

*Civil Society Concept Note: Conditions for a
9th Recapitalization of the Inter-American
Development Bank*

**A SERIOUS CRISIS SHOULD
NEVER GO TO WASTE:**

**IDB RUSH TO INCREASE
CAPITAL FAILS G-20 STRESS
TEST**

Vince McElhinny

Oct. 1, 2009

Bank Information Center (BIC) partners with civil society in developing and transition countries to influence the World Bank and other international financial institutions (IFIs) to promote social and economic justice and ecological sustainability. BIC is an independent, non-profit, non-governmental organization that advocates for the protection of rights, participation, transparency, and public accountability in the governance and operations of the World Bank, regional development banks, and IMF.

Table of Contents

EXECUTIVE SUMMARY	1
KEY RECOMMENDATIONS	3
I. MDBs & THE GLOBAL RECOVERY: OPPORTUNISM OR NEEDED STIMULUS?	9
II. IDB AND THE RACE TO CANCUN: 9TH REPLENISHMENT TIMELINE	14
III. CIVIL SOCIETY PARTICIPATION: PRECEDENT OR POSTSCRIPT TO GCI-9?	20
IV. STRESS TESTS FOR THE IDB – SOME EVIDENCE FOR FURTHER REFORMS	24
<i>Clear division of labor between IFIs</i>	<i>24</i>
<i>Flexibility in using Balance Sheets</i>	<i>27</i>
<i>Good Governance and Risk Management</i>	<i>28</i>
<i>Achieve Results and Show Innovation</i>	<i>44</i>
<i>Sufficient focus on the poorest.</i>	<i>50</i>
<i>Cogent, defensible demand-side analysis.....</i>	<i>52</i>
CONCLUDING THOUGHTS	60

**A SERIOUS CRISIS SHOULD NEVER GO TO WASTE:
IDB RUSH TO INCREASE CAPITAL FAILS G-20 STRESS TEST**

Vince McElhinny¹
vmcelhinny@bicusa.org
Bank Information Center
www.bicusa.org/idb
October 1, 2009

Executive Summary

In the midst of a spiral of financial panic that reversed the flow of about \$1 trillion in investment to developing countries and deflated market capitalization of the largest U.S. financial giants by 85%, G-20 leaders convened an emergency meeting in Washington in November 2008. The stated objective of the G-20 meeting was to agree on a multilateral blueprint for cooperation to end the market free fall caused by bank collapse and a global credit freeze. The publicly funded IFIs, particularly the IMF, were viewed as critical players because governance flaws at these institutions contributed to the crisis, but also as the source for emergency credit in replacing the ailing private sector.

The multilateral development banks (MDBs) have used the impact of the financial crisis to boost lending volume and defend these higher lending levels as the new status quo. In hot pursuit of the IMF to capitalize on the pool of global stimulus resources, this opportunism has resulted in the first simultaneous MDB global capital increase (GCI) process in history, involving the six principle public and private sector multilateral development banks. At tension with their fundamental counter-cyclical function, MDBs relevance and reward are inherently tied to lending volume. A MDB's share of the regional debt and investment markets are core performance indicators. The relationship between lending volume and effective, sustainable development is much less clear.

At the heart of the G-20 agenda are proposed reforms to the international financial architecture that would correct the failure of national and global financial systems to alert, self-regulate or remedy the causes of the financial crisis. A good deal of the correction lies with the IFIs, which failed to forecast the crisis and in the case of the IDB, engaged in the speculative practices that triggered it. Emerging economies whose banks were not nearly as leveraged have not failed to point out the developed country origins of the financial crisis. In part due to the revived dependence on IFI lending, developing countries have been more careful in questioning the role of the IFIs as an effective proponent of change for failing to forecast the implications of blatantly excessive risk taking and benefiting from the same dysfunctional credit rating system.

Once the G-20 gave a green light to international public stimulus, the Inter-American Development Bank began developing a proposal for its own historic global capital increase – the first since 1994. The

¹ BICECA Project Manager, Bank Information Center. The views and evidence presented in this document incorporate the writing, ideas and comments of many colleagues of Amazon Amazon Watch, Bank Information Center (United States), Center for International Environmental Law (CIEL, United States), Centro de Derechos Humanos y Medio Ambiente (CEDHA, Argentina), Environmental Defense Fund (United States), M'Bigua Ciudadanía y Justicia Ambiental (Argentina), Instituto Latinoamericano de Servicios Legales Alternativos (ILSA, Colombia), Oxfam America (United States), Derecho, Ambiente y Recursos Naturales (DAR), Gender Action, and World Resources Institute, as well numerous persons working for the IDB, the World Bank, U.S. Treasury and the Congressional offices of Senator Richard Lugar and Representative Barney Frank. Any errors are my own.

reported \$180 billion capital increase request is the ninth and largest by far in the IDB fifty year history – **more than four times any prior GCI**. Based on recent lending trends, the IDB GCI proposes a **near tripling of annual Bank lending**. This massive capital increase proposal comes on the heels of **embarrassing losses of nearly \$1.9 billion in 2008**, due in large part to the high risk bets that crippled the financial industry and triggered the global crisis.

Making the case for a ninth IDB GCI hinges on moving beyond business as usual in two areas of the new institutional strategy: **sustainability** and **results management**.

Despite some advances in mainstreaming environmental and social sustainability, the IDB’s comparative advantage as a “green” bank in Latin America remains to be seen. The IDB’s capacity to provide high quality advisory services on the key challenges to sustainability has been hampered by the lack of an institutional strategy, bottlenecks in its institutional design, resource allocations and questions regarding leadership commitment. Recent initiatives on climate and sustainable energy have been at the margins of its core business, while poorly planned infrastructure and extractive sector investments have exacerbated land use contributions to GHG emissions. The proposed new institutional strategy has signposts pointing in opposite directions on environmental sustainability without adequate clarity about the Bank wants to achieve and how to achieve it.

Development results, rather than lending volume or other measures of effort, distinguish a development Bank from a commercial bank. The last IDB recapitalization strategy (GCI-8) mandate in 1994 recognized this and called for a “systematic assessment of the effectiveness of Bank development policies, and of the results of Bank financed activities.” Despite other recent mandates to enhance its development effectiveness systems, the IDB continues to emphasize the volume and speed of annual lending over quality.

The main reason for this is that IDB lacks a functioning system for results management that values evidence. Perhaps more importantly, the **IDB lacks a consensus on how to define the value added** by its operations and services to then be able to measure it.

Moreover, the IDB GCI review has until only very recently been pursued in typical IDB fashion – shrouded in secrecy and apparently conflicted over the scope and methods for public consultation. As a public development bank, the track record of the IDB in Latin America deserves a careful, meticulous review that some in the Bank would prefer to avoid.

For taxpayers that will have to put up the funds requested by the IDB, “**stress tests**” that provide accountability for past and future development goals should be non-negotiable. This analysis in this concept note applies the six criteria of the “**Geithner Principles**”, outlined by U.S. Treasury Secretary Tim Geithner at the IDB Governor’s Meeting in Medellin, Colombia, as a threshold stress test for weighing the merits of an IDB proposed global capital increase.

If the Geithner Principle framework were applied to evaluate the IDB eligibility for a global capital increase, **this analysis finds that the IDB fails on three of the six indicators, and satisfies only one.** Assessed IDB performance on the **Governance and Risk Management criterion**, composed of five sub-indicators, is deficiently low. The IDB fails on three of the five governance sub-criteria, contributing to a failing overall score.

MDB Stress Test Indicators	IDB Score
1. Clear Division of Labor with other MDBs	Needs Improvement
2. Flexibility in Balance Sheet Utilization	Satisfactory
3. Governance and Risk Management	Fails
4. Achieve Results and Show Innovation	Fails
5. Sufficient Focus on the Poorest	Needs Improvement
6. Cogent Demand Analysis	Fails

Provisional Result	Fails
---------------------------	--------------

Failing this initial stress test should call attention to the risks associated with an IDB replenishment that is not preceded by demonstrably improved performance. **The poor quality of the recently released draft of a proposed new IDB institutional strategy reveals why the IDB should rank below all other MDBs in terms of any consideration for eligibility for a ninth GCI unless significant prior reforms are made.**

As optimism about the global recovery leads to calls for “exit strategies” and plans for “unwinding the government stimulus,” the impetus for deep reforms diminishes. With the high-income bankers no longer staring into the abyss, the case for MDB recapitalization also becomes a less urgent demand that in turn rests more on a track record of past development effectiveness and bright ideas for the future. These circumstances do not bode well for the IDB, which can only see the looming recovery as the greatest threat to its opportunistic gamble on winning a recapitalization before the crisis mentality ends. Indeed, the IDB is in a race to its formal Governor’s in Cancun in March 2010, where the Bank’s Governors will need to make their case for a new infusion of public funding. Winning this race depends in large part on the Bank’s capacity to reinvent itself as a greener, smarter more accountable development institution that can find clients for these services as opposed to a status quo continuation of infrastructure and social compensation mega-projects.

The supporting analysis for these conclusions is organized into four parts. The first part reviews the stimulus and governance focus on the MDBs within the G-20 cooperation process since 2008, with emphasis on the implications for Latin America. Part two reviews the IDB’s own efforts to position itself within hunt for public stimulus funding by preparing a proposal for a ninth Global Capital Increase (GCI-9). The third section explains the lack of broad based participation by civil society in the IDB’s GCI-9 process so far. The final section examines the evidence that might be considered when applying the Geithner principles to any GCI-9 proposal by the IDB, expanding upon the principles outlined by the U.S. Treasury.

Key Recommendations

MDB Division of Labor

Specialization may in fact be the most challenging demand from donors as it cuts down on the flexibility for the Bank to cater as broadly to each and every opportunity for new business at the expense of sustained, sequenced, cumulative and strategic investments.

A compelling case supporting IDB's place in an MDB division of labor should not require much further analysis after fifty years of development lending and technical assistance. Comparative advantages should not proliferate, but should convey a depth of understanding about how the Bank's role will unfold in a limited number of core areas in response to success and failure. Clear statements are needed about where the IDB has learned it may not have a comparative advantage. Given that the greatest historic commitment by the IDB has been and will likely continue to be in infrastructure, the IDB will need to be much more specific about the value of its commitment to funding new infrastructure, beyond adding adjectives such as 'sustainable' and 'climate resilient.' No other MDB is better positioned to show how inequality can be transformed through fiscal, land, decentralization, judicial and transparency reforms, and the IDB should lay out a long-term strategy for confronting this core development challenge. Being a "green" bank will depend, among other things, on a coherent and consulted climate strategy and an institutional design that builds capacity in the region.

Stretching the Balance Sheet

The IDB has generally expanded its balance sheet to the limits acceptable among debt credit rating agencies. The Bank is close to utilizing its full lending capacity after a strong countercyclical increase in financing in recent years in the face of the global crisis. A GCI is needed to avoid unnecessary limits on future lending and disbursement, but the scale and composition of future demand remain unclear.

Governance and Risk Management

Transparency and Accountability

The IDB has taken important strides in strengthening the central policies governing transparency and accountability. These reforms on paper have often proven more challenging to implement, with noted reversals in recent years. The current commitment to consult on the GCI-9 process is another welcomed advance, but depends on a number of related commitments to avoid raising expectations beyond Bank capacity to meet them.

As the consultation process unfolds, the IDB will need to disclose many of these documents to ensure that informed participation in the GCI-9 consultation is possible. In addition information already provided that explains the different instruments and timelines planned, the Bank will need to explain how it intends to use the information gathered through some transparent feedback loop, to do its best to open space beyond urban centers or internet based surveys to less accessible populations, and explain the coherence or sequencing between different ongoing policy review processes.

Approval of a newly reformed **Independent Consultation and Investigation Mechanism (ICIM)** should be a pre-requisite for any GCI. IDB must provide this mechanism with an adequate budget and accurate project information, and adequate leverage and authority to secure the cooperation of its clients. Authorization for replenishment must, at a minimum, ensure that this mechanism is robust, operational and provide adequate recourse to citizens in the region.

As the IDB contemplates a **formal review of its own information disclosure policy**, reforms should bring the IDB in line with the World Bank commitments. The IDB disclosure policy should establish a disclosure system that incorporates a genuine 'right of access' principle with concrete mechanisms to put it into effect. The IDB should provide for a presumption of disclosure for all information, subject only to minimal "harm-tested" exceptions, and should eliminate the 'positive list' approach.

Evaluation

The IDB should **double the budget and staff for its Office of Supervision and Evaluation (OVE)** and scale up the annual work plan to encompass the additional analytical products that are relevant to the development challenges ahead, which are only vaguely referenced in the Santiago GCI proposal. The Board should consider measures to reduce accountability loopholes regarding OVE recommendations. Several options for **improving the quality and learning impact of monitoring and evaluation instruments should be adopted prior to any GCI, including:**

- Incentives/Sanctions for Better Quality upon Entry of Operations
- Targeted increases in the Frequency/Quality of Project Evaluations on par with World Bank
- Public disclosure of progress on OVE Evaluation recommendations approved by Board.
- Public disclosure of progress on benchmarks for Results Management Systems implementation
- Annual Development Effectiveness Reports
- Bi-Annual Sustainability Evaluation (rather than current descriptive report)

OVE should also be permitted to play a more proactive role in disseminating research findings in to the public to ensure that the findings be discussed more widely.

Risk Management

The IDB has avoided full accountability for a mismanaged and expensive realignment how it fumbled away nearly \$2 billion in portfolio investments, when other multilateral development banks were somehow able to avoid such unnecessary risk. The roots of the IDB portfolio losses start prior to the election of Luis Alberto Moreno as Bank President in 2005. However, strengthened risk management was declared a goal of the massive, expensive realignment that President Moreno initiated in 2006. Along with many other lofty goals, risk management failed to be strengthened.

Having relied on leaks and public pressure for the partial account that we know, full disclosure would require **an independent, external audit** that thoroughly reviews the incentive structure and oversight system going back to the last financial crisis when the Bank started loading up on mortgage backed securities.

Social and Environmental Safeguards

The IDB should comply with the mandate to fully review the Environmental and Safeguards Compliance Policy in 2009, focusing on whether the Policy and resources provided to it are adequate to ensure the Bank can deal with the key issues facing the region (biodiversity loss, climate change, and environmental governance). **The IDB should also incorporate more effective guidelines for measuring and managing cumulative impacts** within Environmental and Safeguards Compliance Policy. A thorough policy review that emphasizes evidence based impacts and includes public consultation should be completed in time to inform the GCI-9 proposal.

The completion of the Environmental and Social Safeguard Policy review in the context of the GCI-9 will inevitably urge **continued building of the necessary internal capacity to ensure high quality safeguard application.** Comparative benchmarks at peer institutions translate into roughly **150 environmental and social professionals at the IDB** (for operational, safeguard, and all other work),

which includes at least **doubling ESG staff** and the population of ESG staff in all the regional offices as an urgent priority to accommodate adequate mainstreaming of environmental priorities and safeguard policy implementation under current lending conditions. Proportionate increases should be envisioned beyond this minimal threshold for any GCI.

Improve and expand analytical capacity on key sustainability issues: This includes relevant environmental sector analysis (i.e. regional energy needs, forest sector governance, SEA legislation, land use GHG emission trends, rationale for institutional targets in energy, water, GHG, land use). IDB effort and achievement should be more systematically monitored through the development of a system for tracking and reporting on environmental capacity building loans and other sustainability investments. Improve environmental economic and sector work and make annual sustainability reports more rigorous, comprehensive and evaluative (rather than descriptive and selective).

The IDB must also adopt a **comprehensive climate strategy with firm indicators and targets to mainstream climate change into its overarching operations.** The IDB climate change strategy should outline each Department's response to climate change in terms of responsibilities and commitments to specific actions. The strategy should help client countries develop low carbon, climate resilient economies. It should catalyze long-term cooperative action and lead to transformative changes in the region's energy and infrastructure sectors. It should therefore be developed through **consultation with a range of stakeholders within member countries** so it can appropriately reflect their needs and establish transparent mechanisms to systematically monitor the progress in the implementation of such commitments at a national level.

Establish SECCI as a division with a clear mandate and dedicated resources and responsibilities for developing and complementing the implementation of a comprehensive climate change strategy. The SECCI institutional plan should avoid concentrating responsibility for climate activities in one unit or division of the Bank, but instead emphasize the model used by the World Bank to ensure that climate change considerations are mainstreamed into the IDB's overarching operations. A clear division of labor should differentiate the responsibilities of SECCI from other INE sectors, SCF and ESG. To actually accomplish a shift in priorities, the IDB should internalize climate change priorities across the Bank to ensure that each relevant department and division within is charged with climate change response and responsibilities and accountable for results. The SECCI institutional plan should include public consultation along with the Bank's proposed climate strategy.

Consistent with any commitment to formulating a meaningful climate strategy, the IDB should suspend participation in IIRSA. The IDB mandate to participate in IIRSA expires in 2010. IIRSA is irreconcilable with a number of the Bank's stated principles of participation and sustainability and presumably with performance indicators contemplated in the new institutional strategy. As currently designed, IIRSA contradicts and stated intention of the Bank to offer leadership on climate and forest policy in the Amazon region with its new institutional strategy. IDB participation in IIRSA should be suspended and reviewed until the scientific and policy critiques of the initiative can be resolved and adequate sectoral analysis is completed.

Coherent public and private sector approaches. The climate strategy should ensure coherence between IDB's public and rapidly increasing private sector activities as the bank scales up investment. This would require close cooperation between the IDB's public and private sector arms to harmonize goals and objectives, maximize efficiency and prevent the risk of interventions that may undermine the climate change strategy.

Board Oversight

Unlike the World Bank's IEG, there is currently no mechanism to systematically track the follow-through on Board approved OVE recommendations. The Board should institute a publicly disclosed report that reports quarterly on how the recommendations of approved evaluation recommendations have been implemented.

The area of **Board Transparency** remains a critical weakness in the overall quality of Board oversight. Currently, it must be recognized that there exists very little exchange between IDB Directors and citizens from the countries they represent. The Board deliberation function is effectively a black box to Latin American public. To strengthen future accountability between the IDB Board, the first step involves measures to improve Board transparency. A desirable standard for the GCI-9 review has been articulated in the model transparency policy formulated and proposed by the Global Transparency Initiative to the World Bank. This model policy hinges on the Board opening its proceedings to the public and providing citizens a means for monitoring their government's actions at the Bank.

Achieve Results and Show Innovation

To ensure that the IDB adopts an evidence-based results management system, the GCI should consider a number of prior reforms to strengthen commitment toward this goal, including:

A **full, independent performance review** that assesses compliance with the 1994 replenishment conditions and encompasses the 2007 institutional realignment is a pre-requisite to an overhaul of the IDB's results delivery system. Reforms should include **identification of meaningful corporate performance indicators, reorganization and strengthening of the internal and external performance evaluation function**, which should extend to the **allocation of greater funding and setting more ambitious evaluation targets**.

Vice President level Balanced Scorecards should be expedited and publicized. Backtracking by the Board and Management on initial commitments, the prior decision to disclose Vice President Balanced Scorecards and some synthesis of quarterly business reports were reversed. No external accountability exists on the Balanced Scorecard system. The IDB Board should reach a consensus on the appropriate indicators and publicize Corporate Balanced Scorecard. Public disclosure of these accountability instruments should be mandated.

Quarterly business unit manager accountability meetings convened by the IDB Executive Vice President should include recommended indicators and some public reporting of the results. Corporate Performance Indicators should consist of a balance between internal and external performance indicators that should prioritize **equity enhancement and poverty reduction** (*as explained above*) and **Sustainability**.

Perhaps more important than any other results indicators, more ambitious and meaningful indicators for **equity/inequality** should be monitored and reported (rather than buried deep in an annex of the GCI). The IDB should consider a battery of inequality indicators (both conventional such as income and asset Gini coefficients, as well as experimental, such as those outlined in the new research piloted by the World Bank and others) as core Institutional Performance Indicators. Rather than sprinkling inequality indicators throughout the broader institutional strategy where they tend to disappear, the IDB should clarify its commitment to realizing this comparative advantage or stop suggesting it has one.

All operations, divisions and Vice-Presidencies should measure and **report the carbon footprint and biodiversity impact** of all operations, but especially IIRSA, oil and gas and energy operations. A composite indicator for both types of impact should be reported for the IDB annually.

Doing More for the Poorest

Despite IDB contributions to the gains in poverty reduction in the region (and possible reversals beginning in 2008), the Bank lacks an adequate poverty reduction strategy. Bias toward middle income country lending, poor data, and inability to reduce inequality in the region have diminished the Bank's effectiveness in its core mission. The recently announced temporary 39% increase in concessional lending and debt cancellation for Haiti are positive first steps. However, the IDB should go farther to **eliminate blending**, offer **wider eligibility to grant funding**, and permit **reprogramming of approved, undisbursed loans** for dealing with the short-term liquidity crisis. The IDB should fix the FSO concessionary window to prevent net outflows to the Ordinary Capital fund and perpetual reliance on donor replenishments. In the long-term, reaching the poorest will depend on **better analysis and bold leadership in tackling Latin America's inequality** as vital departures from recent trends.

Poverty and inequality additionality criteria should be strengthened for private sector lending. These gaps in IDB institutional commitments are most evident in the implementation of policies and strategies to address long-standing and worsening barriers for women and indigenous peoples. The IDB should increase resources and capacity building for the IP unit, increase indigenous participation at all levels of the project cycle from planning through implementation. Finally, the IDB should ensure that its IP policy is consistent with the UN Declaration on the Rights of Indigenous Peoples, including the mandate of free and prior informed consent of indigenous peoples (FPIC) for all relevant operations.

The IDB should update its WID policy to promote women's rights and account for gender relations between women and men; release public information on the Gender and Diversity Unit; integrate a gender equality perspective into all operational policies; raise awareness and create incentives for non-gender staff to implement gender policies; disaggregate spending on gender-specific project components; and increase investments in gender equality initiatives.

Cogent Demand Analysis

Analogous to the 1994 8th Replenishment report, the IDB's new institutional strategy should include a solid demand analysis that differentiates between crisis demand and likely post-crisis demand, that identifies how lending will be consistent with MDBs comparative advantage, and considers the declining role of ODA and possible increase in private sector investment in some countries and regions. In what is referred to as a rigorous and multidimensional analysis, the IDB presents a flawed and incomplete demand analysis that explores several lending scenarios based on a variety of questionable assumptions regarding lending baselines, the long-term impact of the financial crisis, and the composition and purpose of future lending as a percentage of overall investment. The core assumption behind the IDB demand analysis appears to be "**there is no going back**," which refers not to the pre-crisis period of poorly regulated financial markets, but to the period of relatively low IDB annual lending between \$5 and \$ 7 billion. Most of the analytical assumptions built into the projected annual lending levels of as much as \$20 billion per year are slanted toward higher lending scenarios and crowd out evidence of lower possible lending scenarios. the demand analysis also reflects some confusion about counter-cyclical versus the pro-cyclical function of a multilateral development bank.

The IDB demand analysis should be revised to account more carefully for the full range of assumptions upon which future projections might be based. First and foremost among these is the establishment of an unaltered baseline trend that begins with the last recapitalization. Furthermore, various assumptions to the Bank's statistical model require further discussion, such as: the basis for expecting a smooth, linear

growth projection versus, non-linear cycles of growth and decline; the rationale for expectations and measures for national investment upon which the IDB share is estimated; empirical justification for ruling out low lending periods (2002-2006) as exceptional. The Bank also should provide all data and significance tests for the reported statistical analyses, consistent with scientific reporting norms that allow for an objective and rigorous appraisal.

As we go forward, civil society organizations concerned with IDB accountability, participation and transparency should contact their executive directors and relevant legislative representatives to request more information about the GCI process. Broad and informed public participation is required in this unprecedented endowment of the IDB. The evidence presented suggests the IDB fails some of the most fundamental tests of its capacity to provide leadership in areas of the region's greatest development challenges. A ninth capital increase for the IDB depends on systemic reforms of the Bank policy and practice to ensure its effective contribution to undoing persistent poverty, inequality and environmental vulnerability in Latin America.

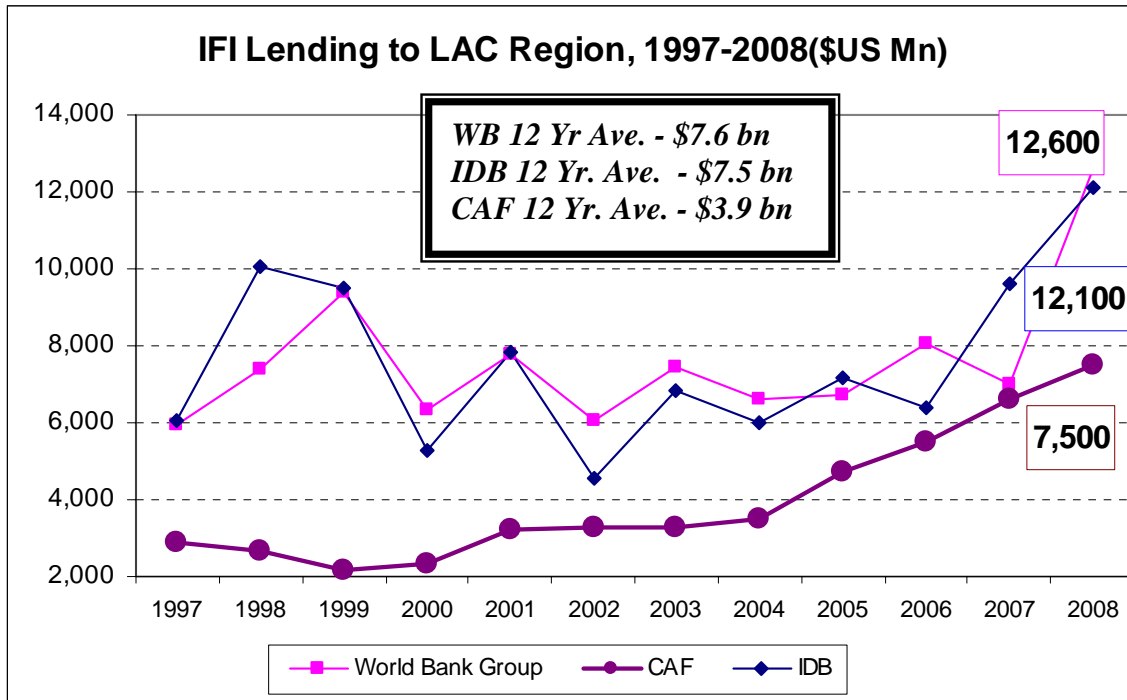


Figure 1. Trends in IFI Lending to Latin America

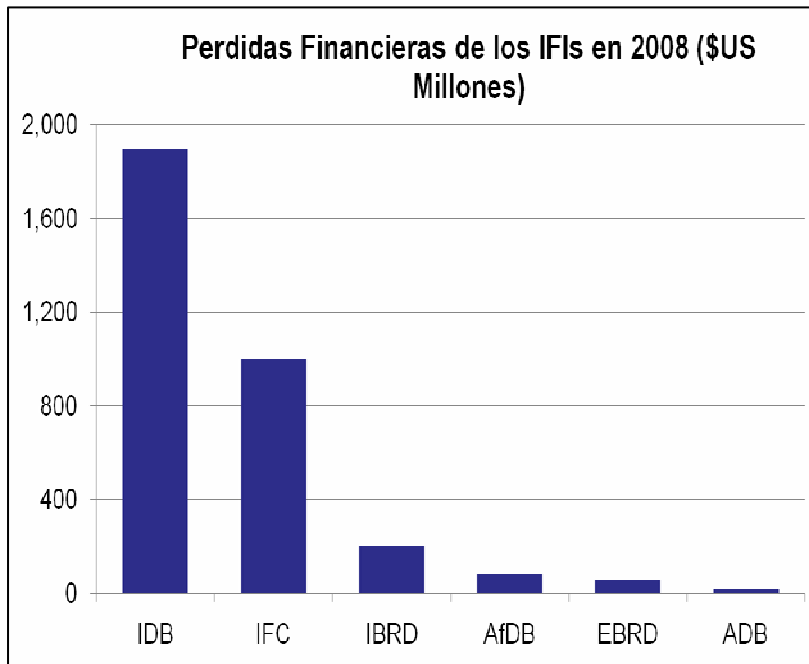


Figure 2. Comparative Portfolio Losses by the IFIs in 2008

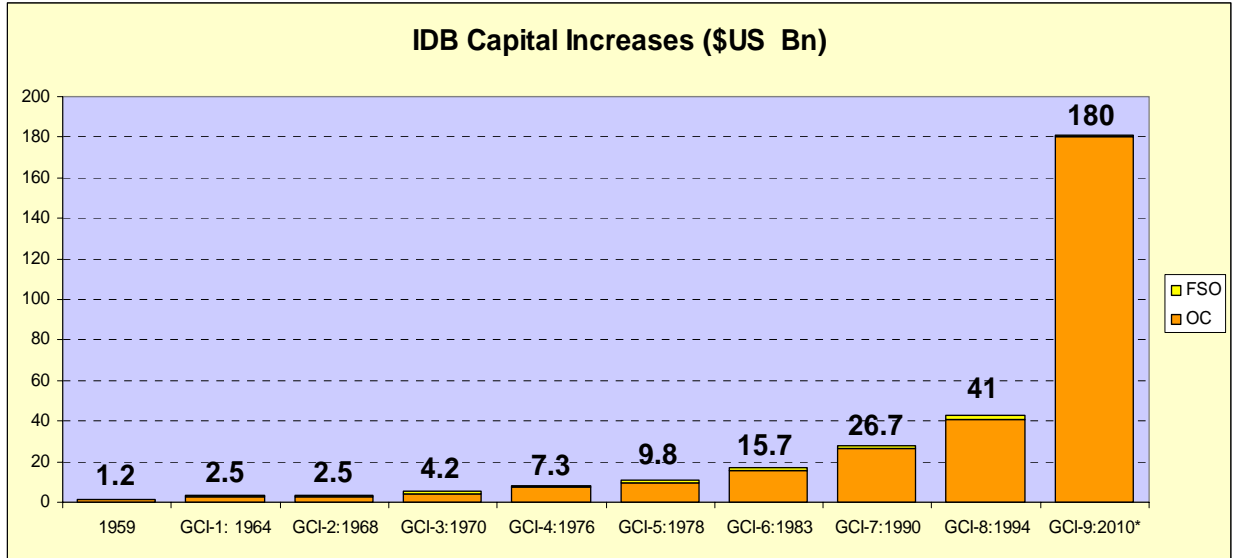


Figure 3. IDB Capital Increases

Table 1. Summary of IDB Performance on Governance and Risk Management Stress Test Criteria

Transparency & Accountability	Evaluation	Financial Management	Social and Environmental Safeguards	Quality of Board Oversight	Overall
Needs Improvement	Fails	Fails	Needs Improvement	Fails	Fails

Table 4. GCI-9 Projected Increase over Prior IDB Annual Lending Averages

Lending Period	Benchmark Lending Ave.	% Increase
48 year	\$3.6 Bn	461-559%
25 year	\$5.86 Bn	281-341%
15 year	\$7.3 Bn	225-273%
10 year	\$7.5 Bn	221-268%
IDB –IIa	\$7 Bn SG only	56%
IDB –IIIa	\$7 Bn SG only	23%
IDB –IIb	\$10 Bn SG only	7.5%
IDB –IIIb	\$10 Bn SG only	-12.5%

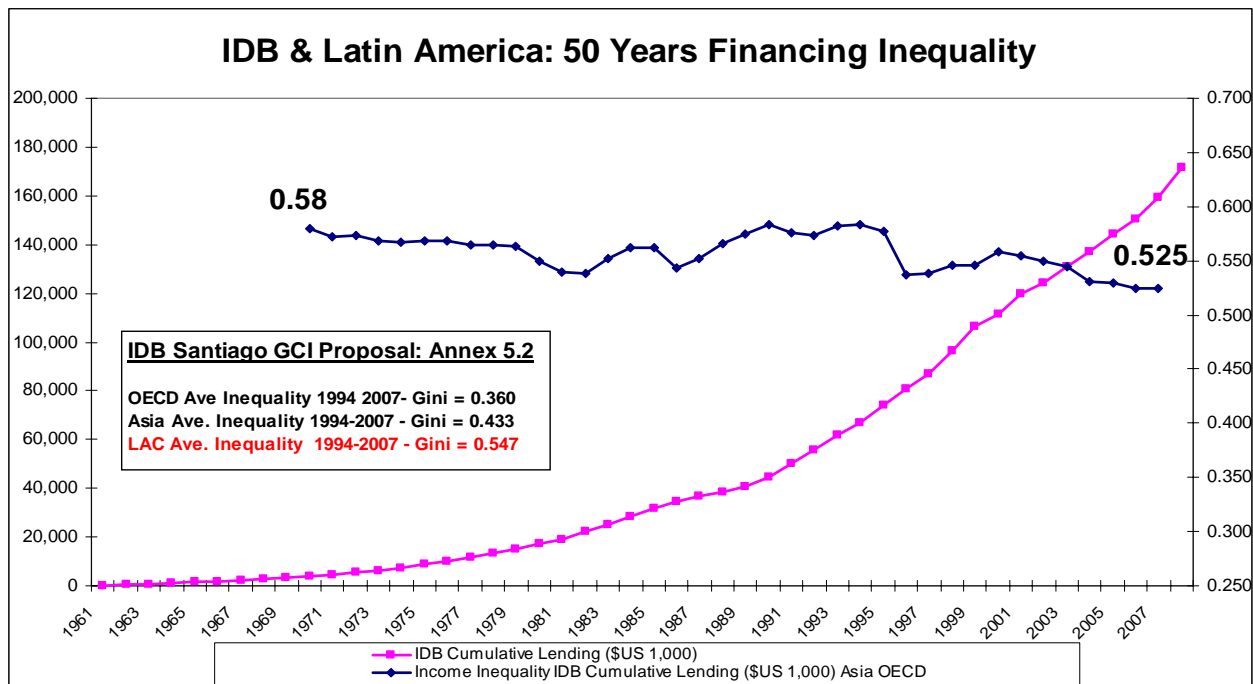


Figure 4. IDB and Latin America: 50 Years Financing Inequality

Table 3. Comparative IDB GCI Lending Metrics			
Lending Period	Years	Annual Lending Average	Pct. Increase in Lending Between Periods
Decade	10	7,471,366,475	
GCI-8 (1994-2008)	15	7,324,159,402	
Post debt crisis	25	5,863,106,009	
IDB Total	48	3,576,038,768	
GCI 1	3	171,227,403	
GCI 2	5	451,613,719	1.64
GCI 3	6	874,679,600	0.94
GCI 4	2	1,517,783,360	0.74
GCI 5	5	2,089,402,239	0.38
GCI 6	7	2,662,882,857	0.27
GCI 7	4	5,257,122,300	0.97
GCI 8	15	7,324,159,402	0.39
GCI 9	?	19,800,000,000	1.70

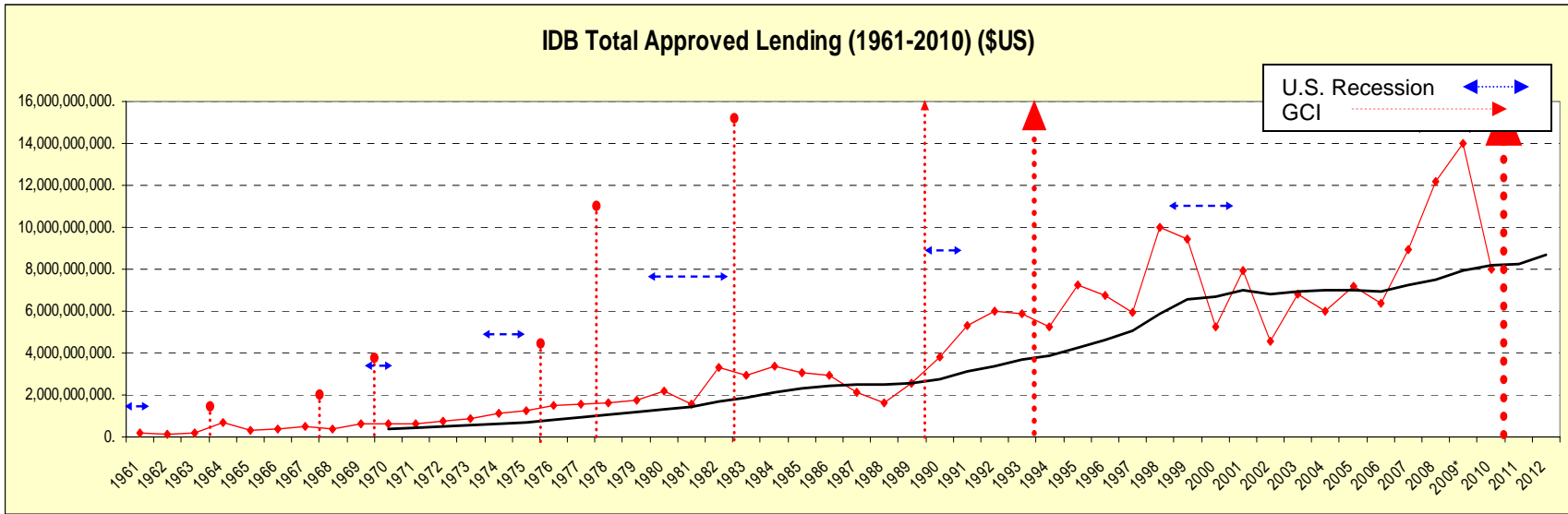


Figure 5. Actual IDB Lending (Total Approved Loans, 1961-2010, \$US)

