

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**ANNUAL REPORT OF THE CHAIRPERSON OF THE  
PROGRAMMING COMMITTEE OF THE BOARD OF EXECUTIVE DIRECTORS**

**1 JULY 2016 – 30 JUNE 2017**

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**Annual Report of the Chairperson of the  
Programming Committee of the Board of Executive Directors  
1 July 2016 – 30 June 2017**

During the year from 1 July 2016 to 30 June 2017, the Programming Committee held 19 formal meetings. Joint meetings were held with the Policy and Evaluation Committee, the Budget and Financial Policies Committee (BUFIPOL), and the Committee of the Board of Executive Directors of the Corporation. The Programming Committee had two chairpersons over the period. First it was chaired by Mr. Tabora, Executive Director for the Central America and Belize constituency, and then I took over on 20 April, as Vice Chairperson of the Committee.

In keeping with its terms of reference, the Programming Committee considered matters in the following areas: (i) country program evaluations and country strategies; (ii) proposals related to programming activities; and (iii) periodic execution reports. The Committee also considered two nonrecurring topics: (i) the proposal to sustain concessional assistance (transfer of the Fund for Special Operations to the Ordinary Capital), together with BUFIPOL; and (ii) the evaluation of macroeconomic safeguards at the IDB, together with the Policy and Evaluation Committee.

**Country program evaluations:**

At the request of the Board of Executive Directors, the Programming Committee first considered the country program evaluation and then the respective country's strategy.

The Committee considered seven country program evaluations during this period: **Guatemala, Haiti, Peru, Suriname, Trinidad and Tobago, Guyana, and Dominican Republic**. The country program evaluations for Haiti, Guyana, and the Dominican Republic were considered jointly with the Committee of the Board of Executive Directors of the Corporation and, going forward, all country program evaluations are expected to be considered jointly by the two committees.

**Country strategies:**

According to the New Guidelines for Country Strategies (document GN-2468-9), starting on 1 January 2016, all country strategies are submitted for consideration at a joint meeting of the Programming Committee of the Board of Executive Directors of the IDB and the Committee of the Board of Executive Directors of the IIC, for subsequent approval by the respective Boards.

The Programming Committee and the Committee of the Board of Executive Directors of the Corporation jointly considered five country strategies: **Argentina, Jamaica, Suriname, Trinidad and Tobago, and Peru**.

**Recurring proposals related to programming activities:**

In July 2016, the Programming Committee considered the **Initiative for the Promotion of Regional Public Goods – 2016 Recommendations for Financing** (document GN 2275-36), the purpose of which was to report on the results of the twelfth annual call for proposals

in the context of the Initiative for the Promotion of Regional Public Goods and recommend to the Board of Executive Directors that it approve the list of 15 proposals selected to receive financing in 2016.

In July 2016, the Programming Committee also considered a request for **Acceptance of Partial Use of Procurement Systems in Brazil (subnational) and the Dominican Republic** (document GN-2538-18). The members of the Committee confirmed their interest in seeing an increase in the use of country systems in the Bank's portfolio and encouraged Management to continue supporting the countries of the region in strengthening their systems. As a result of the deliberations, the Committee recommended to the IDB's Board of Executive Directors that it approve partial use of country procurement systems for the states of Amazonas, Goiás, Mato Grosso do Sul, Pernambuco, Rio de Janeiro, and Rio Grande do Sul in the Federative Republic of Brazil, and in the Dominican Republic.

In 2016, the Programming Committee also considered the **Proposal for the Allocation of Concessional Resources for 2017-2018** (document GN-2442-53) and recommended its approval by the Board of Executive Directors in December. The Committee was pleased to observe that the proposed allocation was consistent with the application of the Debt Sustainability Framework/Enhanced Performance-based Allocation system (DSF-EPBA) methodology and appreciated the Bank's commitment to the region's poorest and most vulnerable countries.

In the first quarter of 2017, the Programming Committee and the Committee of the Board of Executive Directors of the Corporation jointly considered the **2017 Operational Program Report** (document CII/GN-341, GN-2884). The report describes the IDB's indicative operational program for the year and its (preliminary) alignment with the country strategy priority objectives and the indicators of the IDB Group's 2016-2019 Corporate Results Framework (document GN-2727-5). The Operational Program Report is indicative for the Bank and the Corporation. In view of the Committee's support, the IDB's Board of Executive Directors took note of the report and approved the use of the simplified procedure for the indicative list of projects appearing in Annex III to the document.

Lastly, the Programming Committee met in March 2017 to consider the **Review of the Implementation of the DSF/EPBA 2015-2016**. In the document, Management requested authorization from the Board of Executive Directors to distribute it to the Board of Governors, for information, at the IDB Annual Meeting in Paraguay. The document considered by the Committee was the fifth DSF/EPBA review, conducted a decade after the IDB's approval of multilateral debt relief for Bolivia, Guyana, Honduras, and Nicaragua and the introduction of the Bank's DSF/EPBA framework (document CA 474-2 of 15 March 2007).

#### **Periodic execution reports:**

The Programming Committee met in November 2016 to consider the semiannual progress report on the Bank's work in Haiti as of November 2016 (document GN 2610-18). On that occasion, the Executive Directors expressed their support for and solidarity with Haiti at a difficult time in the wake of Hurricane Matthew. They expressed their hope that the electoral process in Haiti would go as planned and that the Bank would continue to work in coordination with the country and other donors.

## **Nonrecurring matters:**

### **Sustaining concessional assistance (transfer of the FSO to the OC)**

On 8 July 2016, the Programming Committee and BUFIPOL held a formal meeting to complete their review of the document **Sustaining Concessional Assistance by Optimizing the IDB's Balance Sheets** (document GN-2846-4). The main objective of the proposal was to ensure and reinforce the Bank's capacity to continue providing concessional financing to the poorest and most vulnerable countries in the region. The document was based on the consultation paper entitled "Sustaining Concessional Assistance by Optimizing the IDB's Balance Sheets" (document AB-3066). It also benefited from the inputs provided by Governors during various subregional meetings in early 2016 and in the context of the Annual Meeting of the Governors of the IDB in Nassau, The Bahamas.

The Committees agreed that a revised version of the document would be submitted to the Board of Executive Directors for consideration, for the latter to recommend its approval by the Board of Governors by the procedure of taking a vote without calling a meeting

### **Evaluation of Macroeconomic Safeguards at the IDB**

On 12 June 2017, the Programming Committee and the Policy and Evaluation Committee met jointly to consider the Evaluation of Macroeconomic Safeguards at the IDB (document RE-508-1), conducted by the Office of Evaluation and Oversight, as well as Management's comments on each of the five recommendations proposed, as set out in document RE-508-2.

The Committees took note of the Evaluation of Macroeconomic Safeguards at the IDB and recommended that the Board of Executive Directors approve the implementation of the recommendations contained in paragraph 4.6 of document RE 501-1, with the nuances indicated in the summary of deliberations of the meeting.

## **Conclusion**

Beginning in the second half of the year and under the leadership of the next Chairperson, the Programming Committee will continue to consolidate the new modus operandi for joint consideration of country program evaluations and country strategies with the Committee of the Board of Executive Directors of the Corporation.

The Committee will also consider recurrent proposals from Management related to programming activities that may arise over the next period.

I thank the members of the Committee for their collaboration in fulfilling the Committee's work program, as well as Management and staff in the Office of the Secretary for their support.