



INTER-AMERICAN DEVELOPMENT BANK

Establishment: 1959

President: Luis Alberto Moreno, since October 1, 2005

Member States: 48 member countries

Areas of Work: Economic and social development in Latin America and the Caribbean

Areas of Cooperation with the OAS: Sustainable development and regional integration

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BACKGROUND

The Inter-American Development Bank (IDB) was formally created in on December 30, 1959, when the Organization of American States drafted the Articles of Agreement establishing the Inter-American Development Bank and it was ratified by 18 countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haití, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and the United States.

Its initial resources to support Latin American and Caribbean economic development, social development and regional integration totaled US\$1 billion, US\$850 million of which was authorized for the ordinary capital, and US\$150 million for the Fund for Special Operations (FSO). The IDB Group is composed by the Bank itself, the Inter-American Investment Corporation (IIC), and the Multilateral Investment Fund (MIF). Its 48 member countries are separated into two different blocks: 26 Borrowing Countries and 22 Non-Borrowing Countries, most of which are from outside the region.

Borrowing countries are subdivided as follows based on their GDP per capita, as calculated in 1997.

Group I	Group II	
Argentina	Belize	Haiti
the Bahamas	Bolivia	Honduras
Barbados	Colombia	Jamaica
Brazil	Costa Rica	Nicaragua
Chile	Dominican Republic	Panama
Mexico	Ecuador	Paraguay
Trinidad and Tobago	El Salvador	Peru
Uruguay	Guatemala	Suriname
Venezuela	Guyana	

In order to promote economic and social development in Latin America and the Caribbean, the IDB is mandated to devote at least 50 percent of its operations and 40 percent of its resources to

programs that promote social equity and reduce poverty. It has accordingly identified priority areas for its actions and launched initiatives in the areas below aimed at addressing the challenges facing the region:

- poverty reduction; strengthening social safety networks
- energy and climate change; seeking to develop renewable energy sources and responses to the challenges posed by climate change
- infrastructure; promoting investment in better infrastructure, with a special focus on water and sanitation
- education and innovation; promoting effective social policies and programs and supports regional development of science and technology
- private sector; engaging the private sector in social and development projects

2012 CAPITAL INCREASE

As demand for development lending by Latin America and the Caribbean has increased in recent years, accelerated after the global financial crisis hit the Latin America and the Caribbean, and in light of the long-term development needs related to reducing poverty and inequality, responding to climate change, and promoting regional integration the IDB's Board of Governors on July 21, 2010, agreed to an increase of the Bank's Ordinary Capital by \$70 billion, the largest expansion of resources in the Bank's history, and to provide an unprecedented package of financial support to Haiti. The agreement also includes a proposal to increase, by \$479 million, the Fund for Special Operations (FSO), which finances operations in the region's poorest nations.

Member countries approved the resolution authorizing increases in the Bank's Ordinary Capital on January 18, 2012, and the increase entered into effect on February 29, 2012. The resolution to approve the FSO was approved on October 31, 2011. The resolutions provide that the Bank's capital increase will be fully implemented through 2015 as parliaments in each of its member countries appropriate the necessary funds. The capital increase was accompanied by a process of institutional reforms aimed at strengthening the Bank, making it more transparent, accountable and efficient.

GOVERNANCE

Board of Governors

The Board of Governors is the supreme body of the IDB. The governors are appointed by their respective country; usually the minister of finance or the head of the central bank, and their voting power is determined by the capital their countries have subscribed.

In March or April, the Board holds its annual meeting to discuss the performance and objectives of their respective organization. The IDB's governors are ultimately responsible for overseeing the Bank's activities and administration, although in practice, they delegate many of those responsibilities to the Executive Board.

The voting power of each member country of the IDB is based upon its payment into the Bank's capital fund. However, the majority of the voting power is held by the 26 borrowing member countries as a group, in the following proportion:

Latin America and the Caribbean (Borrowing Countries)	50.2%
United States	30.1%
Japan	5.0%
Canada	4.0%
Other Members	10.97%

Executive Board

The IDB Executive Board is in charge of the daily business and the conduct of the operations of the institution. The weekly meeting of the Executive Board is the opportunity for the directors to approve loan and guarantee proposals, make policies, edict country strategies, go over the administrative budget, set interest rates, and make decisions on borrowings and other financial matters.

The Board is formed by 14 Directors that have to represent 48 member countries and 14 Alternates, who have full authority to take action when their principals are not attending. In addition, Board of Executive Directors must respect the Regulations of the Board of Executive Directors, the Code of Conduct of the Board of Executive Directors and the Consolidated Procedures and Terms of Reference of the Standing Committees.

Presidency

The legal representative and chief executive officer of the Institution is the Executive President, Mr. Moreno. He is in charge of the daily and typical business, the conduct of the operations and manages the institution with the assistance of the staff of the Office of the Presidency. The President can provide he's opinion or make some proposals on the general policy of the Bank in order for the Board to take a closer look at the matter.

The President, who is elected by the Board of Governors, chairs the meetings of the Board of Executive Directors but has no vote, except to break a tie.



Luis Alberto Moreno was elected President on October 1, 2005 and was re-elected in a special meeting of the Bank's Board of Governors on July 6, 2010 for another five year term. President Moreno also serves as Chairman of the Board of Executive Directors of the Inter-American Investment Corporation (IIC) and Chairman of the Donors' Committee of the Multilateral Investment Fund (MIF). Before joining the IDB, President Moreno served as Colombia's Ambassador to the United States for seven years, during which he successfully built strong bipartisan support in the United States Congress for an estimated US\$6 billion in financial aid for programs for Colombia.

President Moreno earned bachelor's degrees in Business Administration and Economics from Florida Atlantic University in 1975, and an MBA from the American Graduate School of International Management at Thunderbird University in 1977.

COOPERATION WITH THE OAS

On March 16-19, 2012 the Secretary General of the OAS, José Miguel Insulza attended the LIII Annual Meeting of the Boards of Governors of the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IIC) held in Montevideo, Uruguay. He spoke at the Second Plenary Session of the Annual Meeting of the Boards of Governors of the IDB/IIC, where he stated that the OAS and the IDB “are main partners in the Inter-American System, determined to strengthen it, and that’s why we have been working together, building alliances between our organizations”.

On May 2, 2012 the Secretary General of the OAS participated as a panelist in the “Latin-Hemispheric Agenda” conference, hosted by the Inter-American Development Bank’s Youth Program, IDB Youth. The event, which brought together over 150 young Latin American students, seeks to analyze and discuss the current situation of the Latin and Latin-American community; their interaction, contrasts and codependence, in a hemispheric scenario, rather than at the country level.

In 1995, the OAS and the IDB signed a cooperation agreement to create a general and dynamic framework for their cooperation activities. The following is a summary of previous and ongoing cooperative activities between the OAS and the IDB over the past few years.

Democracy

In 2004, the OAS and the IDB signed a cooperation agreement to support the project on “the Situation and Perspective of Political Parties and the Political Party System in the Andean Region.

In 2007, both institutions signed an agreement focused on “Supporting the Implementation of the Inter-American Convention against Corruption and its Following Mechanisms”.

The OAS and the IDB have also worked together in the area of government procurement regulation, most notably in the Inter-American Government Procurement Network (RICG), a network of government organizations responsible for public procurement regulation, management and modernization, designed to foster and exchange information and experiences on lessons learnt and best practices. The OAS Executive Secretariat for Integral Development/SEDI serves as the head of its Technical Secretariat, while the IDB holds one of the seats in the Board.

Most recently, on March 19, 2012, both institutions signed a cooperation agreement for the design and implementation of the Public Procurement Observatory of the Americas.

Integral Development

Over the years, the OAS and the IDB have cooperated on a number of reconstruction projects, such as the Programs for Reconstructing Schools in Central America after Natural Disasters in the year 2000, which financed workshops in Honduras, Nicaragua, Guatemala and El Salvador to share knowledge and best-practices on the topic after the damage caused by Hurricane Mitch earlier in the same year.

There have also been many instances of technical cooperation exchanges, such as the Technical Cooperation Agreement on a Program for Training Leaders signed in 2000, aimed at supporting the promotion of centers for entrepreneurship and training for students in Latin America.

On October 28, 2010 the OAS and the IDB signed a cooperation agreement to jointly develop courses and training tools using information technologies. Most recently, ongoing cooperation has been sparked by the “Pathways to Prosperity in the Americas” initiative.

There is ongoing cooperation in the design and implementation of a virtual course to train 8th and 9th grade teachers in Latin America and the Caribbean on how to teach integrity, legality, transparency and prevention of corruption. The Education Portal of the Americas provides technical assistance while the IDB funds the initiative.

Environment/ Sustainable Development

The OAS and the IDB have a long-standing cooperation in the area of sustainable development, most notably in the fields of water management, climate and energy projects. The first cooperation agreement between the two organizations in this area was signed in 1974 and is entitled *Technical Cooperation Agreement to Conduct a Project for Multiple Uses of the Pilcomayo River Water Resources*.

In the context of the IADB’s Regional Policy Dialogue, whose objective is to support the region's participation in the global economy, the IDB has created an environmental network comprised of vice ministers of environment of OAS member states, who address various issues within the dialogue. The OAS has collaborated with the IDB in the dialogue process and on periodic network meetings focusing on the themes of trade and environment, environmental goods and services and forest conservation practices in the context of global CO2 emission reduction initiatives.

A Ministerial Summit for Energy and Climate of the Americas was held on April 15-16, 2010, at the OAS Headquarters in Washington DC, co-hosted by the IDB and the OAS, whose purpose was to advance common objectives under the Energy and Climate Partnership of the Americas through concrete programs. More than 400 representatives from government, convened over 20 ministers of energy from the region and other senior regional delegates, the private sector and civil society gathered at the meeting to discuss advances in the Energy and Climate Partnership of the Americas (ECPA), a new regional energy cooperation effort started in the Summit of the Americas in Trinidad & Tobago in 2009.

Also in 2010, the OAS-IDB-ECLAC three organizations re-launched the Tripartite Cooperation Committee (originally established on December 7, 1960) with the goal of promoting coordination, cooperation and agreements among the institutions in their efforts on issues of common interest. and reasserted their commitment to redoubling efforts for closer collaboration. This has resulted in ongoing collaboration with IDB for the joint support to the government of the Bahamas in the preparation of their National Energy Policy.

There is also collaboration in ongoing IDB policy dialogue processes to advance of implementation of the Inter-American Strategy for Public Participation in Sustainable Development Decision-Making.

Multidimensional Security

In 2006 a cooperation agreement between the OAS and the IDB was signed entitled the “Technical Cooperation Agreement on Mock Trials on Money Laundering in Latin America”, which created a special fund for new contracts for consulting services and necessary goods to conduct mock trial programs on money laundering in Latin America.

Other joint projects between the OAS and the IADB on money laundering between 2000 and 2006 have included the Hemispheric Program for Money Laundering Control in the Financial System, the program to Fight against Money Laundering from the Judicial System, and the Program to Establish and Develop Financial Intelligence Units.

In April 2010 the OAS, through the Inter-American Commission for Drug Abuse Control (CICAD) and with the partnership and financial support of the European Commission and others, including the IDB, held the Lugo Summit, in Spain. The Summit focused on the formulation of public policies at the municipal and interagency levels for the incorporation of drug dependents into formal employment and social interaction, in a context of safety and civic responsibility.

Human Rights

A cooperation agreement in the area of children’s rights was signed between the IDB and the OAS in 2006 for the United Nations Children’s Fund (Memorandum of Understanding for Cooperation in the Area of Citizen Registration). This agreement sought to promote citizen registration and is linked to the IDB’s initiative “Building Opportunities for the Majority”, highlighting the right of every child to a name and a nationality.

Also in 2006, the program of the OAS and the IADB on “Protection of the Rights of Children in Latin America” was renewed, with the objective of improving the situation of children's rights by improving the capacity of the Inter-American Commission on Human Rights to review cases of violence and/or problems on registration or identification for children and young people in the region; disseminating international standards on violence against children in Latin American countries, based on cases brought to the Court; and strengthening the Rapporteur on Children of the Inter-American Commission on Human Rights (IACHR).

Sources:

[IDB Website](#)

[OAS Department of International Law web page](#)

[OAS Department of International Affairs web page](#)

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