

Development requires more than financial resources. It also requires pertinent projects and the creation and transfer of knowledge and experiences about the various issues that, together, have an impact on economic, social and political development. This includes traditional areas such as agriculture and rural development, infrastructure and financial markets, and education and poverty reduction, as well as issues whose impacts on economic development have been recognized more recently. The latter include, for example, the role of institutions, governance and civil society; the contributions made by micro and small enterprises; and the negative impacts of natural disasters, HIV/AIDS, domestic violence, and social exclusion.

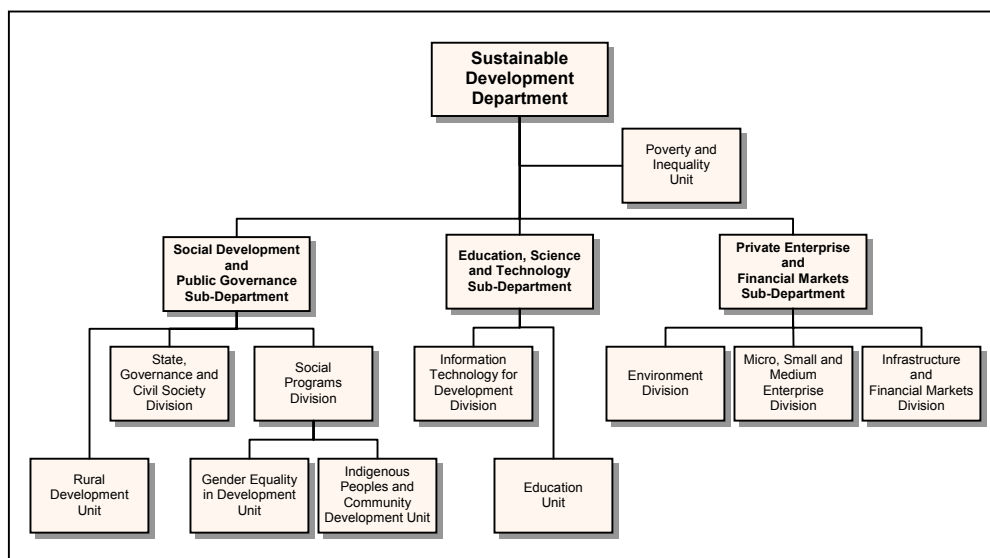
In recognition of the importance of understanding the intricacies of the relationships between all these topics and their impact on economic and social development, the Inter-American Development Bank created the Sustainable Development Department (SDS) in 1994 [www.iadb.org/sds]. The Department's original structure included three divisions that dealt with social issues, the environment, and infrastructure and financial markets; and three technical units that were concerned with issues relating to women, indigenous peoples, and microenterprise. Today, SDS consists of six divisions and five units (organized into three subdepartments) that are able to provide the Bank with technical expertise in most areas of interest. The three subdepartments are: Social Development and Public Governance; Private Enterprise and Financial Markets; and Education, Science and Technology.

The Social Development and Public Governance Subdepartment [www.iadb.org/sds/hrs_e.htm; www.iadb.org/sds/scs_e.htm] covers issues such as social programs, gender equality, indigenous peoples, community development, social inclusion, rural development, state reform, governance, and civil society. The Private Enterprise and Financial Markets Subdepartment [www.iadb.org/sds/ifm_e.htm] is responsible for topics such as infrastructure, financial reform and markets, micro, small

and medium enterprises, and the environment. The Education, Science and Technology Subdepartment deals with education, information and communication technology, and science issues. SDS also includes the Poverty and Inequality Unit [www.iadb.org/sds/pov/index_pov_e.htm].

All these areas interact and contribute to the Bank’s overarching objectives for reducing poverty and promoting social equity, and for promoting sustainable economic growth.

SDS Structure



- The *Poverty and Inequality Unit* [www.iadb.org/sds/pov/index_pov_e.htm] provides technical and strategic leadership on poverty-related issues, as well as support and review of poverty reduction in country strategies, sector work, and lending operations.

SOCIAL DEVELOPMENT AND PUBLIC GOVERNANCE SUBDEPARTMENT

- The *Social Development Division* [www.iadb.org/sds/hrs_e.htm] addresses issues such as children and youth, social services, urban development, violence prevention, labor markets, and health.
- The *Gender Equality in Development Unit* [www.iadb.org/SDS/GED/index_wid_e.htm] promotes the full and active participation of women in Bank-funded programs, providing quality review of projects and technical assistance to project teams, in addition to undertaking outreach activities.

**SDS expertise includes
the following development topics:**

• Children and Youth	[.../SOC/site_10_e.htm]
• Civil Society	[.../SCS/site_1461_e.htm]
• Disaster Risk Management	[.../ENV/site_2493_e.htm]
• Education	[.../SCI/site_25_e.htm]
• Energy	[.../IFM/site_2052_e.htm]
• Environment and Natural Resources	[.../ENV_e.htm]
• Financial Markets	[.../IFM/site_405_e.htm]
• Gender Issues	[.../WID/index_wid_e.htm]
• Health and HIV/AIDS	[.../SOC/site_3300_e.htm]
• Indigenous Peoples	[.../IND/site_40_e.htm]
• Information and Communication Technology	[.../ICT/site_5928_e.htm]
• Infrastructure	[.../IFM/site_404_e.htm]
• Labor Markets	[.../SOC/site_12_e.htm]
• Micro, Small and Medium Enterprise	[.../MIC/index_mic_e.htm]
• Modernization of the State	[.../SCS/site_1460_e.htm]
• Poverty and Equity	[.../POV/index_pov_e.htm]
• Private Sector Development	[.../SDS/privsec_e.htm]
• Regional Initiatives	[.../POV/publication/publication_21_3594_e.htm]
• Rural Development	[.../ENV/site_47_e.htm]
• Science and Technology	[.../SCI/site_27_e.htm]
• Social Development and Inclusion	[.../SOC/index_soc_e.htm]
• Urban Development and Housing	[.../SOC/site_15_e.htm]
• Violence Prevention	[.../SOC/site_471_e.htm]

- The *Indigenous Peoples and Community Development Unit* [www.iadb.org/sds/IND/index_ind_e.htm] is responsible for ensuring the sociocultural soundness of Bank operations in the areas of indigenous peoples, involuntary resettlement, and community consultation and participation. The Unit also promotes development with identity.
- The *Rural Development Unit* [www.iadb.org/sds/ENV/site_47_e.htm] provides technical assistance and support for the development of sustainable agriculture and rural poverty reduction programs.
- The *State, Governance and Civil Society Division* [www.iadb.org/sds/scs_e.htm] provides conceptual and technical support in the identification and design of operations for the modernization of the State, the promotion and consolidation of the rule of law, and strengthening civil society.

PRIVATE ENTERPRISE AND FINANCIAL MARKETS SUBDEPARTMENT

- The *Environment Division* [www.iadb.org/sds/env_e.htm] furthers the goal of sustainable development by enhancing the environmental quality of operations. It ensures that projects fulfill IDB environmental objectives and requirements by drawing upon lessons from other operations, direct experience, and state-of-the-art research and analysis.

- The *Infrastructure and Financial Markets Division* [www.iadb.org/sds/ifm/index_ifm_e.htm] is concerned with infrastructure investment and management, financial and capital markets development, and the development of private enterprises.
- The *Micro, Small and Medium Enterprise Division* [www.iadb.org/sds/MIC/index_mic_e.htm] is responsible for promoting the creation of the necessary conditions for the development of the micro, small, and medium enterprise sector in the region and carries out operations in this area.

EDUCATION, SCIENCE AND TECHNOLOGY SUBDEPARTMENT

- The *Information Technology for Development Division* [www.iadb.org/sds/itdev/index.htm] seeks to strengthen the Bank's efforts to support the development of information technology in the region by incorporating IT components in sector projects (such as health, education, and modernization of the State), as well as by fine-tuning and implementing the Bank's strategy on information technology for development.
- The *Education Unit* [www.iadb.org/sds/SCI/site_25_e.htm] works on the conception and design of new education, science and technology projects; develops policies and strategies for these areas, and monitors the Bank's portfolio of education, science and technology projects.

SDS provides the Inter-American Development Bank with operational support in the design of projects and the Bank portfolio. Specifically, SDS experts evaluate and develop project analysis methodologies and participate in project design to enhance the quality and monitor the implementation of projects.

SDS provides technical and operational support in the design of projects through staff participation in project teams and in various project review committees (Managerial Review Committee, and the Loan, Programming, Coordination and Private Sector Coordination committees). The Department also chairs the Committee on Environment and Social Impact (CESI).

[www.iadb.org/sds/special_list_e.htm#COMM]

SDS develops technical cooperation operations (including regional, trust fund, and microenterprise operations), operations financed by the Multilateral Investment Fund (MIF), and operations financed through the Social Entrepreneurship Program (SEP) [www.iadb.org/sds/mic/publication/gen_159_4053_s.htm]. In recent years,

SDS staff has prepared about 55 technical cooperation operations, 15 MIF operations, and 16 SEP operations per year. Additionally, SDS staff participates in project teams, as well as technical cooperation operations led by other departments.

To create and disseminate knowledge, SDS staff has developed the capacity and expertise to carry out best practices research; develop sector strategies, policies, and guidelines; produce and conduct professional training courses; generate training manuals and toolkits; and conduct seminars, conferences, dialogues, and meetings. The goal of these activities is the dissemination of knowledge and the creation of consensus on issues of national and regional importance. These activities are vital to ensuring that the experiences gained and the lessons learned can be effectively applied to the design of future projects.

SDS has coordinated the development of 29 strategies [www.iadb.org/sds/strat_e.htm] covering all the major topics under its purview. The Department has taken the lead in the development of a new strategic framework that is made up of two overarching strategies (sustainable economic growth, and poverty reduction and promotion of social equity), four sector strategies (social development, competitiveness, modernization of the State, and regional integration) and one crosscutting strategy (environment), endorsed by the Bank's Board of Executive Directors in 2003. SDS also coordinated the design of the private sector development strategy, as well as the strategy for citizen participation in IDB activities, both of which were endorsed by the Board of Executive Directors in 2004. Implementation plans for the seven priority area strategies, as well as for the private sector development and citizen participation strategies, were approved and are underway. The process of consolidating and integrating other sector strategies into the strategic framework is continuing.

The Department has also published approximately 800 items through various channels and media. SDS publishes a series of best practice and lessons learned papers, as well as papers on applied analytical research. It also publishes books, special and annual reports, newsletters, conference proceedings, and working papers. In addition to conferences, seminars, workshops, and printed material, dissemination takes place through the Department's Internet site (about 400,000 files are currently being downloaded from the website each month), thematic networks, CD-ROMs, and videos.

New development topics identified by SDS are eventually mainstreamed into the Bank's pipeline. Some innovative topics currently under development include social cohesion, violence prevention, corporate social responsibility, improving the business

climate, integrated poverty reduction programs, and greater emphasis on the efficiency and progressivity of public expenditures.

SDS also establishes and maintains contacts with partners (such as other multilateral and bilateral donors, nongovernment organizations and various stakeholders), which are instrumental in creating a regional consensus on issues of strategic importance, as well as leveraging the impact of Bank financing. SDS has held the technical leadership in the creation of new trust funds for several topics under its purview in partnership with bilateral donor agencies (e.g., Italian Trust Fund for Microenterprise Development, Italian Trust Fund for Information and Communication Technology for Development, Netherlands Water Partnership Program, the multi-donor Social Inclusion Fund, the Korean Trust Funds for Poverty and for Science and Technology, etc.). SDS has also presented proposals for the Regional Public Goods program.