter Bruneslaan 2-4 Paramaribo Tel: 52-1201
<b>BELIZE, Anneke Jessen</b> 1024 Newtown Barracks 101 1st floor Marina Towers Building (P.O. Box 1853) Belize City Tel: 221-5300	<b>GUYANA, Sophie Makonnen</b> 47 High Street, Kingston (P.O. Box 10867) Georgetown Tel: 225-7951	<b>TRINIDAD AND TOBAGO, Michelle Cross Fenty</b> 17 Alexandra Street, St. Clair (P.O. Box 68) Port of Spain Tel: 822-6400
<b>BOLIVIA, Baudouin Duquesne</b> Edificio "BISA", piso 5 Avda. 16 de Julio, 1628 (Casilla 5872) La Paz Tel: 2217-7700	<b>HAITI, Eduardo Marques Almeida</b> Banque interaméricaine de développement Bourdon 389 (Boîte postale 1321) Port-au-Prince Tel: 2812-5000	<b>URUGUAY, Juan José Taccone</b> Rincón 640 esq. Bartolomé Mitre (Casilla de correo 5029) 11000 Montevideo Tel: 915-4330
<b>BRAZIL, Daniela Carrera</b> Setor de Embaixadas Norte Quadra 802 Conjunto F Lote 39 - Asa Norte 70800-400 Brasília, D.F. Tel: 3317-4200	<b>HONDURAS, David Ian Walker</b> Colonia Lomas del Guijarro Sur Primera Calle (Apartado postal 3180) Tegucigalpa Tel: 290-3500	<b>VENEZUELA, Rocío Medina-Bolívar</b> Av. Venezuela, Torre Principal Banco Bicentenario Piso 3, El Rosal, Caracas 1060 Tel: 955-2900
<b>CHILE, Maria Camila Uribe</b> Avenida Pedro de Valdivia 0193, piso 10 (Casilla 16611) Correo 9 (Providencia) Santiago Tel: 431-3700	<b>JAMAICA, Vacant</b> 40-46 Knutsford Blvd., 6th floor (P.O. Box 429) Kingston 10 Tel: 764-0815	<b>INSTITUTE FOR THE INTEGRATION OF LATIN AMERICA AND THE CARIBBEAN</b> <b>Ricardo R. Carciofi</b> Calle Esmeralda 130, pisos 16 y 17 (Casilla de correo 181, Sucursal 1) Buenos Aires Tel: 4323-2350
<b>COLOMBIA, Rafael de la Cruz</b> Carrera 7, N 71-21 Torre B, piso 19 Edificio Bancafe Bogotá Tel: 325-7000	<b>MEXICO, Mercedes Rosalba Araoz Fernández</b> Avda. Paseo de la Reforma 222, piso 11 Colonia Juárez Delegación Cuauhtémoc 06600 México, D.F. Tel: 9138-6200	<b>OFFICE IN ASIA</b> <b>Yoshihisa Ueda</b> Fukoku Seimei Building 16-F 2-2-2 Uchisaiwaicho, Chiyoda-ku Tokyo 100-0011, Japan Tel: 3591-0461
<b>COSTA RICA, Fernando Quevedo</b> Centro Corporativo El Cedral Edificio A, piso 4 Escazú, San José Tel: 2588-8700	<b>NICARAGUA, Carlos N. Melo</b> Edificio BID Km. 4 ½ Carretera a Masaya (Apartado postal 2512) Managua Tel: 264-9080	<b>OFFICE IN EUROPE</b> <b>Bernardo Guillamón, a.i.</b> Calle de Bailén 41 Madrid 28005 Tel: 91-364-6950
<b>DOMINICAN REPUBLIC, Manuel Labrado</b> Calle Luis F. Thomen esq. Winston Churchill Torre BHD, piso 10 (Apartado postal 1386) Santo Domingo Tel: 784-6400	<b>PANAMA, Tomás Bermudez</b> Avda. Samuel Lewis, Obarrio Torre HSBC, piso 14 (Apartado postal 0816-02900) Panamá 5 Tel: 206-0900	As of December 31, 2012



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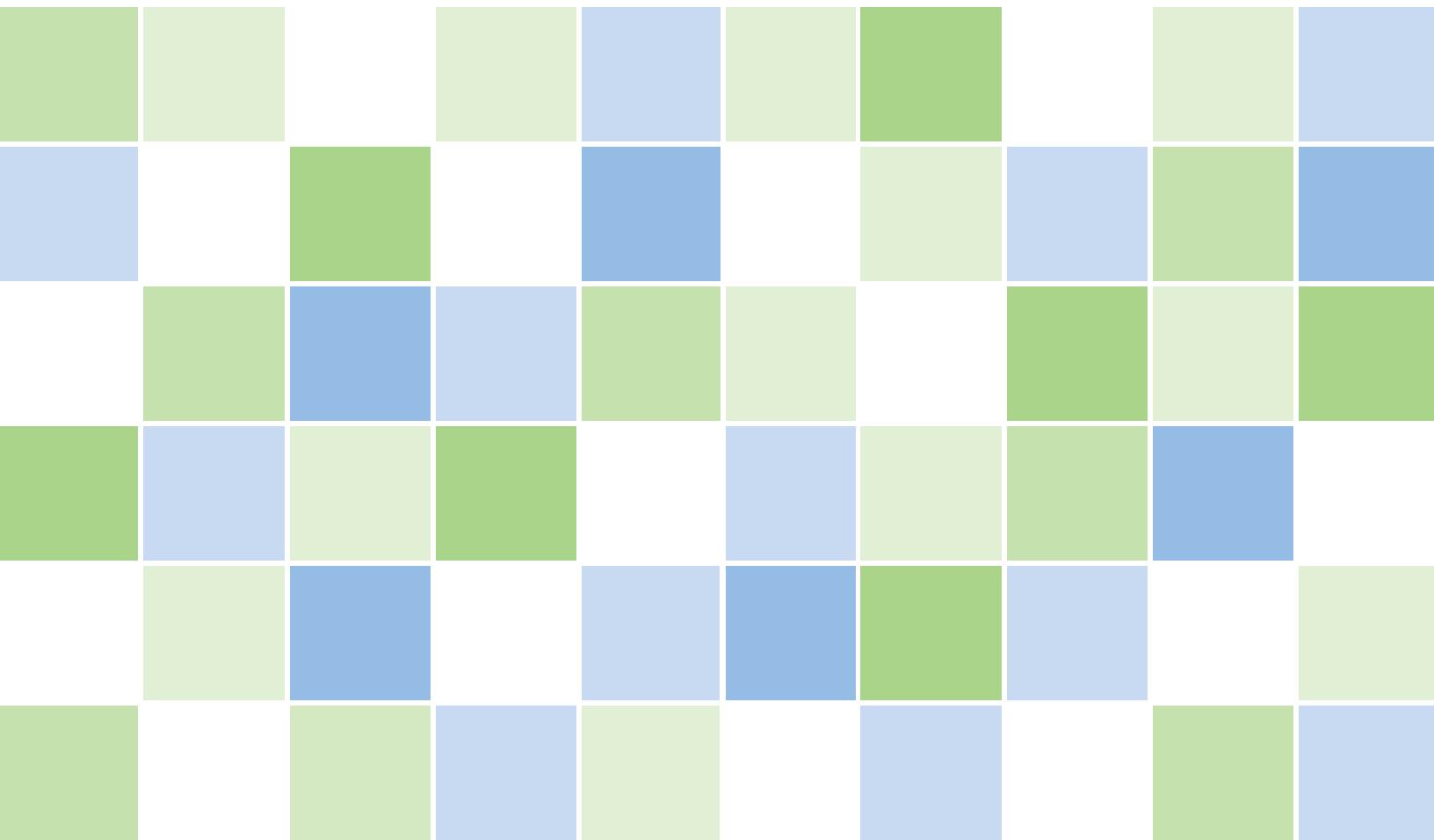
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