

# FINANCIAL MARKET DEVELOPMENT

Support from the Inter-American  
Development Bank Group

1990-2002

February 2003

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The Infrastructure and Financial Markets Division of the Sustainable Development Department (SDS/IFM) has prepared this fourth edition of *Financial Market Development. Support from the Inter-American Development Bank Group*. Edgardo Demaestri and Juan José Durante prepared this publication with the collaboration of Paul Moreno and under the general supervision of Pietro Masci, Chief of SDS/IFM. The Regional Operations Departments, the Research Department, the Regional Operations Support Office, the Integration and Regional Programs Department, the Private Sector Department, the Inter-American Investment Corporation, and the Multilateral Investment Fund provided support and inputs. Antonio Vives and Jorge Rivas (November 1997); Tracy Phillips, Karin Larsen and Kim Staking (September 1999); and Edgardo Demaestri, María Antola, and Paul Moreno (2001) prepared the earlier editions of this document. This publication is not an official Bank Group document, as its authorities have not approved it.

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Well functioning financial markets are one of the most important factors for economic development and growth. They allow the reduction of the cost of capital, foster progress and innovation, and their role has become even more important with globalization. Relatively underdeveloped financial markets in Latin America and the Caribbean create bottlenecks that impede economic growth as well as the reduction of poverty in the region. Governments, regulators, policymakers and the private sector are becoming increasingly aware of the challenges ahead and are undertaking actions to address them.

The institutions that make up the Bank Group—the Bank, the Inter-American Investment Corporation and the Multilateral Investment Fund—collaborate with governments and the private sector to reduce financial market deficiencies and devote significant resources to financial market development. This effort was reflected in more than 160 projects approved for 25 countries that total approximately US\$18 billion between 1990 and 2002. Most of the operations supported financial intermediation, capital markets, insurance markets, pension reform, housing finance, debt reduction, and, more generally, financial market deepening. Despite great expectations and significant accomplishments in financial sector reform over the past thirteen years, much remains to be done. Not all countries have advanced at the same pace, some have even undone parts of previous reforms, and there are elements of financial market development that need to be supported in each country.

This fourth issue of *Financial Market Development* offers a general view of the activities of the Bank Group that supported financial market development in Latin America and the Caribbean during the period 1990-2002. A consolidated description of the activities undertaken in the period is also included, which illustrates the contributions of the Bank Group in the financial market area. The report, which is published every two years, concludes with some comments on how the Bank Group expects to continue its support. The Infrastructure and Financial Markets Division of the Sustainable Development Department prepared the publication as part of its mission to disseminate knowledge, and provide leadership, innovation and technical support in areas related to financial markets.

We hope that this account of activities in the sector shows the contributions of the Bank Group to the development of financial markets in Latin America and the Caribbean and that it serves as a tool for providing better support to our member countries in the future.

Antonio Vives  
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# 1. INTRODUCTION

Throughout the 1990s, the Inter-American Development Bank Group provided significant support for financial sector reform in Latin America and the Caribbean. The reforms were aimed at making member countries more attractive to private investors, promoting economic growth, increasing competitiveness, and fostering regional and international integration. The IDB Group has actively supported the transition from state-dominated systems, where the public sector is excessively involved in direct financial intermediation and where central banks are assigned a wide range of quasi-commercial activities, to new paradigms with increasing private sector participation and more focused public sector interventions. These changes mean that the independence of central banks and their concentration on monetary policy were reinforced and the role of the state was redefined.

The IDB Group addressed financial sector activities by targeting six areas that it considers critical: banking intermediation, capital markets, insurance markets, pension systems, housing finance, and debt reduction. Specifically, Bank support for legal reform and strengthening of the supervision of bank and securities markets was fundamental to the financial reform process. The Group supported capital market development, pension and insurance market reforms, the restructuring and strengthening of financial institutions, the development of instruments to facilitate housing finance, and the alleviation of the debt overhang. The provision of funds to finance private sector activities through multisectoral credit operations was an important instrument for extending Bank support. The Bank also provided professional training and assistance in the development of new financial markets, intermediaries and instruments. Most of the reforms focused on building markets and strengthening safety and soundness in order to prevent systemic crises. It should be noted, however, that in some instances the IDB Group provided support as part of broad economic emergency programs, including short-term immediate actions, but these have included long-term conditionalities as well.

This report presents the degree of IDB Group involvement and support in the reform, modernization and deepening of financial markets in Latin America and the Caribbean. It serves as a reference for the IDB Group in the development and implementation of its strategies in this area. Section 2 describes the IDB Group's activities related to lending and technical cooperations for financial market development and its impact on the region. Section 3 provides a brief summary of all financial market operations between 1990 and 2002. Nonlending activities are an increasingly important component of Inter-American Development Bank support to the region. Section 4 discusses the types of nonlending support provided. Nonlending activities include conferences, publications, special meetings, special projects and the preparation of IDB strategies. Finally, Section 5 provides some concluding remarks.

## 2. Overview of IDB Group Operations

**T**his report considers a total of 167 operations related to financial sector reform and market deepening, including 103 Inter-American Development Bank (IDB) operations, 56 Multilateral Investment Fund (MIF) operations, and 8 operations carried out by the Inter-American Investment Corporation (IIC).

The majority of the operations are IDB sector loans, multisectoral credit programs, debt reduction programs, and IDB and MIF technical cooperations. *Sector loans* provide flexible support for institutional and policy reforms at the sector or subsector level through fast-disbursing funds. These loans try to influence the links and transmission mechanisms between financial market activities and development goals. *Multisectoral credit programs* use Bank financing to promote productive activities in the private sector. Resources are channeled to the private sector through second-tier financial institutions and intermediary financial institutions. *Debt reduction programs* contributed to reducing public sector indebtedness in borrowing countries and enhancing access to international financial markets. *Technical cooperations* are projects that transfer technical knowledge, strengthen managerial and institutional capacity, and support diagnostic, pre-investment and sector studies. Reimbursable and nonreimbursable technical cooperation operations are financed with IDB and MIF resources. The IIC has participated in the financial market development process mainly by funding the private sector and providing assistance to IDB and MIF projects (see table 1).

Between 1990 and 2002, IDB Group operations related to the financial sector accounted for approximately US\$18 billion, close to 20% of total IDB Group financing approved for the period.

**Table 1: IDB Group Operations in Support of the Financial Sector  
1990 – 2002**

Type of Operation	Number
<b>IDB Operations</b>	<b>103</b>
Sector Loans	40
Multisectoral Credit Programs	31
Debt Reduction Programs	5
Technical Cooperations	14
Others	13
<b>MIF Operations</b>	<b>56</b>
<b>IIC Operations</b>	<b>8</b>
<b>Total</b>	<b>167</b>

MIF technical cooperations totaled US\$61 million. The IIC operations identified in this report account for US\$70 million (see table 2, and graphs 1 and 2). The list of all operations identified in this report can be found in Annex tables 1 and 2. The tables depict operations ordered by country and by year of approval, respectively.

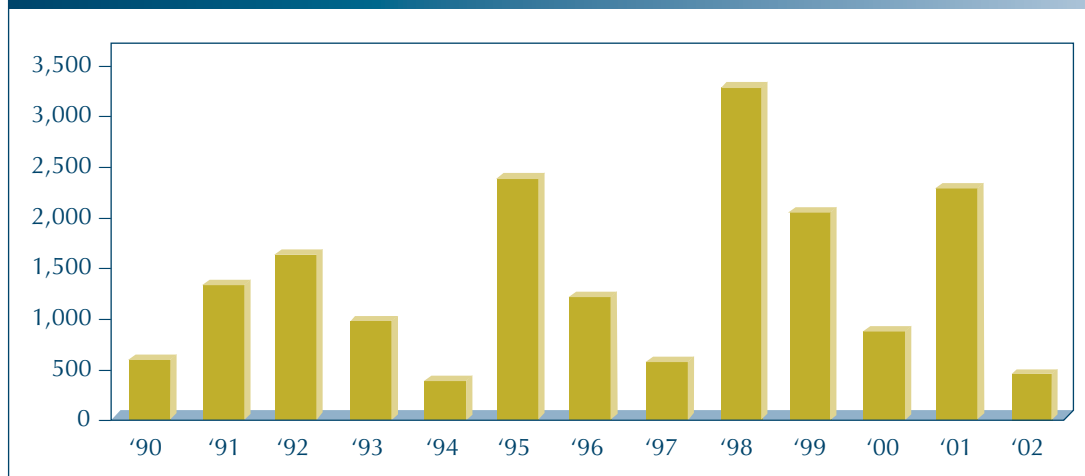
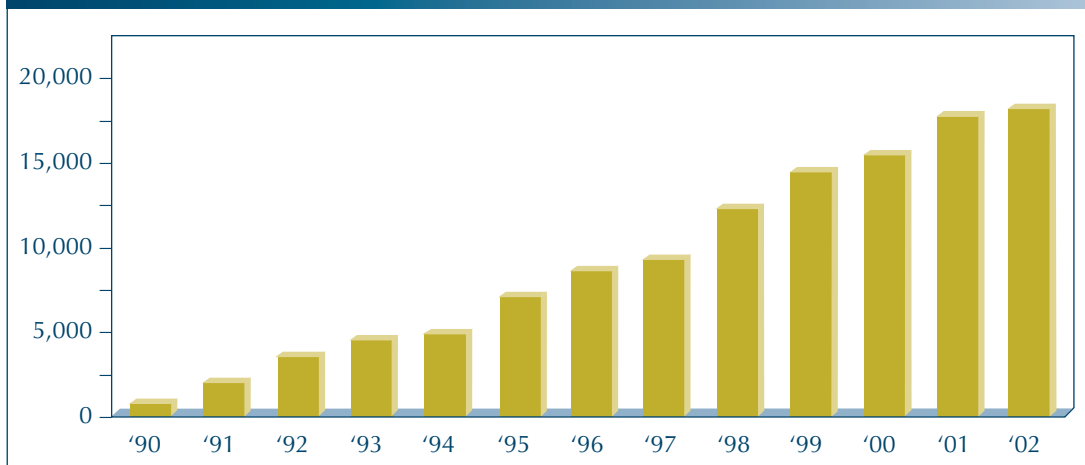
**Table 2: Financial Sector Reform and Market Deepening Operations (US\$ million)**

Year	IDB	MIF	IIC	Total
1990	640	0	0	640
1991	1,328	0	0	1,328
1992	1,643	0	0	1,643
1993	984	0	0	984
1994	360	7	0	367
1995	2,380	5	5	2,390
1996	1,246	4	0	1,250
1997	551	8	0	559
1998	3,226	9	5	3,240
1999	2,054	9	0	2,063
2000	856	6	20	882
2001	2,211	2	40	2,253
2002	448	11	0	459
<b>Total</b>	<b>17,927</b>	<b>61</b>	<b>70</b>	<b>18,058</b>

In the period 1990-2002, the IDB Group approved operations averaging US\$1.4 billion a year. However, the amounts throughout the thirteen-year period were not evenly distributed. In fact, as can be seen from table 2, amounts approved exceeded the average in 1992, 1995, 1998, 1999 and 2001. It is not a coincidence that these years are associated with financial crises that affected the region. The relatively large amount of financing approved in 1995 was in response to the effects of the Mexican crisis. Similarly, increased financing in 1998 and 1999 was a consequence of efforts to address the effects of the East Asian financial crisis, which had a negative impact on the IDB's largest borrowers. In 2001, the Bank provided US\$2.3 billion in financial support to the region in an effort to strengthen financial markets and help them cope with the effects of economic problems in Brazil. It should be noted, however, that the increase in financing in 1992 was associated with support for financial sector structural reforms and credit to the private sector.

The average size of the operations ("mean") was approximately US\$100 million, with individual operations ranging widely from US\$78,000 to US\$1.2 billion. The "median" was approximately US\$10 million.

Most financial sector programs have traditionally involved support for government actions to improve *banking intermediation*, with particular emphasis on strengthening the institutions in charge

**Graph 1: IDB Group Financial Sector Operations by Year (US\$ million)****Graph 2: IDB Group Financial Sector Operations Cumulative (US\$ million)**

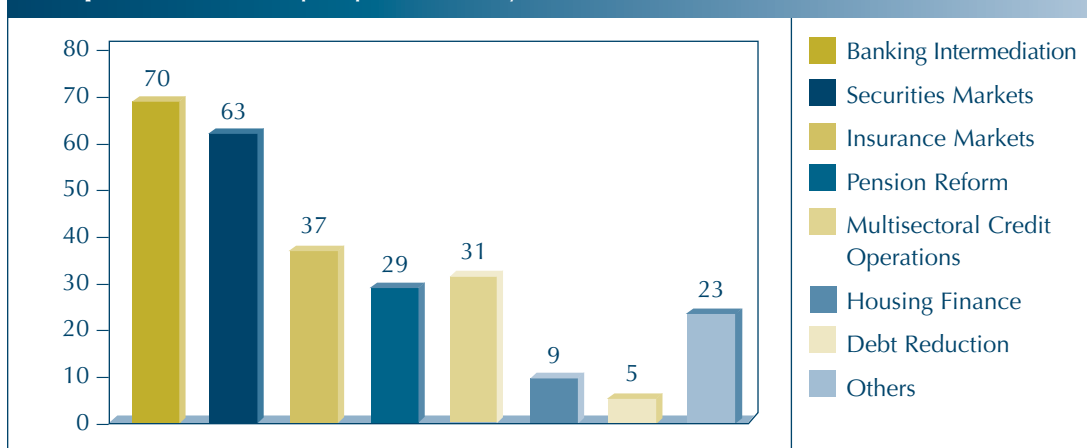
of regulating and supervising financial intermediaries. Supervision efforts have tended to concentrate on the development of appropriate legal and regulatory frameworks and the strengthening of enforcement in debt and equity markets. Several country programs also involved pension and insurance market reforms. These programs included strengthening the superintendencies of pension funds and insurance, developing adequate legal and regulatory frameworks for insurance markets, and restructuring social security pension systems. The latter incorporated the development of private pension systems, improved regulation and oversight of investment practices, and reform of special public sector pension plans. Multisectoral credit programs have increasingly become more relevant, as demonstrated by the larger loans approved, especially to Brazil and Mexico. Housing finance operations supported the development of mortgage instruments as well as the provision of credit to finance housing. Debt reduction programs were designed to support country efforts to restructure and reduce foreign debt (largely commercial bank debt) within the context of the Brady Plan.

The IDB Group has worked closely with the World Bank and the International Monetary Fund in many of these operations, through co-financing of projects and programs, information sharing, and coordination. Several operations have been co-financed with the World Bank such as the two operations in Mexico: Financial Sector Restructuring (ME-0188, 1995) and Contractual Savings Development Program (ME-0197, 1996). The World Bank, along with the International Monetary Fund, was part of a program to strengthen Argentina's banking sector (AR-0254, 1998). When the programs are not co-financed, the institutions work closely together to assure that reform efforts complement each other. This was the case in Colombia where both the World Bank and the IDB supported two complementary financial sector reform programs (CO-0232, 1999). Financial sector reforms in El Salvador and Honduras received important support from the U.S. Agency for International Development (USAID), which provided technical assistance to the governments to complement an IDB sector reform program (ES-0016, 1992). The USAID program was devoted to strengthening supervision of banking and nonbanking financial intermediaries. In 1994, the MIF furthered the overall objective of improving financial supervision in El Salvador by approving a program to strengthen the Financial System Superintendency (ATN/MT-4471-ES, 1994).

Different kinds of operations, such as sector loans and technical cooperations are sometimes combined. Many IDB sector lending operations have incorporated actions relating to the structure and oversight of financial markets that included the enactment of laws, the development and implementation of adequate accounting and auditing standards, and improvements in the effectiveness of new bank superintendencies and securities exchange commissions. Direct support and technical cooperation programs have been instrumental in the implementation of the action plans related to these issues.

The following section of this chapter presents information about financial sector operations in the major areas of interest: banking intermediation, securities markets, insurance markets, pension reform, multisectoral credit programs, housing finance, and debt reduction. The operations are presented in table 3 of the Annex. Graph 3 depicts the main financial market areas emphasized by the Bank, the MIF and the IIC.

**Graph 3: IDB Group Operations by Area of Interest**



## Areas of Interest in IDB Group Operations

### Banking Intermediation

The Bank supported 70 operations in 24 countries and in 7 regional programs to improve banking systems in the region. Activities were carried out in the following areas: development of adequate legal and judicial frameworks, establishment of prudential norms, implementation of modern supervisory policies and procedures, restructuring of bank superintendencies, professional training, development of auditing standards and information disclosure requirements, introduction of early warning information systems, banking restructuring, and central bank strengthening (see table 4 in the Annex).

*Legal and regulatory framework* activities included the preparation of amendments to existing legislation and the implementation of new laws governing financial systems. *Prudential norms* are being pushed to enhance the solvency and transparency of the financial system, strengthen it through the adoption of internationally accepted standards and practices, and make the regulatory framework more predictable. Programs also include support for *supervisory procedures* to improve on-site evaluation, analysis and monitoring of banking institutions; strengthen mechanisms to control credit limits; introduce rules and procedures for assessing personal loans, housing loans and financial investments. Lastly, *staffing and professional training* activities support training and recruitment programs that have an important impact on the degree of success and sustainability of the reforms carried out by bank superintendencies. Legal and regulatory framework activities were considered in 47 operations (19 countries and 1 regional operation).

Activities directed at the enhancement of *prudential norms* were included in 34 operations in 18 countries. Basic improvements in prudential regulation included establishment of standards to evaluate commercial loans; definition of operational and control methodologies; setting of accounting standards, including accounting of risky assets, provisioning requirements, interest accruals on past due loans, and capital adequacy requirements; definition and control of related party transactions, including credit limits of the related party; controls and treatment of offshore activities; internal control procedures; publication of interest rates and financial statements; valuation of guarantees; and application of general internationally accepted accounting principles. The purpose of these regulations was to enhance the solvency and transparency of the financial system, strengthen it through the adoption of internationally accepted practices to avoid incentives toward excess risk taking, and add predictability to the regulatory framework.

Enhancement of *supervisory procedures* was considered in 39 operations (19 countries and 1 regional program). This activity included procedures to improve on-site evaluation, analysis and monitoring of banking institutions; strengthen mechanisms to control credit limits; prepare methodologies for the analysis and evaluation of financial institutions; and introduce rules and procedures for assessing personal loans, housing loans and financial investments.

An overall *restructuring of the superintendency of banks* was included as a major activity in 33 operations (18 countries and 1 regional program). IDB operations generally included the

restructuring of the superintendency of banks within a more general program of financial reform. In contrast, restructuring was the main objective of MIF operations. Measures in this area included providing the supervisory entity with administrative autonomy; securing appropriate personnel and financial resources; establishing prudential regulations; and improving management information and other systems needed for the supervisory entity to properly address its responsibilities.

*Staffing and professional training* activities were introduced in 30 operations (16 countries and 1 regional program). These measures included training and recruitment programs that have an important impact on the degree of success and sustainability of the reform programs undertaken by the bank superintendency.

Programs to adopt *internationally accepted accounting and auditing standards and requirements on the disclosure of information* were introduced in 19 operations in 11 countries. These activities, aimed at enhancing the transparency of the financial system, included monthly or quarterly publication of financial indicators of institutional performance, enhanced information disclosure requirements and specific guidelines for the adoption of uniform accounting principles.

Another important area supported by the Bank is *banking restructuring*. In order to strengthen the financial sector and reduce its vulnerability to future crises, operations in this area have focused on public sector reforms to privatize, restructure or liquidate national, provincial and municipal banks. The Bank provided support for programs in Argentina, Barbados, Costa Rica, Jamaica, Mexico, and Panama through eight operations.

Finally, some operations focused on strengthening the role and functions of *central banks*. The support was mainly directed to matters related to monetary policy, financial infrastructure and financial management. Five operations were approved for five different countries.

Some cases merit highlighting. For example, the operations in Mexico and Venezuela (ME-0188, 1995 and VE-0101, 1995) were linked to major banking crises and therefore included short-term or immediate actions, in addition to longer term financial system restructuring. These actions greatly improved oversight, institutional support to increase long-term performance, and recapitalization and the restructuring of financial entities needed to restore confidence and improve the efficiency of financial operations. A similar operation also provided support for the recapitalization and privatization of financial institutions in Barbados (BA-0012, 1995). The IDB also supported the reform and privatization of provincial banks and pension systems in Argentina (AR-0187, 1995 and AR-0201, 1996) and approved a US\$250 million loan to Mexico to promote the continued safety and soundness of the banking system (ME-0227, 2000).

Among the most recent operations approved by the Bank in the area of *banking intermediation* is the financial sector reform program for Guatemala (GU-0119, US\$200 million, 2002). The objective of this operation is to modernize the legal framework that applies to the financial sector and to strengthen the regulatory and supervisory entities of the system, in particular the central bank and the superintendency of banks. In addition, the Bank recently approved four technical

cooperations to strengthen the superintendencies of banks and other institutions in charge of banking system supervision in Guyana (ATN/SF-GY, US\$700,000, 2001), Guatemala (ATN/MT-7827-RG, US\$1,000,000, 2002), Nicaragua (ATN/MT-7975-NI, US\$1,238,000, 2002), and Paraguay (ATN/MT-7926-PR, US\$641,000, 2002).

## Securities Markets

The IDB Group supported 63 securities markets operations in 21 countries as well as in 8 regional programs. Reform measures largely focused on introducing appropriate legal and regulatory frameworks (including self-regulation); setting prudential norms; supporting professional training programs; establishing supervisory procedures and financial information systems; restructuring market oversight entities; modernizing accounting standards, auditing practices and information disclosure requirements; strengthening clearance and settlement systems; supporting various markets (money, debt, equity and commodity exchanges); enhancing the role of institutional investors; and strengthening property rights and their enforcement (see table 4 in the Annex).

*Legal and regulatory framework* activities included drafting and implementing new laws. This activity was included in 42 operations (20 countries as well as 5 regional programs). Adequate *prudential norms* help regulators improve financial market oversight while fostering market deepening. Procedures to *enhance supervision* focused on increasing private sector confidence in the financial system and particularly on providing appropriate levels of regulation, or self-regulation, and the administration thereof. Implementation of *accounting, auditing and information disclosure* standards and upgrading financial information systems were aimed at providing transparency to the financial system and improving investor confidence. In addition, the IDB Group undertook a number of specific operations involving *market development*. These included support for the development of appropriate clearance and settlement procedures and deepening and development of debt markets.

The enhancement of prudential norms was included in 22 operations in 13 countries. Prudential regulations were adopted to help regulators maintain vigilant oversight over the financial market while fostering market deepening. Reforms for securities markets were aimed at managing risk and making the system more predictable and transparent, while stimulating the supply of securities by focusing on the classification of risk.

*Professional training* for market regulators was included in 20 operations (11 countries as well as 1 regional program). Because securities markets are at an incipient stage in most of the countries, there is a critical lack of trained personnel. The implementation of measures aimed at the development of capital markets is, therefore, constrained. This indicates an urgent demand for appropriate and sustainable professional training related to capital market development.

Procedures to enhance *supervision* were introduced in 27 operations (16 countries and 1 regional program). These activities focused generally on increasing private sector confidence in the financial system and particularly on providing appropriate levels of regulation, or self-regulation, and the administration thereof. Programs to enhance securities markets supervision

complement the regulation of banking institutions by providing a level playing field and limiting increased risk-taking associated with regulatory arbitrage. In many cases, securities brokers, insurance companies and pension funds were regulated by a variety of unrelated and unqualified governmental agencies or were not regulated at all. IDB operations emphasizing supervisory procedures included the preparation of updated handbooks for supervision of capital markets, and the definition of specific criteria for financial institutions and groups, improved enforcement and the first steps toward consolidated assessment and management of the risk inherent in financial groups.

The *restructuring of securities markets* oversight agencies was included in 24 operations (16 countries and 1 regional program). In some cases, securities markets oversight agencies and agencies to monitor insurance markets and pension funds were integrated into the superintendency of banks. In other cases, these agencies were autonomous or nonexistent. In general, measures were taken to ensure good supervisory performance whether in existing or newly structured agencies.

The establishment of *accounting and auditing standards and information disclosure* requirements was included in 19 operations in 12 countries. Improving auditing and information disclosure standards and upgrading financial information systems, providing transparency to the financial system and confidence to investors, all complement the measures described under bank supervision.

In addition, the IDB Group undertook a number of specific operations involving *securities markets development*. These included support for the development of appropriate clearance and settlement procedures in 12 operations (7 countries and 2 regional programs) and deepening and development of money and debt markets in 19 operations (11 countries and 2 regional programs).

Some recent securities markets operations include a US\$150 million financial sector reform loan for Jamaica (JA-0049, 2000), and a US\$500 million structural adjustment program for Argentina (AR-0266, 2001) with a strong securities markets component. Also, the MIF supported a technical cooperation to increase the security of the Colombian capital markets (ATN/MT-7793-CO, US\$1 million, 2002) by improving the clearance and settlement system.

## Insurance Markets and Pension Reform

The IDB Group supported 37 operations in 16 countries and in 4 regional operations that included measures to reform and develop *insurance markets*. Programs focused on introducing appropriate legal and regulatory frameworks; establishing prudential norms; improving supervisory procedures and information systems; strengthening supervisory agencies; and promoting the participation of insurance companies as institutional savers in capital markets.

Regarding *pension reform*, the IDB Group supported 29 operations (15 countries and one regional operation). The programs' primary focus was institutional and regulatory reform.

As an example, the US\$1.1 million grant approved for Bolivia in 1999 played a key role in the development of the new social security system. The new system calls for private administration of contributions and individual capitalization, which, in turn, make possible long-term savings

to promote investment projects by stimulating financial markets and infusing highly liquid, fresh resources into capital markets. A related MIF grant of US\$1.2 million supported the legal and supervisory development of the new system.

Other examples of programs specifically directed at pension funds are the cases of Argentina and Uruguay (AR-0059, 1992; UR-0057, 1992; AR-0201, 1996; and UR-0108, 1996), which included institutional and regulatory reforms. Chile (CH-0044, 1991) undertook important reforms and provides an interesting case, where amendments were made to the law regarding risk classification, or rating, of securities. The amendment helped pension funds and other institutional investors to acquire securities and venture capital funds. The most recent operation in this area is the Support of the Pension System Reform Program for Nicaragua (NI-0101, US\$ 30 million, 2001). This program will facilitate the development of an adequate legal, regulatory and institutional framework for the establishment of private sector providers.

### Multisectoral Credit Programs

Multisectoral credit programs provide long-term financial resources to supplement domestic funds to promote productive activities in the private sector. Funds are channeled to the private sector through second-tier financial institutions and intermediary financial institutions. Between 1990 and 2002, the Bank financed 31 operations in 11 countries and 5 regional operations totaling approximately US\$7.3 billion. Most projects focused on strengthening the availability of credit for small- and medium-sized enterprises. Multisectoral credit operations for microenterprises are not included in this analysis because they are the topic of another Bank publication.

Operations in this area include a multisector credit operation approved in 1998 for US\$155 million intended to promote the deepening of the Uruguayan financial markets by providing a supply of medium- and long-term financing to intermediaries to encourage and enable them to develop new lending programs and meet the investment needs of private enterprise, in particular the needs of SMEs. Another relevant operation is a US\$240 million loan for the Multisector Global Financing Program of Chile (CH-0157, 1999). This program provided credit for small and medium enterprises (SMEs) to expand their operating capacity and introduce modern technologies into productive processes. Credit was channeled to SMEs through intermediary financial institutions for investments in machinery, equipment and construction, working capital, commercial leasing and exports.

Main operations approved during the last few years include a US\$1.2 billion global credit program for Brazil (BR-0310, 1999) through the National Bank for Economic and Social Development (BNDES); a US\$300 million loan for Mexico's multisector global credit program (ME-0117, 2000); and a US\$900 million loan to Brazil channeled through BNDES (BR-0331, 2001) to provide credit to micro, small and medium enterprises by expanding the supply of formal credit services for this sector. Other operations recently approved were a US\$42.4 million global multisector credit program for El Salvador (ES-0130, 2002); and a US\$180 million multisector global financing program for Uruguay (UR-0136, 2002).

## Housing Finance

The IDB Group's commitment to solving the housing problem in the region is reflected in the active role it plays in financing various operations in this area. These operations focused on promoting and expanding access to housing finance, developing mortgage instruments and increasing the access to financial services by low-income sectors. Recently, the Bank approved housing programs in Peru and El Salvador.

The role of securitization of housing loans in promoting secondary markets for mortgages has been encouraged to explore the use of this technique in order to increase funds available for housing finance and reduce significant housing shortages. The IIC has supported these kinds of operations in Brazil and Chile. For instance, it financed an US\$8 million program for *Delta Leasing Habitacional S.A.* to acquire, package and sell lease-backed securities to institutional investors. Another operation approved by the IDB in 2002 to support the private sector was *Colpatria Mortgage Bond Project*. The objective of this operation is to foster the development of a local mortgage-backed bond market in Colombia. In addition, the project seeks to provide access to long-term funding for origination of new mortgages within the local housing market in Colombia.

Other operations in this area were directed to improving and promoting land legalization, and financing the development of the infrastructure needed to expand the mortgage-related industries. For instance, the IIC financed the acquisition of software and systems for secondary mortgage market infrastructure (BR-1102A, US\$1 million, Brazil, 2000).

## Debt Reduction

The goal of debt reduction operations was to reduce the debt burden and promote stabilization and structural reforms in indebted countries. In addition to supporting debt (and debt service) reduction programs, these operations provided funding for the purchase of collateral and debt buybacks in line with agreements between countries and commercial banks made during the 1990s. These programs played an essential role in minimizing country risk and in normalizing relations of countries with foreign creditors and international financial markets. The Bank financed five debt reduction operations totaling almost US\$800 million in Argentina, Ecuador, Nicaragua, Panama, and Peru.

## Other

This category considers operations that support areas of activities not included in the main categories described above. They cover diverse areas from rural finance to the development of financial instruments for risk management associated with natural disasters and the support for remittance services to immigrants. The Bank approved a total of 23 operations, including support to 13 countries and 4 regional programs.

The Bank financed the program *Support for Small Farmers* through PROCAMPO (US\$500 million,

Mexico, ME-0213, 2001). The project's objective is to build the capacity of small-scale dryland farmers to make more efficient use of their resources in their productive operations. This objective will be pursued by financing advance payments to small farmers before they plant their crops so that they can use them in production activities and avoid high risk financial costs.

Natural disasters cause important losses in Latin America and the Caribbean every year. In order to provide financial protection for both the private and public sectors, the Bank has undertaken studies and approved a few operations in this area. One of the programs approved in 2002 is a technical cooperation which will support El Salvador's efforts to respond to natural disasters by evaluating and elaborating a financial risk management strategy (ATN/SF-8025-HO, US\$150,000).

The IDB supports financial institutions in designing remittance-related financial products and services in order to foster local economic development and the inclusion of the beneficiaries of remittances in the formal financial system. The Bank is carrying out operations aimed at reducing the costs of remittances by stimulating competition among providers of remittance services, promoting the dissemination of information among migrants and improving the regulatory frameworks for financial services. The following operations were recently approved: (i) a US\$1.5 million technical cooperation for El Salvador (ATN/ME-7886-ES, 2002), and (ii) two technical cooperations for Mexico for an amount of US\$1.1 million and US\$460,000 respectively (ATN/ME-7717-ME, 2001 and ATN/ME-7834-ME, 2002).

## Regional Financial Market Development

Regional operations provide support for the development of financial markets with a regional perspective. This report identifies 20 regional operations that were approved during the last thirteen years. These operations focused on the main areas previously described, particularly on banking intermediation, securities and insurance markets, and multisectoral credit operations, the latter being the most important in terms of the funding involved.

The five regional multisectoral operations approved were: (i) a US\$200 million loan to the Andean Corporation Fund to support the private sector in IDB member countries (RG-0010, 1993); (ii) a US\$37 million loan program to support the lending activities of the Caribbean Development Bank (RG-0037, 1996); (iii) a US\$300 million loan to the IIC for lending to the private sector in the region (RG-0014, 1997); (iv) a US\$100 million loan to the Central American Bank for Economic Integration (CA-0008, 1997); and (v) a US\$20 million loan for additional support to the Caribbean Development Bank (RG-0056, 2002).

The other 15 regional operations are technical cooperations. Among the programs undertaken, five may be underscored.

The *Financial and Securities Market Development Program* (ATN/SF-5274-RG, US\$850,000, 1996) was designed in response to a mandate from the finance ministers of the western hemisphere.

In general terms, the project was created to support policy research and training programs on financial and securities markets in the Latin America and the Caribbean. This operation included five subprograms: (i) risk management, (ii) financial systems survey, (iii) best practices in accounting and auditing standards, (iv) pilot training programs in bank and securities market supervision, and (v) investor education.

The *Bank and Securities Markets Supervision Regional Training Program* (ATN/MT-5855-RG, US\$1.3 million, 1998) was designed to enhance regional or subregional training of bank and securities markets regulators. By supporting training at the regional level the program facilitates the harmonization of market rules, improves the compatibility of market information, and furthers the integration of the region's financial and capital markets. To permit the development of a consistent supervisory approach and common minimum standards, training funded by this MIF technical cooperation was limited to programs with a regional focus.

The *Financial Sector Activities and Poverty Reduction Program* (ATN/SF-7297-RG, US\$115,000, 2000). This program seeks to investigate the relationship between financial sector activities and poverty reduction in order to identify financial policies and services that may have a significant impact on income distribution and poverty reduction.

The Bank is implementing the *Regional Financial Sector Policy Framework Program* to develop a regional forum of financial sector policymakers and regulators to discuss key issues for supporting financial sector development (ATN/SF-7464-RG, US\$150,000, 2001). It is worthwhile noting that because of its comprehensive nature, this operation involves the areas of banking intermediation, securities and insurance markets.

Another operation approved in 2002 was the *Support for the Exchange of Know-How and Experiences among Development Banks in Latin America and the Caribbean* (ATN/MT-7872-RG, \$275,000). This program is financed with MIF resources and is being implemented by ALIDE (Asociación Latinoamericana de Instituciones Financieras para el Desarrollo). The specific objective of this program is to support the exchange of experiences and the transfer of know-how on specialized banking techniques and financial approaches among development banks in Latin America and the Caribbean.

Finally, other areas supported by regional financial sector operations include harmonization and development of capital markets, regional and subregional financial system integration, and initiatives to restrict money-laundering activities.

### 3. Operations Involving Financial Sector Reform and Market Deepening

**T**his section describes the operations dealing with financial sector reform and market deepening, highlighting each operation's main aspects. Operations are listed by country and ordered by date of approval. Regional operations are listed at the end of the section.

Despite the fact that many important operations focusing on micro, small- and medium-size enterprises had an impact on financial markets, only those corresponding to multisectoral credit programs for small- and medium-size enterprises have been included in this report. IDB Group operations for micro, small- and medium-size enterprises are discussed in the following IDB publications: *IDB Group Support to the Microenterprise Sector (2000-2002): Achievements, Lessons, and Challenges* and *IDB Group Support to the Small- and Medium-Size Enterprise Sector (1990-2002): Achievements, Lessons, and Challenges*.

#### 1. Argentina

##### 1.1. GLOBAL CREDIT PROGRAM FOR SMALL BUSINESSES AND MICROENTERPRISES

**AR-0213, PR-1802, \$45,000,000, 1991**

The objective of this program was to expand microentrepreneurs access to credit and provide technical assistance to help them increase production and income, while at the same time maintaining or increasing rural and urban employment opportunities. The program resources were used to grant short- and medium-term loans to finance the purchase of fixed assets, working capital and technical assistance services. The resources were channeled through the central bank to intermediary financial institutions (IFI) that complied with the eligibility criteria. The program also covered the costs of a technical assistance component for technical assistance institutions and IFIs.

##### 1.2. PUBLIC SECTOR REFORM PROGRAM

**AR-0215, PR-1792, \$325,000,000, 1991**

This is a small component of a public sector reform loan in which several important banking supervision measures were introduced as first and second tranche conditions. The measures included drafting, submitting to Congress, enacting and implementing a new Financial Management and Performance Control Law; reorganizing the banking superintendency and implementing that reform; and establishing an action plan on systems and training for the Superintendency of Banks.

##### 1.3. INVESTMENT SECTOR REFORM PROGRAM

**AR-0059, PR-1901, \$350,000,000, 1992**

Two of the main objectives of the program were to strengthen the Superintendency of Banks and to develop a modern regulatory information system. The commitment made by the central bank included the implementation of action plans to foster the establishment of modern supervision practices, information systems and extensive professional training programs, establishment of

the legal, regulatory and institutional structures needed to develop new financial instruments, and improvement of the supervisory capability and level of training of the regulatory authorities. In addition, this program was aimed at helping the government to develop securities markets by strengthening enforcement mechanisms, improving the training and professional development of regulators and developing the legal and regulatory structure for derivative markets. The program was also designed to assist the government in carrying out comprehensive analyses of at least five agreed upon provincial banks as well as pension systems in at least eight provinces.

#### **1.4. DEBT SERVICE REDUCTION LOAN**

**AR-0139, PR-1902, \$400,000,000, 1992**

The operation contributed to Argentina's medium-term development by giving the government the time it needed to implement structural reforms that would promote macroeconomic stability. The proposed debt and debt service reduction loan, which financed interest and principal collateral for par bonds, enabled the government to regularize its relationships with external creditors in a way that was fiscally sustainable, thus improving Argentina's country risk.

#### **1.5. GLOBAL MULTISECTOR CREDIT PROGRAM**

**AR-0055, PR-1963, \$300,000,000, 1993**

The program was designed to enhance the functioning of domestic medium-term credit markets, and to increase access to medium- and long-term credit for the productive sector. Since strong banking supervision is important to the success of the program, strengthening banking supervision was a precondition for first disbursement. The government had to present a plan and a precise timetable for completing this task, including establishment of management information systems, accounting and auditing standards, supervisory capacity, training programs, supervisory norms and examination procedures, and international standards for disclosure. However, the responsible institution was unable to effectively disburse the funds and consequently the loan was cancelled at the request of the Argentine government.

#### **1.6. PROVINCIAL BANKS PRIVATIZATION SECTOR LOAN**

**AR-0187, PR-2036, \$750,000,000, 1995**

Loan operation to continue public sector reforms initiated under other Bank operations and to promote the economic development of Argentina's provinces through the privatization or closure of eligible provincial and municipal banks. Loan funds financed CIF costs of eligible imports, and the governments established trust funds that were distributed to provinces in order to cover short-term liquidity needs. Specifically, program funds were used to: (i) pay back private deposits; (ii) repay short-term advances from the central bank and a state-own bank; (iii) repay bonafide liabilities; (iv) fund voluntary reduction-in-force programs; and (v) cover costs associated with advisors and consultants hired to draft documents for the privatization of specific banks. This program responded to an unexpected and historic opportunity to privatize or close most provincial banks, which have been a weak link in both the financial system and provincial fiscal management for some time. The privatization of provincial banks was intended to reduce public sector presence in the economy, and encourage compliance with the government's broader financial policies that target improved efficiency and solvency of financial intermediation, with capital adequacy of financial institutions and provisioning based on risk-weighted assets.

### **1.7. CREDIT GUARANTEE SYSTEM FOR SMALL- AND MEDIUM-SIZED ENTERPRISES**

**ATN/MT-5080-AR, MIF/AT-66, \$610,000, 1995**

This project was designed as a nonreimbursable technical cooperation to establish the legal and regulatory framework for a credit guarantee system for small- and medium-sized businesses. It supported the Argentine government by: (i) preparing the regulations and legal framework for the reciprocal credit guarantees system; (ii) appointing the supervisory authority and strengthening the capacity of the central bank to exercise supervision and control over the new reciprocal credit guarantee companies (SGRs); and (iii) encouraging the establishment of SGRs in Argentina by training future operators to ensure the program's efficiency and sustainability with minimal intervention by the public sector. To reach these goals, the program was divided into three sub-programs, each of which was designed to strengthen the enforcement authority; support the regulatory development of the reciprocal credit guarantee system; strengthen the capacity for inspection and control of the SGRs by the central bank; and disseminate information about the new system and provide training for its potential operators. This new system facilitates access to credit by small- and medium-sized businesses, both in terms of the number of beneficiary enterprises and the volume of guaranteed credit.

### **1.8. PROVINCIAL SOCIAL SECURITY SECTOR REFORM**

**AR-0201, PR-2151, \$320,000,000, 1996**

This loan operation was intended to support the government of Argentina to strengthen social security institutions, consolidate reforms and balance provincial budgets. Consistent regulations promoted improvements in equity. Efforts to stimulate private savings and investment by allowing provincial employees to join the system of pension fund administrators promoted the development of capital markets. Finally, these reforms lessened the impact of retirement funds on provincial budgets. The program also provided support for strengthening the National Social Security Administration (ANSES) and established controls to prevent fraud and evasion in the consolidated system. The program consisted of three components, the first of which involved the transfer of active and noncontributing members and the related revenue and expenditures as well as support for capital market development. The second component focused on restructuring ANSES to improve its administrative and financial operations, efficiently absorb the CPPs, and lessen the fiscal impact of the social security deficit. The third component called for cutting benefits to ineligible payees in order to generate savings for the system.

### **1.9. MUNICIPAL REFORM AND DEVELOPMENT PROGRAM**

**AR-0250, PR-2371, \$250,000,000, 1998**

The primary focus of this program was to establish and enforce the institutional conditions necessary for self-sustaining development in Argentina's municipalities. A small but important sub-program (\$2 million of the total program cost, which is estimated at \$500 million) was designed to help to devise financing mechanisms whereby municipalities can access the capital markets directly to secure medium- and long-term private funding for capital investment projects. The subprogram set up a mechanism that allows qualifying municipalities (those meeting the reform

requirements established by the program) to gain access to long-term private sector funding. The program also included a number of studies on financial intermediation arrangements that could be used to secure long-term financing for municipal projects.

#### **1.10. SPECIAL STRUCTURAL ADJUSTMENT PROGRAM AND STRENGTHENING OF BANKING SYSTEM SAFEGUARDS**

##### **AR-0254, PR-2370, \$2,500,000,000, 1998**

This emergency loan was intended to strengthen the banking sector, deepen macroeconomic reforms and improve the social safety net. The loan to be disbursed in conjunction with programs also supported by the International Monetary Fund and the World Bank was designed to counteract global financial shocks resulting from the 1997-98 Asian financial crisis and the foreign debt default by Russia. The loan had two components. One component (\$500 million) focused on the strengthening of the central bank's system of banking safeguards, known as the Repo System, which is a bond repurchase arrangement between the central bank and a group of commercial banks. It served to ensure that the banking system had the necessary liquidity to withstand sudden financial stress. The other component (\$2,000 million) contemplated reforms in four major areas: (i) intergovernmental fiscal relations; (ii) social sector; (iii) infrastructure and public utilities; and (iv) financial sector. To avoid distortions in presenting the information, it is assumed that \$500 million of this component may be allocated to the financial sector.

#### **1.11. FINANCIAL SERVICES SECTOR PROGRAM**

##### **AR-0266, PR-2579, \$500,000,000, 2001**

This program supports the execution and implementation of reforms in the pension, insurance and capital markets. The project has four components: macroeconomic framework, pension systems reform, insurance sector restructuring and capital markets development. The objectives of this program are (i) to promote a competitive and financially sound marketplace; (ii) foster the delivery of high-quality and cost-efficient financial services; (iii) improve governance of institutions and corporations; and (iv) strengthen the regulatory functions and enforcement capabilities of regulators. This program is expected to enhance competition among providers of financial services and protect property rights of investors and consumers by fostering more transparency from financial services providers. In addition, this program will help expand the pension, insurance and financial markets.

#### **1.12. TECHNICAL COOPERATION- FINANCIAL SERVICES SECTOR PROGRAM**

##### **AR-0284, PR-2579, \$2,000,000, 2001**

Part of the Financial Sector Program mentioned above, consists of technical assistance which finances a series of studies to provide a basis for second tranche policies and future reforms in the financial services markets as well as finance the project implementation unit. The technical cooperation loan provides extensive support to the executing agency (the Ministry of Economy) in terms of staffing and expert consultants in the areas of insurance supervision and regulation and capital markets.

## 2. Bahamas

### 2.1. MULTISECTORAL CREDIT PROGRAM

**BH-0015, PR-1882, \$21,000,000, 1992**

The credit program had two main objectives: the development of reliable capital markets for long-term lending through the Bahamian private sector and the generation of a series of new project initiatives by the country's small- and medium-sized businesses. The program included a technical assistance component providing for the training of both intermediaries and end-users of funds in various aspects of entrepreneurship and marketing, financial planning and the administration of joint ventures. This program involved two ordinary capital loans, one for \$14 million and a second for \$7 million. This loan was used to establish a credit facility to be drawn upon by the Bahamian private sector. The financing featured a variety of technical assistance components at the levels of the executing agency, financial intermediaries and borrowers. Project lending was carried out by the Bahamas Development Bank (BDB), working both independently as a source of funds for private domestic borrowers and in concert with the country's central bank as a source of capital for qualifying financial intermediaries, private commercial banks and a second-tier financing in the productive sectors. The central bank administered periodic auctions to allocate funds to these intermediaries.

### 2.2. PROGRAM TO SUPPORT CAPITAL MARKETS MODERNIZATION

**ATN/MT-6083-BH, MIF/AT-190, \$500,000, 1998**

This technical cooperation was intended to assist the government of The Bahamas in its efforts to upgrade the existing Securities Board, develop international securities exchange, and promote investor education. Upgrading the Securities Board included personnel training and the establishment of guidelines for the effective management of a well-functioning regulatory agency, oversight of the issuance process, secondary trading, information dissemination, and standards for enforcement of regulations. The second component, development of the Bahamas International Securities Exchange (BISX), involved support for the implementation of a functional exchange with both domestic and international tiers, allowing for a transparent and public platform for trading. The final component was concerned with promotion of the two institutions and education of the general public, brokers/dealers, custodial banks and other market participants.

## 3. Barbados

### 3.1. INVESTMENT SECTOR REFORM PROGRAM

**BA-0012, PR-2081, \$35,000,000, 1995**

This program supported and encouraged the creation of an agreement on a new Financial Institutions Act to strengthen the government's oversight of the financial system, and reform public development banks and strengthen bank supervision to oversee capital standards. In addition, the program financed a study of the regulatory environment for all finance-related institutions in Barbados; the preparation of recapitalization and privatization plans for the National Bank of Barbados; the liquidation of the Barbados Development Bank; the preparation of background studies and an initial implementation plan for a second-tier mortgage bank; an agreement on required improvements to primary and secondary government securities market and its further implementation and maintenance of targets.

### 3.2. STRENGTHENING OF THE BARBADOS SECURITIES MARKET

**ATN/MT-7090-BA, MIF/AT-349, \$298,000, 2000**

This nonreimbursable technical cooperation contributed to the sustained development and expansion of the financial sector of Barbados by providing support to strengthen the legal and regulatory framework that governs emerging capital markets, and establishing an adequate institutional structure for market regulation and supervision. It also provided assistance for the Securities Exchange of Barbados (SEB) in the areas of training, dissemination and business planning. In addition to the SEB, the Ministry of Finance and Economic Affairs was involved in the execution of the project.

## 4. Belize

No specific operations.

## 5. Bolivia

### 5.1. MULTISECTOR LENDING PROGRAM

**BO-0088, PR-1789, \$80,000,000, 1991**

This loan supported the reform of Bolivia's financial sector, promoted private investment and funded a multisectoral global credit program. Specifically, it supported a multisectoral credit program that complemented financial and investment reforms and provided medium- and long-term financing to the private sector (especially small- and medium-sized businesses) through a competitive market pricing mechanism. It also supported institutional and operational reforms to improve the financial intermediation process. A technical cooperation from the government of Switzerland helped strengthening the institutional capacity of the central bank's credit management unit and intermediary financial institutions as well as fund staff training.

### 5.2. FINANCIAL AND INVESTMENT SECTOR REFORM PROGRAM

**BO-0110, PR-1789, \$60,000,000, 1991**

This loan was approved together with the Multisector Lending Program (BO-0088) to support the reform of Bolivia's financial sector, and promote private investment. The reforms were intended to improve the competitive banking environment, eliminate controls on interest rates and remove impediments to the development of capital markets. Investment sector reforms supported by the loan opened opportunities for private capital in public enterprises, particularly in the mining and hydrocarbon sectors; developed plans for fostering private participation in major public enterprises and support the privatization of others.

### 5.3. GLOBAL MULTISECTORAL CREDIT PROGRAM II

**BO-0034, PR-2016, \$70,000,000, 1994**

This program, which was initially executed by the Gerencia de Desarrollo of the Central Bank of Bolivia (BCB), continued the provision of competitively priced medium- and long-term financing for the country's private sector that was begun with the help of an \$80 million loan in 1991. The second phase of the program also coincided with the consideration of a new law governing the activities of the BCB that would transfer the responsibility for executing this and other credit operations to an independent, second-tier financing entity. The program functioned

through a credit auction mechanism first established by the BCB in 1990 and which to date has brought interest rates charged by intermediary credit institutions (ICIs) more into line with their own cost of funds. It also increased allocative efficiency across alternative sectors, reduced transaction costs and increased the degree of transparency surrounding the selection of projects for financing. The second phase of the program contained explicit guidelines on environmental control for end-users of credit, including the incorporation of evaluation statements as part of the documentation submitted by sub-borrowers to ICIs.

#### **5.4. STRUCTURAL REFORMS AND CAPITALIZATION PROGRAM**

##### **BO-0094, PR-2050, \$70,000,000, 1995**

This program supported the development of long-term financial markets. The first phase of the financial reform program was financed through a previous IDB program and was aimed at reforming the existing banking system. This program focused on improving the regulation of securities and insurance institutions, as well as strengthening contractual savings and pension mechanisms. In addition, the government planned to further strengthen the financial system by restructuring the central bank and enacting the Organic Central Bank Law and the Superintendency of Banks and Financial Entities Law. Draft securities legislation was prepared and prospective MIF technical assistance was provided to strengthen the Securities and Exchange Commission.

#### **5.5. HOUSING POLICY SUPPORT PROGRAM (PROVIVIENDA)**

##### **BO-0008, PR-2291, \$60,000,000, 1998**

The primary focus of this program was to support the Government of Bolivia in implementing a national housing policy. However, an important subprogram was designed to promote the establishment of a secondary mortgage market, thereby improving access to long-term funds and reducing the risks associated with maturity mismatches. Under this component of the program, Nacional Financiera Boliviana (NAFIBO) received a loan to begin the process of purchasing mortgages to be packaged and securitized. To better ensure the success of the program, the government was expected to undertake complementary actions that include contracting an international investment bank to advise on the structure of securitization and underwriting, risk classification, and issuance and registration of the securities.

#### **5.6. STRENGTHENING OF THE SUPERINTENDENCY OF BANKS**

##### **ATN/MT-5946-BO, MIF/AT-169, \$1,200,000, 1998**

The main objective of this operation was to develop and improve the quality of financial services for disadvantaged groups and microenterprise in Bolivia by strengthening the Superintendency of Banks and Financial Entities (SBEF), which was also the executing agency. The aim was to ensure effective supervision of the increasing intermediation performed by nonbanking entities, to put proper rules and procedures in place, and to incorporate this into the financial institutions providing credit services for small businesses and microenterprises and home financing for low-income groups.

#### **5.7. CAPITAL MARKET CONSOLIDATION AND DEVELOPMENT PROGRAM**

##### **ATN/MT-6354-BO, MIF/AT-225, \$1,150,000, 1999**

This project, which was executed by the Superintendency of Pensions, Securities and Insurance (SPVS), supported the consolidation and development of the securities market in Bolivia, in order to improve resource allocation and the quality of financial services. The appropriate operation

of the securities market would foster private sector confidence, and increase domestic savings and the financing of productive projects with long maturities. In order to build confidence among capital market participants it is essential to have a market that allows savings to be channeled into financial instruments, enabling investors to own assets through ready and reliable transactions and, in turn, help create new sources and alternatives of production and development. The specific objectives of this operation were to facilitate the drafting of suitable rules and regulations for the operation of the securities market; strengthen the Securities Administration by providing support for staff training and sufficient staffing for its operations; and design monitoring systems and operating manuals that would provide and ensure effective market supervision.

### **5.8. PENSION REFORM IMPLEMENTATION**

**ATN/MT-6374-BO, MIF/AT-230, \$1,100,000, 1999**

This technical cooperation grant focused on improving, designing, installing and putting into operation systems to monitor and supervise the compulsory social security system and the capitalization process, incorporating the reforms contained in legislation on pensions, property and public credit. The program was designed to strengthen the Superintendency of Pensions, Securities and Insurance by supporting the development of regulatory and control structures for the new social security system. It also sought to design and disseminate educational material and information to the population sectors with the least knowledge of finance, explaining their rights and obligations under the Property and Public Credit Act and the Pension Act. This was carried out using such means as pamphlets, leaflets, a toll-free information line, statistical summaries, the mass media and the development of information systems. The program provided Pension Administration employees with computer software and hardware.

### **5.9. INSTITUTIONAL STRENGTHENING OF THE OFFICE OF INSURANCE OVERSIGHT**

**ATN/MT-6950-BO, MIF/AT-319, \$840,000, 2000**

The principal objective of this project was to consolidate insurance market operations in Bolivia, to contribute to accelerating the economic growth of the country's private sector. The program provided support to the legal, regulatory and supervisory framework for insurance activities pursuant to the Core Principles of Insurance Supervision for Emerging Markets, established by the International Insurance Supervisors Association (1997). The specific technical cooperation objectives were: (i) to implement the new insurance law; (ii) draft implementing regulations to adapt the current rules to the new insurance law; (iii) bring Bolivian insurance companies in line with the new regulatory provisions; and (iv) strengthen the supervisory capacity of the Office of Insurance Oversight by introducing information technology, staff training, and methods and procedures of supervision and oversight. The project was executed by the Superintendency of Pensions, Securities and Insurance through the Office of Insurance Oversight.

## **6. Brazil**

### **6.1. GLOBAL MULTISECTORAL CREDIT PROGRAM I**

**BR-0172, PR-1731, \$250,000,000, 1990**

This loan, executed by the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) supported the development of the Brazilian productive sector by providing resources for

subloans to private enterprises for fixed assets in all sectors and working capital in the agricultural sector. Individual enterprises as well as producers' associations and cooperatives were eligible for the resources, fifty five percent of which BNDES channeled through financial institutions, including commercial and investment banks, all of which met rigorous eligibility criteria to participate. The banking sector's involvement in the program promoted its role as an agent of economic development. The program expanded, modernized, and diversified private sector activities in industry, transport, storage, telecommunications, energy, social infrastructure, agriculture, technological development, and the environment. As such, it dovetailed with Brazil's Economic Stabilization Plan (the Collor Plan), adopted early in 1990, which relies on the private sector as the principal agent of economic development and sought to increase exports. Individual subloans were capped at \$20 million, and program resources were used to purchase machinery, equipment, and services.

## **6.2. GLOBAL MULTISECTORAL CREDIT PROGRAM II**

### **BR-0155, PR-2093, \$300,000,000, 1995**

This loan to Brazil's Banco Nacional de Desenvolvimento Econômico e Social channeled credit through participating intermediary financial institutions (IFIs) to finance the acquisition and use of capital assets by private firms. The program continued initiatives begun under the loan described above to develop the country's medium- and long-term credit markets, particularly for small- and medium-sized businesses. Channeling funds through IFIs made it possible for IDB resources to contribute to developing sound portfolio management practices at a time when, following a prolonged period of high inflation, commercial banks in Brazil were making the transition to a market in which lending is again the principal mode of operation. Market deficiencies reflected in the dearth of long-term lending in Brazil's financial system have affected small- and medium-sized firms to a disproportionate degree. The financial charges on funds lent to IFIs and sub-borrowers were based on the country's long-term interest rate; the IFIs charged their customers a lending fee, to which they may added other commissions. As in the case of the earlier loan, environmental quality control was ascertained on the basis of the standards maintained by CONAMA, the National Environmental Commission.

## **6.3. BRAZILIAN EQUITY INVESTMENTS III LTD.**

### **BR-1058A, CII/PR-132, \$5,000,000, 1995**

The Brazilian Equity Investments ("the Fund") is a closed-end investment fund, incorporated under the laws of the Cayman Islands as an exempted company. The Fund sought to earn high long-term capital appreciation through investments in equity and quasi-equity securities of medium-sized companies that need capital funding for expansion. The Fund was listed on the Irish Stock Exchange. It has a life of 7 years plus two years for orderly liquidation, for a total of 9 years. The Fund's investments were mostly in medium-sized companies with high growth potential already operating in Brazil. The sponsors for the project were BEA Associates and Garantia Banking Ltd.

## **6.4. GLOBAL MULTISECTORAL FINANCING PROGRAM III**

### **BR-0277, PR-2316, \$1,100,000,000, 1998**

This program enabled the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) to lend to intermediary financial institutions to support the productive sectors, increase the availability of long-term credit to small businesses, promote greater investments in health and

education, and deepen and broaden financial sector reforms included in the Real Plan by stimulating the development of a medium- and long-term capital market in Brazil. The program consisted of three components: providing financial support for microenterprises and small businesses that have formalized their legal status, giving them access to medium- and long-term credit for investments in productive sectors; financing to enhance the competitiveness of small businesses in a more open economy; and strengthening the private sector delivery of health and education services.

#### **6.5. SUPERVISION OF CLOSED PRIVATE PENSION FUNDS**

**ATN/MT-5949-BR, MIF/AT-171, \$1,200,000, 1998**

The objectives of this project were to review the legal framework and regulations for the private closed supplemental pension system and to strengthen the system's regulatory capacity as well as the supervisory and compliance monitoring functions of the Supplemental Pension System Secretariat of the Ministry of Social Security and Social Assistance, the body that regulates and supervises the system and was also the executing agency.

#### **6.6. GLOBAL CREDIT PROGRAM FOR SMALL- AND MEDIUM-SIZED ENTERPRISES**

**BR-0310, PR-2382, \$1,200,000,000, 1999**

This program supplied multisector global financing to spur job creation in the productive sectors so small- and medium-sized enterprises could modernize and expand their operations to become more competitive. The program took the form of a discount window for medium- and long-term commercial bank loans to small- and medium-sized enterprises to finance purchases of machinery, equipment, and services. All funds for the program were channeled through the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and then through intermediary financial institutions, which in turn lent these funds to small- and medium-sized enterprises to finance productive investment projects. The program's main objective was to further the development of a modern manufacturing sector in Brazil; it also supported the Brazilian government efforts to modernize the country's production sectors and make them more competitive. The specific aim of the program was to maintain an adequate flow of medium- and long-term financing on market terms, via the formal financial system, to enable small- and medium-sized enterprises to restructure, improve, and expand efficient operations.

#### **6.7. SFI-SERVIÇOS FINANCEIROS IMOBILIÁRIOS LTDA.**

**BR-1102A, CII/PR-242, \$1,000,000, 2000**

This Inter-American Investment Corporation project was sponsored by SFI-Serviços Financeiros Imobiliários Ltda./International Mortgage Services LLC. The program's funds were used to finance the acquisition of new software and systems so that SFI can strengthen and expand its operations. SFI provided high quality independent mortgage servicing to issuers of mortgage-backed securities in Brazil. Mortgage servicing is critical to the development of a secondary market infrastructure.

#### **6.8. BRAZILIAN SECURITIES**

**BR-1099A, CII-PR-243, \$10,500,000, 2000**

The Inter-American Investment Corporation (IIC) approved the purchase of up to \$10 million in mortgage-backed securities issued by Brazilian Securities Companhia de Securitização (BS). A subordinated loan for up to \$300,000 went to BS. The project helped introduce, through a private

initiative, mortgage-backed securities in the Brazilian capital markets as a new long-term investment instrument for institutional investors. The project also strengthened the capital of BS, making it possible for it to participate in the development of a secondary mortgage market in Brazil. The funding provided by the IIC helped improve the quality of life of low- and middle-income families, making it easier for them to become homeowners. With this project, the IIC contributes with the development of securitization, which in turn can foster the development of a secondary mortgage market in Brazil. It was also expected that the proceeds from selling the mortgage-backed securities to the IIC and, subsequently, directly to institutional investors in the local capital markets allowed the construction of around 11,000 new homes in São Paulo and enable some 50,000 low- and middle-income Brazilians to move to a better home.

## **6.9. BRAZILIAN MORTGAGES**

### **BR-1117A, CII-PR-243, \$200,000, 2000**

A subordinated loan went to Brazilian Mortgages Companhia Hipotecária (BM). The project helped introduce, through a private initiative, mortgage-backed securities in the Brazilian capital markets as a new long-term investment instrument for institutional investors. The project would also strengthen the capital of BM in order for it to participate in the development of a secondary mortgage market in Brazil. The funding provided by the Inter-American Investment Corporation (IIC) would help improve the quality of life of low- and middle-income families, making it easier for them to become homeowners. With this project, the IIC contributes to the development of the mortgage origination sector, which can play a catalytic role in developing a secondary mortgage market in Brazil.

## **6.10. PROGRAM TO EXPAND MARKETS FOR SMALL- AND MEDIUM-SIZED ENTERPRISES IN NORTHEASTERN BRAZIL**

### **BR-0270, PR-2560, \$150,000,000, 2001**

The objectives of this program are to help raise the efficiency and competitiveness of small- and medium-sized enterprises producing goods and services in the Northeast of Brazil and to create an operating mechanism within the Banco do Nordeste do Brasil for granting loans to small- and medium-sized enterprises through financial intermediaries. This program promotes and finances technical assistance, training programs, productive investments, projects involving innovations, research and development of new technology, trade promotion activities, development of additional infrastructure and institutional strengthening. The program has two components: (i) technical assistance, training, technology research and development, export promotion, and infrastructure and institutional strengthening financed with nonreimbursable contributions; and (ii) loans for productive investments.

## **6.11. SUPPORT OF MODERNIZATION OF PENSION SYSTEM MANAGEMENT (PROPEV)**

### **BR-0327, PR-2602, \$57,000,000, 2001**

The main objective of the program is to support modernization of Brazil's pension system management. There are two specific objectives of the program: (i) modernization of the National Social Security Institute in order to obtain greater efficiency, and transparency in the management of the General Pension Scheme which serves member workers in the private sector; and (ii) strengthening the Pension Secretariat to expand its technical assistance capacity at sub-national levels

of government in order to assist them in formulating proposals for reform and in modernizing the management and administration of their Public-Sector Schemes which serve civil servants. The program requires more than one project cycle due to the long-term objectives sought. The first phase of the Program includes the execution of the following two subprograms. The first one is the Modernization of the General Pension Scheme Administration which aims to strengthen the National Social Security Institute through the following components: (i) strengthening management; (ii) process integration; (iii) human resources; and (iv) service to the public. The second subprogram is the development of public-sector pension schemes, which has two components: (i) strengthening the pension secretariat; and (ii) support for the reform and management of municipal pension systems.

#### **6.12. BNDES PROGRAM TO SUPPORT MICRO, SMALL AND MEDIUM SIZED ENTERPRISES**

**BR-0331, PR-2633, \$900,000,000, 2001**

The main objective of the Program is to support the development and modernization of micro, small and medium-sized enterprises in Brazil. The borrower and executing agency is the Banco Nacional de Desenvolvimento Econômico e Social (BNDES). The program consists of a rediscount facility for medium- and long-term loans granted by intermediary financial institutions to Brazilian firms to finance investment projects for the reconversion, improvement, and expansion of efficient activities under competitive conditions. All funding under the program would be channeled by the BNDES through already-established second-tier mechanisms that operate through a network of 180 regulated financial agents with more than 15,000 banking branches.

#### **6.13. BRAZILIAN SECURITIES II**

**BR-1099B, CII-PR-271, \$10,000,000, 2001**

The project provided Brazilian Securities (BS) access to a facility that allowed the capacity to acquire larger volumes of mortgages for their subsequent securitization. This permitted BS to further expand the market for rated mortgage-backed securities in the Brazilian capital markets as a long-term investment instrument for institutional investors.

#### **6.14. BRAZILIAN MORTGAGES II**

**BR-1117B, CII-PR-271, \$5,000,000, 2001**

The program gave Mortgages Companhia Hipotecária S.A. (BM) access to a facility that allowed the company to provide home equity loans to individual homeowners, and to originate mortgage loans. This permitted both companies to further expand the market for rated mortgage-backed securities in the Brazilian capital markets, as a long-term investment instrument for institutional investors.

#### **6.15. MODERNIZATION AND INSTITUTIONAL STRENGTHENING OF THE COMISSÃO DE VALORES MOBILIÁRIOS**

**ATN/MT-7887-BR, MIF/AT-475, \$2,000,000, 2002**

The objective of the program is to deepen the capital market by strengthening and modernizing the regulatory and oversight agency. This program is made up of five components: (i) update the regulatory framework and its integration with other markets; (ii) analyze the competitiveness of Brazil's reference markets (Mercosur, Chile and the main international markets); (iii)

modernize the entire process of registration of issues of bearer securities and the disclosure of significant facts occurring in the market; (iv) endow the Comissão de Valores Mobiliários (CVM), Brazil's securities commission, with the tools necessary to control the behavior of markets under its supervision; and (v) modernize the requirements for access in Brazilian capital markets.

## 7. Chile

### 7.1. INVESTMENT SECTOR REFORM PROGRAM

**CH-0044, PR-1775, \$150,000,000, 1991**

This program covered various aspects of the Chilean financial system. Important measures affecting the securities market included: issuing the Reglamento de Concesiones, which is an effort to increase the supply of equity securities; alleviating demand constraints on securities; permitting greater participation in investment in equity shares of the pension funds administration entity; and improving infrastructure of securities markets by enacting a set of guidelines for risk classification of securities issued by utility companies and by other companies operating in newly privatized sectors. A new banking supervision program was required to establish and implement an action plan to support services that would enhance risk assessment of small- and medium-sized enterprises and facilitate access to credit.

### 7.2. MULTISECTOR GLOBAL FINANCING PROGRAM

**CH-0157, PR-2388, \$240,000,000, 1999**

This loan strengthened the availability of medium- and long-term credit for small- and medium-sized enterprises, increasing productive investment in the private sector and improving export capacity through gains in competitiveness. The resources, which were administered by the Corporación de Fomento de la Producción as a second-tier financial institution, enabled the firms to receive funding for investment and related working capital in such areas as machinery and equipment, construction, exports, and leasing. The loan was designed to increase output and employment. It encouraged the financial system to grant more credit to small- and medium-sized businesses, enabling firms to introduce modern technologies into the productive processes.

### 7.3. DELTA LEASING HABITACIONAL S.A.

**CH-1069A, CII/PR-235, \$8,000,000, 2000**

This IIC project consists of a 10-year senior loan for up to \$7 million and a preferred equity investment for up to \$1 million. These funds were used to finance the acquisition of low-cost housing for leasing to individuals. The lease contracts generated were securitized. In addition, the project entailed the development and sale of lease-backed securities, a new instrument in Chile, to institutional investors such as insurance companies and pension funds. Delta Leasing Habitacional/Empresa Constructora Delta was the sponsoring entity.

## 8. Colombia

### 8.1. INVESTMENT SECTOR PROGRAM

**CO-0035, PR-1799, \$205,000,000, 1991**

This program supported the efforts of the Government of Colombia to modernize its economy

and expand economic opportunities through the removal of constraints that limit private sector participation. The program required an assessment of the existing pension system and restructuring of alternative proposals as well as a new legislative proposal authorizing the government to reform the pension system. The program also required that pension funds be subject to regulation and supervision by the Superintendent of Banks and Financial Institutions. Even though improving banking supervision was not directly part of the program, it was a condition for the first tranche disbursement. Specifically, the program required increasing the transparency of information systems and strengthening the prudential regulatory system.

## **8.2. FINANCIAL SECTOR REFORM**

### **CO-0232, PR-2461, \$300,000,000, 1999**

This loan assisted Colombia with a series of reforms to improve the government's capacity to deal with the most pressing problems in the financial sector and improve its efficiency. The program, executed by the Finance Ministry, strengthened the legal and regulatory framework and the techniques and procedures used to solve the problems of financial institutions; improved the institutional capacity of the agencies responsible for supervision and problem resolution of financial institutions; and made improvements in the status of the first-tier banking sector and of cooperatives supervised by the Banking Superintendency. It also promoted effective measures for promptly addressing the impact of adverse economic conditions on the financial sector. The financing operation was under a new emergency loan program approved by the Board of Governors in 1998 to assist countries whose fiscal balance was affected by international financial volatility.

## **8.3. CREDIT GUARANTEE FOR COLPATRIA MORTGAGE BOND PROJECT**

### **CO-0260, PR-2715, \$5,200,000, 2002**

The objective of this project is to demonstrate the mortgage bond instrument to the Colombian capital markets for the first time, thereby supporting the 1999 regulatory framework that established this asset class and fostering the development of a local mortgage-backed bond market in Colombia. The project also seeks to provide Colpatría access to long-term funding for origination of new mortgages within the local housing market in Colombia.

## **8.4. STRENGTHENING CAPITAL MARKETS**

### **ATN/MT-7793-CO, MIF/AT-457, \$1,018,000, 2002**

This program will support the executing agency, Bolsa de Valores de Colombia, S.A. (BVC), in three areas. One of those areas is information disclosure and corporate governance. The program will promote the creation of a data base containing financial market and individual firm data for use by investors. In order to carry this out, disclosure standards will need to be improved. Investors' interests will be protected through the dissemination of corporate governance requirements that meet international standards. The second program area deals with clearance and settlement. The program will promote the establishment of a clearance and settlement corporation to guarantee trades, increasing the security of Colombian capital markets. The third project area is providing support for the design of operating guidelines and the establishment of trading systems needed for a proposed derivatives exchange in Colombia.

## 9. Costa Rica

### 9.1. INVESTMENT SECTOR AND MULTISECTOR CREDIT PROGRAMS

#### CR-0032, PR-1904, \$170,000,000, 1993

The reform package financed by the investment sector program (\$100 million) included standardizing and strengthening prudential regulations at the legal and regulatory levels (i.e. amending the Securities Market Act to enhance development of the capital market, drafting legislation to liberalize the insurance and reinsurance markets, and drafting legislation to create pension funds with private capitalization to increase the flow of long-term investment). The program also provided an assessment of the equity situation of financial institutions to give monetary and banking authorities a clear picture of the financial and liquidity positions of major public and private financial institutions. It also provided financing to streamline and strengthen the regulatory capacity of the Office of the General Auditor of Financial Institutions. The investment sector program was linked to a multi-sector credit program (\$70 million) to provide financing to the private sector.

### 9.2. COMMODITY EXCHANGE SUPPORT PROGRAM

#### ATN/MT-5062-CR, MIF/AT-62, \$323,000, 1995

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of Costa Rica's stock exchange. This was achieved through targeted assistance to improve the legal and operational structure of the exchange, the underlying specifications of the traded commodities, and the marketing effort required to capture significantly increased volume of selected products to be traded. This program had six components: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information; and (vi) exchange promotion. The executing agency was Bolsa de Productos Agropecuarios S.A. (BOLPRO).

### 9.3. TECHNICAL COOPERATION LOAN FOR DEEPENING STATE REFORM AND OPENING UP THE FINANCE AND INFRASTRUCTURE SECTORS TO PRIVATE ENTERPRISE

#### CR-0112, PR-2211, \$12,650,000, 1997

This IDB technical cooperation loan, along with three other Multilateral Investment Fund (MIF) technical cooperations, was part of a comprehensive program for Costa Rica. This technical cooperation had a \$2.35 million subprogram dedicated to the financial system which addressed issues related to bank supervision, the insurance sector, the securities market, and the development of the pension system. For the banking and insurance sectors the objective was to support the development of competitive markets under a sound supervision system. The subprogram included components for the privatization of the remaining state banks and the institutional development of a Superintendency of Insurance. The technical cooperation also had another subprogram devoted to securities market development including actions to strengthening the National Securities Commission by updating prudential and oversight mechanisms and developing new information systems and training. A third subprogram devoted to pension system reform supported a review of the legal framework, the design and implementation of technological systems and the creation of new control systems to reduce evasion.

#### **9.4. SUPPORT FOR OPENING UP THE FINANCIAL SYSTEM TO THE PRIVATE SECTOR**

**ATN/MT-5643-CR, MIF/AT-135, \$1,600,000, 1997**

This technical cooperation supported the privatization of the Bank of Costa Rica. Additionally, it included features to strengthen the Superintendencia General de Entidades Financieras (SUGEF), the institution in charge of banking supervision. Support for the SUGEF primarily included training and personnel development. In addition, this program supported the opening of the insurance sector to private participation by the privatization of the National Institute of Insurance (the insurance administration institution) and a plan to develop a superintendency of insurance (in charge of insurance supervision). Also included a subprogram to finance the development of prudential rules, personnel training and implementation of a computer system.

#### **9.5. PROGRAM TO STRENGTHEN THE CAPITAL MARKET**

**ATN/MT-5644-CR, MIF/AT-136, \$1,600,000, 1997**

The main objective of the program was to strengthen Costa Rica's capital market by creating an efficient public debt market that can later serve as a basis for private debt and equity issues. The program was divided into three subprograms. The first was intended to standardize the public debt market by creating standard debt securities that can be easily traded in the primary and secondary market. The second subprogram developed a book-entry system for the clearing and settlement of securities. This subprogram covered an assessment of the current situation, preparation of the regulations that will govern the system, the incorporation of the management company and elaboration of manuals and procedures (the software and the system was developed with part of the IDB technical cooperation CR-0112 and the Central Bank of Costa Rica). The third subprogram was devoted to strengthening the Comisión Nacional de Valores (CNV) addressing organizational issues, prudential regulation (including pension fund regulation), training for the CNV personnel and incorporating the Superintendency of Securities and Pensions into the CNV.

### **10. Dominican Republic**

#### **10.1. FINANCIAL SECTOR REFORM PROGRAM (FSRP)**

**DR-0016, PR-1933, \$102,000,000, 1993**

This project was part of a comprehensive economic program launched in 1990 covering both stabilization measures and structural reforms, known as the New Economic Policy (NEP). The NEP was aimed at improving fiscal and monetary policies and exchange rate management as well as reforming the tax and trade regimes, and strengthening the financial system. One of the FSRP's objectives was to improve the financial sector's capacity to mobilize and allocate financial resources via a sector structure that promotes the deepening of financial markets, increased competition and economies of scale in operations. The program also ensured the solvency and stability of financial institutions by strengthening the prudential regulatory framework and the supervising capacity of the Superintendency of Banks (SIB), including mechanisms for an effective management of financial crises. The FSRP comprised four main areas: (i) institutional structure of the banking sector aimed at establishing a market structure dominated by banks providing multiple services, (ii) prudential regulatory framework designed to ensure the soundness of financial institutions in a competitive and liberalized environment, (iii) banking supervision

aimed at ensuring prudent management and the financial solvency of banks, and (iv) monetary and credit policy aimed at increasing the effectiveness of monetary management through the use of open market operations as the main monetary policy instrument. The Central Bank of the Dominican Republic (BCRD) was the borrower and executing agency.

## **10.2. COMMODITY EXCHANGE SUPPORT PROGRAM**

### **ATM/MT-5065-DR, MIF/AT-62, \$295,000, 1995**

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of the Dominican Republic's Exchange. This was achieved through targeted assistance to the legal and operational structure of the Exchange, to the underlying specifications of the traded commodities, and to the marketing effort required to capture significantly increased volume of selected products to be traded. The program had six components as follows: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information, and; (vi) exchange promotion. The executing agency was Junta Agroempresarial Dominicana Inc. (JAD).

## **10.3. SUPPORT PROGRAM FOR BANK SUPERVISION**

### **ATN/MT-7252-DR, MIF/AT-379, \$1,300,000, 2000**

The objective of this program was to improve the quality of regulation and supervision of financial intermediaries, with special emphasis on banking institutions, in order to enhance the security and solvency of the Dominican financial system. Specifically, the program sought to improve the focus on banking regulation and supervision by enhancing juridical instruments and methods of inspection; and improve efficiency and supervision through a better management of human resources and modern information systems.

# **11. Ecuador**

## **11.1. MULTISECTORAL GLOBAL CREDIT PROGRAM**

### **EC-0089, PR-1810, \$102,270,000, 1991**

This loan provided medium- and long-term credits for the purchase of machinery, equipment, and services to help establish private firms or to help existing firms expand, modernize, or diversify. The resources were funneled through Corporación Financiera Nacional (CFN), the executing agency, after it was reorganized into a second-tier bank. CFN lent the money to intermediate financial institutions, which issued the credit to private enterprises. The intermediate financial institutions included banks, investment companies, and leasing companies meeting certain requirements. In addition to supporting the growth of the private sector and the institutional strengthening of CFN, this loan supported modernization of the financial system. Attendant financial policy changes included the freeing of interest rates, reduction of mandatory investments of intermediate financial institutions, and elimination of the functions performed by the central bank as a provider of credit for productive activities at subsidized interest rates. The parallel technical cooperation also was used to improve CFN's data handling systems, train CFN staff to improve its capacity to mobilize domestic and external resources, and support the privatization of companies that CFN owns.

## **11.2. FINANCIAL SECTOR REFORM PROGRAM**

**EC-0043, PR-1995, \$110,000,000, 1994**

This program involved a loan and a reimbursable technical cooperation funding for a financial sector program. Activities related to capital markets development included: enactment of a new Securities Market Law to remove legal obstacles that have distorted financial and capital markets operations; agreement on guidelines for the oversight of securities market operations by the Superintendency of Companies; reforming the pension system to ensure private sector participation and improving the operation of the Ecuadorian Social Security Institute (IESS); and drafting an insurance law to foster a more competitive and efficient insurance market. Activities related to banking supervision included: restructuring the Superintendency of Banks to create a special commission to simplify laws and regulations, and developing a human resources program and a data processing strategy; establishing prudential regulations through the issuance of procedures and rules for assessing risk assets, provisioning, accruals of interest, capitalization of reserves, capital adequacy, and treatment of related-party and offshore activities; and strengthening prudential supervision procedures through a process of improvements in the area of on-site evaluation, analysis and monitoring of institutions. Additionally, the program addressed the supervision of insurance through the issuance of rules and regulations on operating capacity, solvency margins, diversification and valuation investments, and improving the ability to monitor companies.

## **11.3. DEBT AND DEBT-SERVICE REDUCTION PROGRAM**

**EC-0142, PR-2015, \$80,000,000, 1994**

The objective of the program was to further the economic development of Ecuador by supporting the debt and debt-service reduction program and helping finance the purchase of collateral for purposes of the agreement worked out with the country's commercial bank creditors. Specific goals of the program were to: (i) ease the nation's debt burden; (ii) help Ecuador be perceived abroad as a better risk; and (iii) normalize the country's relations with its foreign creditors and the international capital markets.

## **11.4. COMPAÑIA DE TITULARIZACIÓN**

**EC-1027A, CII/PR-208, \$5,000,000, 1998**

This project created the Compañía de Titularización Hipotecaria (CTH), a second-tier financial institution to develop financial products for the mortgage finance sector and to develop local capital markets in Ecuador. This IIC operation promoted two key sectors of the Ecuadorian economy: capital markets, and the housing and construction industry. CTH is expected to be an efficient intermediary between the capital markets and the housing industry.

## **11.5. INVESTMENT SECTOR PROGRAM**

**EC-0194, PR-2500, \$150,000,000, 2000**

This sector loan supported Ecuador's macroeconomic stabilization program while protecting social expenditures that benefited the most vulnerable groups during the structural reform process. Development objectives included laying the groundwork for an enabling environment that would promote private sector participation in the rehabilitation and expansion of the power and telecommunications sectors; and the resolution of intervened financial institutions in a transparent and effective manner. The program also included measures to improve targeting of key

social programs for the poor, strengthen the safety net, and protect social services from erosion. The program was carried out in close coordination with other lending programs by the World Bank and the Andean Development Corporation and in the framework of a stand-by program of the International Monetary Fund.

## **11.6. INSTITUTIONAL STRENGTHENING FOR DEBT MANAGEMENT**

### **ATN/SF-7067-EC, \$150,000, 2000**

IDB resources were used by the Economy and Finance Ministry to improve its ability to manage the country's debt. In particular, the program assisted during the process of dollarization of the economy and finance debt analysis and follow-up functions toward the end of the debt renegotiation process. In addition to managing debt operations, this included gathering and analyzing data to ensure an optimum financial inflows and minimize financial risks.

## **12. El Salvador**

### **12.1. MULTISECTOR GLOBAL CREDIT PROGRAM**

#### **ES-0086, PR-1743, \$60,000,000, 1990**

This program financed a multisector global credit program for banking supervision. As a prior condition to the first disbursement of funds, a preliminary charter law for the Superintendency of the Financial System (SSF) had to be submitted to the General Assembly. The law would, among other measures, grant legal, administrative and financial autonomy to the SSF. In addition, the Central Reserve Bank (BCR) submitted legislative proposals dealing with the establishment of a new charter for the BCR and a new banking law or amendment to the Law on Credits and Similar Institutions (LICOA).

### **12.2. INVESTMENT SECTOR REFORM PROGRAM**

#### **ES-0016, PR-1893, \$90,000,000, 1992**

This program supported efforts by the Government of El Salvador to approve a law authorizing the creation of an independent Superintendency of the Financial Sector. It also provided financing to organize and improve the administration of that entity. USAID provided technical assistance for the latter purpose, and in particular, to strengthen the capacity of the division in charge of banks and nonbanking financial intermediaries. Conditions for the disbursement of program funds were the submission and implementation of an action plan to strengthen the Superintendency of the Financial Sector. Activities required included reorganizing the institution, providing training and training manuals, and introducing a specific reform plan. In addition, the program funded activities, such as strengthening the division in charge of insurance companies and pension funds; revising the capital markets law in the areas of insurance of long-term securities, supervision, accounting and auditing procedures, etc.; and drafting an action plan for a financial restructuring of the insurance sector and a new legal and regulatory framework.

### **12.3. PROGRAM FOR INSTITUTIONAL STRENGTHENING OF THE FINANCIAL SECTOR SUPERINTENDENCY (SSF)**

**ATN/MT-4471-ES, MIF/AT-5, \$1,832,000, 1994**

Program resources supported the following activities: the establishment of a legal framework for the financial system; institutional strengthening of the SSF; establishment of a computerized information system; professional training for SSF staff and a dissemination program among institutions. Loan conditions required drafting and submitting to the Congress the following laws: (i) “Ley de Cajas de Crédito”; (ii) “Ley de Cooperativas de Crédito”; (iii) “Ley de Instituciones Auxiliares de Crédito”; (iv) “Ley de Instituciones de Seguros”; (v) “Ley de Fianzas”; and (vi) Pension Fund Law.

### **12.4. MULTISECTORAL GLOBAL CREDIT-PHASE II**

**ES-0057, PR-2065, \$100,000,000, 1995**

This operation supported substantial and ongoing changes in the country’s banking and financial systems. The principal goal was to provide the private sector with stable, long-term financial resources to supplement available domestic sources of financing. Subloans in the first phase of the program (approved in 1990) averaged slightly over \$200,000. Significantly, since the signing of the peace accords in 1992, a higher percentage of the subloans have been made outside the capital region. The program also strengthened El Salvador’s system of financial intermediation and consolidate the Banco Multisectorial de Inversiones (BMI), a public credit institution. Established by legislation in 1994, BMI has its own legal standing and capital and is constrained from financing or underwriting any state institutions or enterprises. Using resources from the loan, the BMI discounted loans to eligible financial institutions, which in turn extended credit to businesses for the acquisition of fixed assets, including working capital, and the hiring of technical and managerial services.

### **12.5. COMMODITY EXCHANGE SUPPORT PROGRAM**

**ATN/MT-5063-ES, MIF/AT-62, \$686,000, 1995**

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of El Salvador’s Exchange. This was achieved through targeted assistance to the legal and operational structure of the Exchange, to the underlying specifications of the traded commodities, and to the marketing effort required to capture a significantly increased volume of selected products to be traded. The program had six components as follows: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information, and; (vi) trade promotion. Bolsa de Productos Agropecuarios de El Salvador (BOL-PROES) was the executing agency.

### **12.6. STRENGTHEN FINANCIAL SECTOR SUPERVISION**

**ES0115, PR-2384, \$3,802,000, 1999**

The objective of this loan was to strengthen the technical capacity of El Salvador’s supervisory agencies for the financial sector. Resources were used to develop a short- and medium-term

technology strategy and investment plan for the three superintendencies and to carry out the investment plan for the modernization of technological resources. Complementary, a grant from the Multilateral Investment Fund (MIF) financed the introduction of international accounting principles in the financial sector, the establishment of the Deposit Insurance Institution, and the strengthening of the Financial System Superintendency, the Securities Exchange Superintendency, and the Pension Superintendency. MIF resources also were used to finance the implementation of a planning and monitoring system, human resources management, strengthening the management of the technological platform, and a training program for judges and arbitrators.

## **12.7. SUPPORT PROGRAM FOR THE FINANCIAL SECTOR**

**ATN/MT-6400-ES, MIF/AT-237, \$2,962,000, 1999**

This program contributed to the stability and solvency of El Salvador's financial system by strengthening the financial sector supervisory agencies and complemented the loan described above. It improved the individual capacity of the participating agencies, while at the same time encouraging and facilitating coordination, cooperation, and the smooth flow of information between them. The participating agencies were the Financial System Superintendency, the Deposit Insurance Institution, the Securities Exchange Superintendency, the Pension Superintendency, and the National Council of Judges through the School for Judicial Training. MIF resources funded control systems to enable the superintendencies to manage their resources efficiently. The program also supported the establishment of the Deposit Insurance Institution; institutional strengthening of the Central Reserve Bank of El Salvador, including the development of regulations, organizational structures, procedures and manuals; strengthening of the Financial System Superintendency, including bank supervision, supervision of nonbank intermediaries, supervision of insurance companies, and strengthening of the Securities Exchange Superintendency, particularly with respect to accounting standards for issuers, regulation and supervision of investment funds, regulation of the securities market, and book-entry system operation and clearing houses.

## **12.8. SUPPORT PROGRAM FOR THE INSTITUTO SALVADOREÑO DEL SEGURO SOCIAL**

**ES-0134, PR-2504, \$5,800,000, 2000**

The aim of this program was to support the process of institutional change at the Instituto Salvadoreño del Seguro Social (ISSS) so that it could assume gradually its basic function of providing health insurance. The specific objectives of the program were: (i) assist the ISSS with the design, testing, and evaluation of the mechanisms of institutional change that are needed to spur reform in its sector; (ii) lay the groundwork for building a consensus among the leading players on the institutional changes needed at the ISSS; and (iii) strengthen the ISSS's strategic capacity to promote organizational learning and produce and disseminate information in support of its institutional transformation.

## **12.9. HOUSING PROGRAM**

**ES-0087, PR-2637, \$70,000,000, 2001**

The objective of this program is to support the government of El Salvador in developing and introducing a set of sustainable housing policy instruments. The program has been divided into two phases to accommodate the complex reforms that are needed to ensure the sustainability of the Fondo Social para la Vivienda (FSV), El Salvador's first-tier financial institution that serves

the middle-income population with mortgage lending for home buying. The FSV modernization plan is implemented during the program's first phase, thus consolidating the processes and systems that are required to enhance financial management. The housing program consists of three subprograms. The first subprogram entails the following components: (i) strengthening the mortgage market; and (ii) institutional and financial strengthening of the Fondo Social para la Vivienda. The second subprogram is made up of: (i) subsidies for upgrading marginal neighborhoods; (ii) reconstruction subsidies; (iii) land legalization; (iv) progressive development of subdivision market; and (v) modernization of the Vice Ministry of Housing and Urban Development. The third subprogram is a housing program for the Municipality of San Salvador. In the program's second phase financing is provided for direct subsidies to the FSV's target population. The subsidized interest rate system will be replaced with one based on direct efficient, targeted and sustainable subsidies.

#### **12.10. GLOBAL MULTISECTORAL CREDIT PROGRAM**

**ES-0130, PR-2657, \$42,400,000, 2002**

The overall objective of the operation is to support the development of the private sector, especially small- and medium-sized enterprises, by increasing the supply of medium- and long-term financing. The program will provide funds to the Multisector Investment Bank (BMI) to finance lending to private enterprises by eligible intermediary financial institutions (credit component) and to provide technical assistance. The resources for the credit component will be used only for BMI operations. The subloans will be extended to startups and existing private firms in all economic sectors in both urban and rural areas. The resources for the technical assistance component will be used to finance three subcomponents, the purpose of which is to: (i) expand the BMI's capacity; (ii) strengthen the intermediary financial institutions in risk analysis; and (iii) promote an increase in financing for rural projects.

#### **12.11. STRENGTHENING OF FINANCIAL AND FAMILY-REMITTANCE SERVICES FOR LOW-INCOME GROUPS**

**ATN/ME-7886-ES, MIF/AT-473, \$1,500,000, 2002**

The project's objective is to improve access to financial services suited to the needs of low-income groups, especially those in the country's rural areas. The project's specific objective is to strengthen the financial and administrative capacity of credit unions affiliated to the Federation of Credit Unions of El Salvador (FEDECACES) so that they are better able to serve this segment of the population. The project will have four components: (i) strengthening of family remittance services; (ii) adaptation to conform to the rules governing nonbanking institutions; (iii) modernization of procedures and systems; and iv) a training plan. The project's direct beneficiaries are FEDECACES, which is also the executing agency, and its affiliated credit unions. The current and potential members and customers of FEDECACES' affiliated credit unions are also important indirect beneficiaries.

### **13. Guatemala**

#### **13.1. FINANCIAL SECTOR REFORM PROGRAM**

**GU-0018, PR-1948, \$132,000,000, 1993**

The program's main objective was to diversify the provision of banking products and services, in accordance with modern financial practices, and under appropriate prudential regulations and

effective bank supervision. The government of Guatemala had to prepare draft legislation to establish minimum capital requirements. This law had to be approved and further implemented during program execution (conditions for disbursement). Other laws, resolutions and agreements that were to be approved and put into effect during program execution included the following issues: depositor protection against insolvent institutions; asset classification and capital provisioning for risks; equal treatment to borrowers; trust operations and operations to third party obligations; and stricter criteria to loan renewals and extensions. The government put into effect resolutions establishing the minimum financial information that banks should disclose to the public, adequate accounting systems and operational autonomy of the Superintendency of Banks. Also included in the program were measures to establish a regulatory framework for capital markets based on an autonomous regulatory agency; modify tax legislation to promote equity and commodities market; and permit diversification of the investment portfolio of insurance companies and the Guatemalan Social Security Institute (IGSS).

### **13.2. TECHNICAL COOPERATION TO SUPPORT THE DEVELOPMENT OF A SECURITIES REGISTRY FOR GUATEMALA'S CAPITAL MARKETS**

**ATN/MT-5783-GU, MIF/AT-151, \$930,000, 1997**

The primary objective of this technical cooperation was to strengthen the capital markets of Guatemala by increasing transparency and efficiency as well as promoting investor education. The program assisted the Government of Guatemala in developing the Securities Registry, an important first step in establishing oversight of the heretofore unregulated over-the-counter-market market (OTC), which accounted for more than 80 percent of all secondary trading in Guatemala. The program had four components: (i) strengthening the legal and regulatory framework, including developing norms for prospectuses, issuer obligations, accounting and financial statements, and capital adequacy requirements for intermediaries, operating both on- and off-exchange; (ii) establishment of the Registry, including establishing policies and procedures, staffing requirements, systems for monitoring, oversight and enforcement, and investor information standards; (iii) implementation of a training program for Registry staff, based on international standards and best practices; and (iv) an investor education campaign. The program was expected to provide the basis for future expansion of the Registry's functions.

### **13.3. FINANCIAL SECTOR REFORM PROGRAM II**

**GU-0119, PR-2638, \$200,000,000, 2002**

The objective of the operation is to modernize the legal framework that applies to the financial sector and to strengthen the regulatory and supervisory entities of the system, in particular the Central Bank and the Superintendency of Banks. The program consists of a series of legal reforms, the issuance of regulations that are required by the legal reforms, and the implementation of action plans to enable the authorities to execute the reforms. The borrower and executor of the program will be the government of Guatemala with the participation of the Ministry of Public Finance, the Central Bank, and the Superintendency of Banks.

### **13.4. PROJECT TO STRENGTHEN BANK SUPERVISION**

**ATN/MT-7827-GU, MIF/AT-460, \$1,000,000, 2002**

The general objective of the project is to improve the solvency, efficiency and transparency of the Guatemalan banking system. The specific objective is to strengthen the Superintendency of

Banks so that it will be able to implement and enforce the new law. The project has two components. The first component is to draft the regulations that are required by the new banking legislation. The second is to upgrade the inspection and accounting manuals, and the information systems in order to enable the Superintendency of Banks to supervise all of the entities in a financial system on a consolidated basis.

## 14. Guyana

### 14.1. FINANCIAL SECTOR ADJUSTMENT PROGRAM

#### **GY-0032, PR-2056, \$38,000,000, 1995**

This program included specific actions in banking legislation. The legislative reforms consisted of a Financial Institutions Act (FIA), a new Bank of Guyana Act, and selected amendments to the Co-operative Financial Institutions (COFA) Act, the Dealers in Foreign Currency (Licensing) Act and the Companies Act. The new Bank of Guyana Act was designed to create an independent central bank, conferring powers to exercise a considerable degree of independence in its central banking and bank supervisory functions. Approval and regulation of this Act were included as conditions for the first and second program tranche respectively. Also, this program included privatization of several banks, the merger of two government banks, and the institutional strengthening of GNCB and Deeds Registry.

### 14.2. STRENGTHENING SYSTEM OF PROPERTY RIGHTS

#### **ATN/MT-6671-GY, MIF/AT-289, \$940,000, 1999**

This objective of this MIF technical cooperation was to improve the legal framework and administrative procedures for secured transactions in real estate and other property, and to enhance the physical security of records. The components were improving the legal framework; strengthening the Deeds Registry; and project management. The first component funded reviewing of the legal framework for secured transactions in movable and immovable property and develops an action plan for reform (laws to be analyzed included the Deeds Registry Act, Bills of Sale Act, laws of evidence). The second component supported activities to strengthen and improve the services provided by the Deeds Registry offices in Georgetown and New Amsterdam. The third component provided for an initial, baseline, survey of Deeds Registry users, followed by an end-of-project survey to evaluate progress on both a quantitative and qualitative basis.

### 14.3. STRENGTHEN BANK SUPERVISION

#### **ATN/SF-7597-GY, \$700,000, 2001**

This project has four components. The first component involves private and public sector training and coordination. The Bank of Guyana in cooperation with the private sector will hold several seminars on a range of topics to enhance skills in the marketplace. The second component involves the formulation and development of strategies and improvement to the supervisory processes. The Bank, in coordination with the IMF, will provide assistance to strengthen the Bank of Guyana's on- and off-site supervisory procedures. The third component involves regulatory reporting and information technology and will focus on improving the verification, analysis and reporting of financial information. The fourth component will provide support to prevent money

laundering and strengthen the Bank of Guyana's Legal Department. Technical assistance will include training in-house legal staff on supervisory and regulatory issues, highlighting the effective implementation of enforcement measures (legal sanctions).

## 15. Haiti

### 15.1. BANKABLE PROPERTY RIGHTS REFORM PROGRAM

**ATN/MT-5078-HA, MIF/AT-67, \$650,000, 1995**

The objective of the program was to assist the Government of Haiti in establishing a legal and institutional framework for bankable property rights and lien registration that allows for the efficient creation, perfection and enforcement of collateral liens. Activities financed under the program included drafting a comprehensive bankable property rights law; designing an efficient system and institutional framework for the registration of liens; and, training the banking and legal communities as well as the judicial authorities in the use of the new system. This operation was required to provide a more transparent and reliable legal system and to strengthen banking supervision.

### 15.2. INVESTMENT SECTOR LOAN

**HA-0046, PR-2173, \$52,495,000, 1996**

This program provided support for the modernization of the legal and regulatory framework of the financial system, institutional framework for secured transactions (not a financial sector component), and the reform of the electricity sector. The component supporting the financial sector was mostly dedicated to legal and regulatory framework reform. In addition, the program brought the Banque National de Credit into conformity with all prudential norms and regulatory measures required to establish the soundness of the bank.

## 16. Honduras

### 16.1. MULTISECTOR GLOBAL CREDIT PROGRAM

**HO-0034, PR-1888, \$60,000,000, 1992**

One of the main objectives of this program was to promote the development of the financial and capital markets of Honduras. Program resources were allocated to financial intermediaries by means of an auction mechanism, to meet the private sector's need for medium- and long-term credit for financing investment projects in the production sector. Important reform measures were undertaken during project preparation and throughout the project as disbursement conditions. As part of program preparation, the Bank assisted the Central Bank of Honduras in carrying out several reforms of basic prudential regulations. Reforms included reviewing standards for evaluation of commercial loans and defining operation and control methodologies; reviewing accounting regulations (risky interests, overdue portfolio, control procedures); establishing regulations on credit to related parties and procedures for control; establishing the regulations for the publication of interest rates and financial statements; establishing valuation of guarantees regulations; and creating a work schedule for the preparation of a statistical bulletin of the Superintendency of Banking and Insurance (SBS). During the second stage, several activities were included as a condition for disbursing the second half of the program's resources. Those conditions were effectively implementing

the regulations mentioned above; strengthening the mechanisms that control credit limits; preparing methodologies for the analysis and evaluation of financial institutions; and introducing rules and procedures for assessing personal loans, housing loans and financial investments, among others.

## **16.2. PROGRAM TO STRENGTHEN THE BANKING AND INSURANCE COMMISSION**

**ATN/MT-5235-HO, MIF/AT-82, \$1,530,000, 1996**

The objective of this program was to strengthen financial system supervision. The MIF operation included four subprograms: support for reforms of the regulatory framework governing the financial system, the insurance market, and the capital market; support for the Banking and Insurance Commission in establishing its organizational structure and operating procedures and manuals; support for strengthening information systems; and support for a professional development program.

## **16.3. PROGRAM TO STRENGTHEN THE FINANCIAL SECTOR**

**ATN/MT-7240-HO, MIF/AT-375, \$1,457,000, 2000**

This program has the two components: (i) strengthening the training system of the Honduran Association of Banking Institutions and the Honduran Chamber of Insurance Companies to improve the system's human resources, and (ii) strengthening the regulatory and prudential framework governing the financial system. The latter component includes extending supervision to the nonbanking financial institutions in the system; expanding the National Banking and Insurance Commission's (CNBS) risk center; creating a comprehensive system of activities to protect financial sector institutions; and integrating the Central Bank of Honduras (BCH) and CNBS information systems with those of the institutions in the financial system.

## **16.4. SUPPORT STRENGTHENING NATIONAL ACCOUNTS**

**ATN/SF-7320-HO, \$750,000, 2001**

The main objective of the program is to support the Central Bank of Honduras in improving economic statistics through new methodology, and the adequate collection and processing of data to allow for a better evaluation of alternative economic policies and track trends in poverty, inflation and economic growth. The program's three objectives are to support the modernization and expansion of short-term calculation system and economic indicators; improve interinstitutional coordination to enhance the collection, processing and exchange of information; and provide support for analyzing the country's basic statistical needs and designing a system for collecting and reporting data. The program has five components: (i) creation of an input-output table for the nation's economy; (ii) development of institutional accounts and economic integrated accounts; (iii) change in the base year and linking of statistical series; (iv) development of a basic plan of Component Matrix Production, and; (v) the development of a basic plan for the creation of satellite accounts.

## **16.5. FINANCIAL MANAGEMENT OF NATURAL DISASTERS**

**ATN/SF-8025-HO, \$150,000, 2002**

This technical cooperation (TC) will assist the government in evaluating the available information related to the natural disaster risks that the country faces and likely macroeconomic and fiscal impacts of disaster to develop a financial management strategy to reduce the global cost of risk.

Specifically, the TC will finance: (i) a political economy working group for the financial risk management of catastrophes; and (ii) preparation of the “Financial Risk Management Strategy of Catastrophes in Honduras.”

## 17. Jamaica

### 17.1. ADJUSTMENT PROGRAM FOR TRADE, FINANCE AND INVESTMENT SECTOR

**JA-0019, PR-1790, \$76,092,000, 1991**

This program, which included a loan and a technical cooperation, provided support to the Bank of Jamaica (BOJ) for the establishment of a supervision department to enhance supervisory activities. This included recruitment and training, development of a manual on regulatory strategies and prudential requirements, establishing definitions of the data to be provided to the BOJ, and preparing a manual to be used to analyze parent companies and assess risks. First tranche conditions called for agreement on the terms of reference for a Bank financed technical assistance program for strengthening the prudential regulation and supervisory capacity of the Superintendency of Banks. First tranche activities had to be substantially under way before the second tranche was approved. By the third tranche, any recommendations stemming from the first two phases had to be implemented. Program implementation also called for drafting a securities act that was to be put into effect along with the Securities and Exchange Commission's regulatory norms.

### 17.2. INSTITUTIONAL SUPPORT OF FINSAC

**ATN/MT-5735-JA, MIF/AT-141, \$1,445,000, 1997**

The main objective of the program was to develop a stronger financial infrastructure by helping the Financial Sector Adjustment Company (FINSAC) to manage its investments in the insurance sector, and by strengthening insurance supervision. This program provided assistance to the FINSAC to strengthen insurance supervision and establish a department charged with disposing of loans and real estate assets acquired through interventions in an orderly fashion and at reasonable prices. Other activities included designing financial statements and periodic reporting forms, and the development of investment guidelines for the insurance companies

### 17.3. FINANCIAL SECTOR REFORM

**JA0049, PR-2509, \$150,000,000, 2000**

This loan helped strengthen the financial sector and reduce its vulnerability to future crises. The resources supported steps to improve supervision of the financial system, enhance the enforcement and adjudication capacity of government authorities and improve their coordination. The loan assisted in the disposition of assets accumulated by the Financial Sector Adjustment Company, the government agency charged with resolving the situation of financial institutions that were intervened as a result of a financial crisis during 1996-1997.

### 17.4. SUPPORT FOR STRENGTHENING THE SUPERVISION OF NON-DEPOSIT TAKING ACTIVITY WITHIN THE FINANCIAL SERVICES COMMISSION

**ATN/SF-7700-JA, \$700,000, 2001**

This project has six components. The first component is concerned with insurance guarantee and investor protection funds. The objective is to examine the structure of these funds (com-

pensation schemes) in order to recommend policies to address compensation schemes in general for the nonbank financial sector. The second component address issues dealing with legal and regulatory enforcement. It provides technical assistance to the current legal staff of the Financial Services Commission, the General Counsel, and the Chief Executive Officer on a range of legal issues. The third component deals with prospectus and disclosure requirements by providing assistance to establish standards for prospectus and on-going disclosure requirements, and develop regulations and procedures to define the process of registration. The fourth component provides support for training executive management and senior staff in emerging financial supervision issues, particularly how to supervise offshore activity and on-line/electronic banking. The fifth component provides support for developing and establishing minimum actuarial standards as well as training in the implementation of these standards. The last component addresses the issue of corporate governance requirements.

### **17.5. SUPPORTING THE IMPROVEMENT OF THE ACCOUNTING PROFESSION**

**ATN/MT-8113-JA, MIF/AT-512, \$665,000, 2002**

The overall objective of the program is to strengthen the accounting profession in Jamaica, improve the annual financial statements of Jamaican businesses by providing transparency, reliability and comparability among financial statements, qualities that will facilitate and promote business investment. The program components include: (i) conducting an independent assessment of accounting and auditing in accordance with the Reports on the Observance of Standards and Codes (ROSC) program and developing an action plan; (ii) assisting in the implementation and application of International Accounting Standards (IAS); (iii) building adequate mechanisms for the enforcement of IAS and International Standards on Auditing (ISA); and (iv) establishing systems and processes that sustain the implementation of IAS and ISA.

## **18. Mexico**

### **18.1. GLOBAL CREDIT PROGRAM FOR MEDIUM AND SMALL BUSINESS**

**ME-0152, PR-1856, \$250,000,000, 1992**

The program consisted of the following three components: (i) credit for funding investments in fixed assets, working capital, studies and advisory assistance for medium and small private business establishments; (ii) credit for the development of a special private infrastructure of financial intermediation, information, training, and technical assistance to provide integrated support for medium and small business establishments; and (iii) institutional strengthening of Nacional Financiera S.N.C. (NAFIN) to provide for the creation of nine NAFIN centers and two pilot business development centers.

### **18.2. CORPORATE STRENGTHENING OF FINANCIAL INSTITUTIONS PROGRAM**

**ME-0126, PR-2097, \$250,000,000, 1995**

The main objective of this program was to contribute to Mexico's economic recovery by helping to strengthen the financial sector. Its specific objectives were to promote modernization of private financial intermediaries, assist in the corporate strengthening of Nacional Financiera S.N.C. (NAFIN), and stimulate business investment. The program had three components: (i) a loan for modernizing private financial intermediaries, which will be used by participating intermediaries

to upgrade their operating and management capacity; (ii) technical assistance for the corporate strengthening of NAFIN, including a thorough analysis of the institution, as well as identification and implementation of specific reforms in the areas of strategy development, redesign of procedures, risk management, and organizational and human resources; and (iii) a multisector loan to finance investments by private companies.

### **18.3. FINANCIAL SECTOR RESTRUCTURING PROGRAM**

**ME-0188, PR-2041, \$750,000,000, 1995**

The objectives of the program were the short-term stabilization of troubled financial institutions and restoring confidence in the safety and soundness of the Mexican financial sector by undertaking substantial policy reforms that would provide Mexico with a solid and transparent legal and regulatory framework for the financial sector in the medium term. In particular, the program was designed to: improve the safety and soundness of financial institutions through the modernization of prudential regulations and strengthened supervision based upon accepted international practices, and increase the transparency and accuracy of financial statements. Conditions for disbursement included several actions in the areas of bank inspections, prudential regulations and uniform accounting principles. Other financial sector restructuring activities within this program included measures to recapitalize and improve the financial system. An activity of particular interest was to create the national commission for banking and securities, and issuing guidelines for external audits of banks and stock exchanges.

### **18.4. CONTRACTUAL SAVINGS DEVELOPMENT PROGRAM**

**ME-0197, PR-2153, \$300,000,000, 1996**

The core of this program provided support for the pension system reform and was primarily oriented to strengthening pension system institutions. In addition, it also provided support for reforming capital and insurance markets. The program supported the shift toward the private management of pension funds from the existing pay-as-you-go system and required the establishment of the necessary regulations for pension fund investment and administration. Additionally, the program had a component to strengthen the pension fund administration supervisory agency.

### **18.5. SUPPORT TO THE COMISIÓN NACIONAL BANCARIA Y DE VALORES DE MÉXICO (CNBV)**

**ME-0059, PR-2252, \$8,000,000, 1997**

The purpose of the program was to strengthen the CNBV's operating capacity. Its specific objectives included consolidating the progress made in banking supervision; setting the supervisory standards for all the financial intermediaries; monitoring the supervisory needs of the securities market; developing a human resource management system; and developing an effective information technology support. The plan used a flexible approach based on the definition and execution of semi-annual operating plans for the first year and annual plans for the subsequent years. The activities financed were aimed at modernizing the supervisory processes, methodologies and practices; and consolidating the operating platform that supports supervisory work.

## **18.6. CAPITAL MARKET DEVELOPMENT**

### **ATN/MT-6085-ME, MIF/AT-187, \$1,500,000, 1998**

This technical cooperation supported the establishment and operation of a Mexican securities clearinghouse, which initially provides clearance and settlement services for securities transactions in the Bolsa Mexicana and eventually for over-the-counter (OTC) markets. The program consisted of technical assistance in eight activities. First, the program focused on drafting the regulatory framework required for securities clearing house operations in addition to reviewing and strengthening existing legislation. The second component included the development of a financial plan and fee structure for the clearinghouse (Cámara Mexicana de Compensación y Liquidación, CMCL). Third, the project supported the development of internal auditing standards and procedures that meet international standards. A fourth activity included developing a financial safeguard system and risk management operating regulations. Under this system, members were required to provide an initial capital contribution to CMCL and place callable capital contributions in reserve. Risk management procedures included measures to determine CMCL's exposure to clearing members, to prevent accumulated losses, and to administer collateral. The fifth component focused on developing CMCL's bylaws, corporate governance and general rules of operation. A sixth subprogram trained staff responsible for risk management at both CMCL and Comisión Nacional Bancaria y de Valores (CNBV).

## **18.7. MULTISECTORAL GLOBAL CREDIT PROGRAM**

### **ME-0117, PR-2491, \$300,000,000, 2000**

The objective of the program is to assist the development of micro, small and medium enterprises (MSME) by expanding the supply of formal credit services for this sector. The program makes resources available to NAFIN to fund loans that financial intermediaries make to MSMEs. It also provides resources for developing specialized lending technologies tailored to meet the sector's needs efficiently.

## **18.8. SUPPORT CONSOLIDATION OF BANKING SECTOR REFORM PROGRAM**

### **ME-0227, PR-2490, \$250,000,000, 2000**

Project resources supported a government program designed to strengthen the legal and regulatory framework of the banking system, complete the restructuring program for the banking sector and ensure the transfer of the ownership of banks that had previously experienced difficulties back to the private sector in a transparent and timely manner. It also supported efforts to maximize the recovery of bank loans and other assets resulting from bank resolution programs and portfolio purchases and to implement viable arrangements for financing the costs resulting from banking sector stabilization.

## **18.9. SUPPORT FOR SMALL FARMERS THROUGH PROCAMPO**

### **ME-0213, PR-2590, \$500,000,000, 2001**

The project's objective is to build the capacity of small-scale dryland farmers to make more efficient use of their resources in their productive operations. This operation provides financing to deliver Farmers Direct Support Program (PROCAMPO) payments before the spring and summer planting seasons as well as technical assistance to strengthen PROCAMPO management, assess its environmental impacts, analyze alternative operational approaches, and identify the uses to which beneficiaries put the payments they receive.

**18.10. CAPITALIZATION OF REMITTANCES FOR LOCAL ECONOMIC DEVELOPMENT****ATN/ME-7717-ME, MIF/AT-450, \$1,115,000, 2001**

This project promotes local competitiveness in an effort to increased revenue and employment in regions that experience high migration. It intends to establish or strengthen pilot mechanisms in Guanajuato, Zacatecas and Puebla to channel remittances to productive entrepreneurial projects with the participation of local governments, local private investors and clubs of Mexican migrants abroad. The project has four components: (i) development of public-private collaboration; (ii) strategic plan for the local private sector; (iii) development of productive investment projects; and (iv) outreach workshops.

**18.11. PILOT PROGRAM FOR THE INVESTMENT OF REMITTANCES FOR RURAL DEVELOPMENT IN MIGRANT'S HOME ECONOMIES****ATN/ME-7834-ME, MIF/AT-465, \$460,000, 2002**

The program will help increase revenues and job opportunities in the rural communities affected by high migration, by promoting and supporting the business activities of groups of producers established primarily by women in the states of Michoacán, Oaxaca, and Guerrero. The specific objective is to establish a model for the productive use of remittances through interaction between producers in the communities of origin and migrating entrepreneurs, by improving the business skills of groups of producers needed to turnout and market agricultural and micro industrial products, providing access to markets and information, and facilitating access to financing leveraged by the capital contributed by the migrants abroad.

**19. Nicaragua****19.1. TRADE AND FINANCE ADJUSTMENT PROGRAM****NI-0012, PR-1798, \$132,500,000, 1991**

This program included two loans and a technical cooperation to establish a strong and autonomous Superintendency of Banks empowered with an adequate institutional capacity to enforce regulations. The program was carried out in several stages with the following conditions established to release funds: submit an action plan to develop and implement a new Law of Banking and Financial Institutions and ancillary laws and regulations; adopt the operating regulations to implement the Superintendency Law and appoint a Superintendent; submit to the National Assembly a draft law of Banking and Financial Institutions and related ancillary laws and regulations; and demonstrate progress in carrying out the new organizational structure for the Superintendency of Banks.

**19.2. DEBT REDUCTION PROGRAM****NI-0082, PR-2048, \$40,000,000, 1995**

The objective of this program was to support debt reduction operations that would stabilize the economy and lay the groundwork for future sustainable growth. The program was part of a concerted effort by the Bank, the World Bank and bilateral donors to help Nicaragua buy back a significant portion of its external debt to commercial banks. The operation also facilitated the execution of the stabilization, adjustment and structural reform programs that the government was carrying out.

### **19.3. TECHNICAL COOPERATION LOAN FOR THE STRENGTHENING OF THE CENTRAL BANK OF NICARAGUA**

**NI-0087, PR-2085, \$3,450,000, 1995**

This technical cooperation was devoted to strengthening the role and functions of the central bank in matters related to monetary policy. Areas requiring improvement included economic programming, international operations and financial management. The focus of this operation was central bank strengthening and included the establishment of electronic communication between the central bank and the banking sector.

### **19.4. COMMODITY EXCHANGE SUPPORT PROGRAM**

**ATN/MT-5064-NI, MIF/AT-62, \$375,000, 1995**

The program sought to provide a more efficient alternative marketing channel for basic commodities by assuring the long-term financial viability of Nicaragua's Exchange. This was achieved through targeted assistance affecting the legal and operational structure of the Exchange, the underlying specifications of the traded commodities, and the marketing effort required to significantly increased the volume of tradeable products. The program had six components as follows: (i) legal and regulatory framework; (ii) procedures and internal organization; (iii) product specifications; (iv) storage and delivery system; (v) dissemination of price information, and; (vi) trade promotion.

### **19.5. FINANCIAL SECTOR REFORM PROGRAM III**

**NI-0104, PR-2317, \$65,000,000, 1998**

The objective of the reform program is to rationalize Nicaragua's state-owned banks and create a stable and efficient private banking sector. In particular, the operation addresses reforms concerned with liquidation or privatization of the state banks; modernization of the financial system's legal and regulatory structure; and modernization of the institutional and normative framework for prudential regulation and supervision. Disbursement of funds for the component concerned with rationalization of the state-owned banks requires meeting various conditions, among them divestiture of a controlling share of (51% minimum) Banco Nicaragüense de Industria y Comercio (BANIC). The component for modernization of the legal and regulatory structure is intended to improve the autonomy of regulatory institutions as well as the institutional structure of the sector, regulation and supervision, and the delivery of more modern financial products.

### **19.6. FINANCIAL SECTOR REFORM**

**NI-0106, PR-2317, \$765,000, 1998**

This technical cooperation loan program is a parallel operation to NI-0104, outlined above. The TC provides technical support to the implementation of the legal and regulatory reforms. The program includes subcomponents for support to the Legal Commission in drafting the legal documents, and support to the Superintendency of Banks and other Financial Institutions (SBIF) in the areas of information systems and off-site inspection analysis. A bank performance reporting system will be adapted to provide the information required to enforce the legal and normative framework. Off-sight analysis techniques and information dissemination policies will be upgraded to provide more rigorous performance indicators to the public. In addition, the SBIF will focus on development of a credit bureau.

**19.7. CAPITAL MARKETS MODERNIZATION PROGRAM****ATN/MT-6157-NI, MIF/AT-199, \$998,000, 1998**

This technical cooperation program had five objectives. The first component involved the preparation of a specific capital markets law in order to rationalize all current legislation on this topic and to conform to international standards. The new law established the foundation for all of the other components of the program. The second component involved the reorganization of the Superintendency of Banks and other Financial Institutions (SBIF) to create two distinct and separate divisions, which are responsible for regulating prospectuses, disclosure processes and secondary trading (the Intendencia de Valores); for prudential supervision of broker dealers, especially the minimum net capital standards for allowing clearing privileges (the Intendencia de Bancos y Otras Instituciones Financieras). The third objective concerned upgrading the clearance and settlement system for public and private debt markets. Fourth, the program was intended to standardize public debt instruments, in particular, converting the existing Bonos de Pago de Indemnización (BPI) into a physical certificate with standard characteristics, such as maturity dates, denomination, and face values. Finally, the program included a publicity campaign in order to inform the public of the structural changes to the capital markets.

**19.8. LEGAL FRAMEWORK OF NEW PENSION SYSTEM****ATN/MT-6573-NI, MIF/AT-260, \$1,200,000, 1999**

This Multilateral Investment Fund technical cooperation had two parts: establishment of a legal and regulatory framework for reform of the pension system and implementation of the reform. Part A components included draft laws and regulation for the new pension system, as well as the establishment of prudential investment rules for pensions funds, and training for legislators to increase their awareness of reform alternatives and problems in the current pension system. Part B components included support for the formulation and execution of a strategy to implement reform; establish a pension superintendency .

**19.9. SUPPORT OF THE PENSION SYSTEM REFORM****NI-0101, PR-2614, \$30,000,000, 2001**

This operation is designed to support the structural reform of the pension sector and provide financing within the context of the government's Poverty Reduction and Growth Facility agreement with the International Monetary Fund. The program entails a set of measures and actions that will facilitate the development of an adequate legal, regulatory and institutional framework for the establishment of private service providers. Five principal areas of reform are proposed: (i) establishment of the legal framework for the new system; (ii) reform of the current defined benefit pay-as-you-go pension system; (iii) establishment of the institutional arrangements for supervision and service provision; (iv) establishment of a financing plan for transition costs; and (v) initiation of implementation process.

**19.10. SUPPORT FOR THE SUPERINTENDENCY OF BANKS AND OTHER FINANCIAL INSTITUTIONS****ATN/MT-7975-NI, MIF/AT-481, \$1,238,000, 2002**

The general objective is to reduce the vulnerability of Nicaragua's financial system. The specific objective is to consolidate and strengthen the Superintendency of Banks and Financial

Institutions (SBIF) in its capacity to regulate, supervise, inspect bank and nonbank intermediaries and their operations, and ensure they are technically and administratively efficient. The project is divided in the following five components: (i) updating the framework for regulation and supervision of the financial banking sector; (ii) updating and developing a framework for regulation and supervision of nonbank financial institutions; (iii) transforming the technology platform and developing systems audit capacity; (iv) consolidating and expanding personnel technical capacity; and (v) strengthening the organizational and administrative structures of the SBIF.

## 20. Panama

### 20.1. EXTERNAL DEBT AND DEBT-SERVICE REDUCTION PROGRAM

**PN-0098, PR-2094, \$30,000,000, 1995**

This program was an integral part of the country's economic adjustment program. The objectives of the loan were to: (i) reduce the external debt's burden on the balance of payments; (ii) lower Panama's risk premium on international capital markets; and (iii) fully regularize Panama's relations with its foreign creditors. These three objectives were accomplished by cofinancing the purchase of collateral instruments under a debt restructuring agreement with the international commercial banks, following a system similar to the Brady Plan launched by the United States. The program consisted of the purchase of U. S. Treasury zero coupon bonds that constituted the collateral under the agreement to restructure the external commercial debt.

### 20.2. FINANCIAL SECTOR REFORM PROGRAM

**PN-0056, PR-2256, \$130,130,000, 1997**

This program supported the reform of Panama's financial sector, which was designed to ensure a sound banking system; foster competitiveness; make financial transactions more secure, transparent, and diversified; and promote the development of capital markets. This operation consisted of a loan and a technical cooperation. The loan program focused on strengthening financial regulation and the social security system and included components for the banking system, the securities market, and financial supervision. The technical cooperation provided resources for measures to make administration more transparent, modernize fund management, liberalize the investment regime, and implement proper auditing and controls and improved debt management, creation of a market for debt securities, and restructuring the legal framework for public financial administration.

### 20.3. PROJECT TO STRENGTHEN THE SECURITIES COMMISSION

**ATN/MT-5785-PN, MIF/AT-154, \$1,200,000, 1997**

This technical cooperation was designed to complement the capital markets component of operation PN-0056 and strengthen the National Securities Commission, established by the Securities Market Act. Specific activities to strengthen securities market regulation and oversight included development and implementation of the new organizational structure; training and management of human resources; implementation a professional development program; design of an information systems management program; development of new regulations; production of a prospectus register; standardized reporting forms and procedures; creation of mechanisms for oversight of brokers and dealers; and creation of mechanisms to ensure supervision of investments funds.

**20.4. COMMODITY EXCHANGE SUPPORT PROGRAM:  
BOLSA AGROPECUARIA E INDUSTRIAL, S.A. PROJECT (BAISA)  
ATN/MT-6665-PN, MIF/AT-290, \$482,000, 1999**

The project consisted of the following components: (i) selection of strategic commodities to be traded in BAISA; (ii) design and execution of a marketing campaign to capture a viable volume of trading; (iii) training for parties involved in commodities trading; (iv) spot technical assistance in the legal, economic, and taxation areas to foster opening of the market; and (v) procurement of computer systems and hardware for price dissemination.

## **21. Paraguay**

**21.1. INDUSTRIAL CREDIT PROGRAM  
PR-0065, PR-1714, \$30,000,000, 1990**

The objectives of the program were: (i) to provide resources that are needed in the medium- and long-term to help finance activities in the industrial sector; and (ii) to facilitate the process of liberalizing the financial sector. The program included a credit component, the resources of which were used to finance capital goods and provide working capital primarily for industrial projects that were financially and economically profitable under the nation's private sector. It also included a technical assistance component for the preparation of baseline studies in the financial sector and institutional strengthening of the Superintendency of Banking.

**21.2. INVESTMENT SECTOR PROGRAM  
PR-0003, PR-1894, \$81,500,000, 1992**

This program included a loan and a reimbursable technical cooperation to strengthen supervision and enhance the transparency of financial information, as well as establish standards for capitalization and allowances for credit risks that are in line with international standards. Actions required to meet those objectives included: executing a plan of action to strengthen the Superintendency of Banks; issuing accounting and auditing standards consistent with international standards; and issuing regulations on annual external audits of bank financial statements. Measures affecting capital markets were: approval of amendments to the Stock Exchange Law; to establish external audit standards for companies issuing publicly-traded securities; amending the Capital Market Act as it affected the National Securities Commission; encouraging the development of a long-term debt securities market; introducing a pension system capitalized with private contributions; strengthening the regulatory framework for insurance companies; preparing an action plan to institutionalize a risk rating mechanism for publicly-traded securities.

**21.3. GLOBAL MICROENTERPRISE CREDIT PROGRAM  
PR-0013, PR-1878, \$10,000,000, 1992**

The main objectives of this program were: (i) to increase the flow of reasonably priced credit to microenterprises, (ii) to create a growing, self-sustainable channel of credit to this group through regulated financial institutions, (iii) to foster awareness of the special requirements of microenterprise credit within the country's regulatory institutions, and (iv) to develop a new institutional framework which would assure microenterprises continued access to financial and technical

assistance services. The technical cooperation component of this program was divided into five areas: strengthening of a program technical unit, assistance to selected financial institutions in developing a credit technology targeted to meeting the needs of microenterprises, developing a framework for offering cost-efficient and appropriate training and technical assistance to microenterprises, monitoring and initiating corrective actions on environmental issues and those related to women, and assistance to the CBP and Superintendency of Banks in the reform of the regulatory framework in the supervision of microenterprise lending activities.

#### **21.4. INSTITUTIONAL STRENGTHENING OF THE BANK SUPERINTENDENCY**

**ANT/MT-5479-PR, MIF/AT-112, \$1,200,000, 1996**

The primary objective of this program was to strengthen the office of the banking superintendent. The program included four subprograms: (i) development of a regulatory framework established under the central bank charter and the new general law governing banks, finance companies and other credit institutions; (ii) training and professional upgrading for the technical staff of the superintendency; (iii) improving audit and evaluation by providing computerized systems; and (iv) implementing new and improved means for dissemination of information for institutions in the financial system.

#### **21.5. INSURANCE INDUSTRY REFORM**

**ATN/MT-6357-PR, MIF/AT-228, \$915,000, 1999**

This project was intended to improve the functioning of the insurance market as a means of promoting private sector development. It provided institutional strengthening support to the Superintendency of Insurance to give it the capacity to issue modern prudential standards and to supervise the country's insurance companies effectively, and developed efficient procedures for the regulatory agency and for insurance companies to improve solvency in the sector.

#### **21.6. STRENGTHENING OF TRANSPARENCY AND FORMALIZATION OF THE FINANCIAL SYSTEM**

**ATN/MT-7926-PR, MIF/AT-480, \$641,000, 2002**

This program seeks to open the way for effective action against money laundering; promote the balanced growth of nonbanking financial entities; and provide support to the Superintendency of Banks to improve its connectivity with financial intermediaries. The overall objective of the program is to help the financial system operate properly by introducing improvements in its prudential oversight in order to strengthen its legal structure and institutional expression.

## **22. Peru**

#### **22.1. FINANCIAL SECTOR REFORM**

**PE-0033, PR-1832, \$221,825,000, 1992**

The operation consisted of a financial sector adjustment loan and an institutional strengthening and technical assistance technical cooperation for institutions participating in the financial sector program. The banking supervision component aimed at strengthening the solvency of the financial system by reforming financial prudential regulations, reorganizing the Superintendency of Banking and Insurance in the areas of supervision, auditing, staffing, training, organization and

computing, and immediately establishing a special supervisory unit to act while the Superintendency was being reorganized. The technical cooperation program consisted of the provision of the consulting services and equipment necessary to bring about the reforms. It also included funding for the design and implementation of the social security reform.

## **22.2. MULTISECTOR CREDIT PROGRAM**

**PE-0113, PR-2019, \$100,000,000, 1994**

This project consisted of two parts. The first was a credit component in which medium- and long-term loans were passed through a qualifying financial intermediary to benefit private sector. The second part was an institutional support component aimed at assisting government officials charged with oversight and enforcement in environmental activities. Building upon the progress achieved in a series of wide-ranging financial reforms, it made it possible for the Corporación Financiera de Desarrollo to discount funds made available by the IDB for on-lending to intermediaries assuming the full risk of individual credit operations. Because many of the authorities and regulations in this area were new, the technical cooperation component included an information dissemination program to be implemented across various ministries and directed at the end users of credit, in addition to the training for government personnel.

## **22.3. PROGRAM FOR CITIZEN PARTICIPATION IN PRIVATIZATION AND CAPITAL MARKET DEVELOPMENT**

**ATN/MT-4909-PE, MIF/AT-42, \$1,731,000, 1995**

This nonreimbursable technical cooperation program strengthened the reforms undertaken by Comisión de Promoción de la Inversión Privada (COPRI), the Comisión Nacional Supervisora de Empresas y Valores (CONASEV), and the Lima Stock Exchange (BVL). The program comprised three subprograms: (i) support for the citizens participation program to expand capital markets and increase and diversify public ownership of privatized enterprises; (ii) strengthening the regulatory framework for capital markets; (iii) institutional strengthening and modernization of the Lima Stock Exchange; (iv) improve the transparency of information on securities and secondary markets operations; and, (v) promote securities markets through public participation.

## **22.4. INVESTMENT SECTOR REFORM PROGRAM**

**PE-0097, PR-2178, \$150,000,000, 1996**

This program concentrated on the infrastructure and finance sectors that offered significant opportunities for private participation. In the financial area, the program contributed to a more orderly operation of the financial and securities markets, and supported the extension of financial services to small and microenterprises. The program also called for a \$3 million parallel technical assistance program financed by the government, which was dedicated to reviewing the existing banking and insurance norms and regulations.

## **22.5. DEBT AND DEBT SERVICE REDUCTION PROGRAM**

**PE-0103, PR-2155, \$235,500,000, 1996**

This program enabled the restructuring of approximately \$10.8 billion in external debt. Bank financing was joined by support from the World Bank, the International Monetary Fund, and

Export-Import Bank of Japan. Financing from these sources (totaling an estimated \$800 million), in conjunction with the use of the country's reserves (for an estimated \$635 million) enabled Peru to finance the purchase of collateral and debt buyback under the Agreement, for a sum of about \$1.4 billion. This operation was designed to help improve Peru's external viability and foster economic development through support for the debt and debt service reduction program and financing for the purchase of collateral and a debt buyback in the context of an agreement with commercial banks.

## **22.6. MULTISECTOR CREDIT PROGRAM**

**PE-0191, PR-2337, \$200,000,000, 1998**

The program was intended to promote the deepening of financial markets by supplying of medium- and long-term financing to intermediaries to encourage and enable them to develop new lending programs and meet the investment needs of private enterprise, particularly the needs of SMEs. The program included technical assistance for a feasibility study of how the Financial Development Corporation (COFIDE) could best raise and place medium- and long-term resources in domestic financial markets. The study was combined with an analysis of how the floor interest rate on COFIDE loans to financial intermediaries could be more closely linked to medium- and long-term rates in the bond markets.

## **22.7. SUPPORT PROGRAM FOR INSTITUTO DE FORMACIÓN BANCARIA**

**ATN/ME-5879-PE, MIF/AT-158, \$1,300,000, 1998**

This grant assisted the institute (Instituto de Formación Bancaria) in conceptualizing and delivering a range of banking and financial training services, especially in the area of small business. As many as 22,000 persons were expected to receive indirect benefits of the institute's training programs, including employees in the banking sector, finance officers in the nonbanking sector, and graduate and post-graduate students.

## **22.8. FINANCIAL SECTOR REFORM II**

**PE-0202, PR-2415, \$310,900,000, 1999**

IDB financing helped strengthen the Peruvian financial system and assist the development of capital markets, mortgage markets, and greater access of low-income groups to financial services. The program was supported by two IDB loans, a \$300 million sector loan to strengthen the capacity of the financial system to withstand external and internal shocks, and a \$10.9 million technical assistance loan to complete financial sector reforms. The larger loan provided financial support to Peru while the country continued to deepen the financial reform, expanding access to housing finance and increasing the access of financial services to low-income sectors. In conjunction with the program, the Japan Special Fund contributed \$543,100 for project preparation, and the Multilateral Investment Fund provided \$3.5 million in grants to strengthen the Superintendency of Banks and Insurance in its on-site supervision of microfinance institutions, as well as to assist the reform and privatization of rural and municipal credit unions and to strengthen the on-site supervision of the national federation of credit unions.

## 23. Suriname

### 23.1. ADVISORY SERVICES TO THE CENTRAL BANK OF SURINAME

**ATN/SF-7914-SU, \$100,700, 2002**

This program supports government efforts to create an environment of macroeconomic stability with particular emphasis on fiscal and monetary policy, as a basis for the implementation of sector reform programs that are being undertaken with the assistance of the IDB in the areas of trade, agriculture and finance. More specifically, the objective is to continue to assist in building the institutional capacity of the Central Bank of Suriname in order to transform it into an efficient agent in the development and management of monetary and foreign exchange policy, as well as a capable executor and monitor of the process of rationalization of the state banks.

## 24. Trinidad and Tobago

### 24.1. INVESTMENT SECTOR REFORM PROGRAM

**TT-0012, PR-1914, \$80,000,000, 1993**

One of the five components of the program called for improving financial intermediation and increasing the resources available for investment, restructuring the Agricultural Development Bank, and strengthening the regulatory framework for capital markets. The program considered the adoption of new legislation to improve the regulation of securities trading through the establishment of an independent supervisory agency to oversee the market. It also promoted the creation of other securities markets, such as commodities and futures exchanges. The component included preparation of a Draft Companies Act, its presentation to the Cabinet subcommittee, and the preparation of an implementation action plan in terms of issues disclosure requirements and insider trading. In addition, it included preparation of a new Securities Industry Act, approval of the Act by the Cabinet, and making the oversight agency operational.

### 24.2. TECHNICAL COOPERATION TO STRENGTHEN BANK SUPERVISION

**ATN/MT-6025-TT, MIF/AT-181, \$720,000, 1998**

This technical cooperation strengthened the supervisory capacity of the Department of Bank Supervision (DBS) within the Central Bank of Trinidad and Tobago and provided analytical support to the Central Bank as it spearheaded efforts to formulate strategies to achieve stronger and more coherent supervision across the entire financial sector. The TC complemented legislative reform efforts through: (i) training in emerging areas of bank supervision, including organization and performance of the financial system, consolidated supervision, internal controls, and risk management; (ii) improved information technology; and (iii) strategy formulation to enable the DBS to more quickly adapt to changes occurring in financial markets, including the areas of cross-border trade and the development of modern financial instruments, such as derivatives.

### 24.3. INTEGRATED FINANCIAL SECTOR SUPERVISION

**ATN/MT-6983-TT, MIF/AT-327, \$1,186,000, 2000**

The overall objective of this program was to promote a sound and stable financial market by integrating the supervision of insurance companies and pension plans with that of banking institutions. This program focused on supporting the modernization of the legal and regulatory

framework for the creation of a new integrated supervisory entity for banking, insurance and pensions, as well as developing and implementing an efficient organizational structure of the new supervisory entity which is supported by a sound strategy and trained personnel. In addition, the program helped to strengthen the operational framework, particularly for insurance companies and pension funds. Diagnosis of the insurance and pension industry were conducted to determine where weaknesses lay.

#### **24.4. SECURED TRANSACTIONS**

##### **ATN/MT-7064-TT, MIF/AT-339, \$650,000, 2000**

The main objective of this nonreimbursable technical cooperation was to assist the government of Trinidad and Tobago in establishing an efficient legal and institutional framework for secured transactions that improve the conditions for access to credit services for small and medium businesses. The specific objectives were to modernize legislation for secured transactions by replacing the current structure with a single “code” of law that would regulate all transactions that involved security interests in movable property; update the registry systems and allow for registration of these transactions in a single, centralized registry; and support the continuing education for judges and lawyers in key elements of commercial law with particular emphasis on secured transactions.

#### **24.5. SUPPORTING THE IMPROVEMENT OF THE ACCOUNTING PROFESSION**

##### **ATN/MT-8114-TT, MIF/AT-513, \$665,000, 2002**

The overall objective of the program is to strengthen the accounting profession in Trinidad and Tobago, and improve annual financial statements of business entities by providing transparency, reliability and comparability. The program components include: (i) conducting an independent assessment of accounting and auditing in accordance with the Reports on the Observance of Standards and Codes (ROSC) program and developing a Country Action Plan; (ii) assisting in the implementation and application of International Accounting Standards (IAS); (iii) building adequate mechanisms for the enforcement of IAS and International Standards on Auditing (ISA); and (iv) establishing systems and processes that sustain the implementation of IAS and ISA.

## **25. Uruguay**

#### **25.1. FINANCIAL SECTOR PROGRAM**

##### **UR-0031, PR-1784, \$151,700,000, 1991**

This sector loan and technical cooperation program was designed to complement the finance sector reform called for under a World Bank program (SAL II). Program objectives included making financial intermediaries more efficient and strengthen the oversight machinery to keep the system solvent. The program included financial legislation, regulation and supervision activities. In the area of legislation, it supported enactment of the Financial Intermediation Law (FIL) amendment to extend and strengthen the autonomy and authority of the Central Bank of Uruguay (BCU). In addition, the technical cooperation financed a study to determine the advisability of instituting an explicit deposit insurance system to replace the existing “implicit guarantee” arrangement. With respect to financial regulation, the program supported regulatory changes to enhance the solvency and competitiveness of financial intermediation enterprises.

Measures to improve financial supervision included support to enhance the authority of banking supervision and strengthen supervisory standards and procedures, among others.

## **25.2. INVESTMENT SECTOR REFORM PROGRAM**

**UR-0057, PR-1876, \$68,800,000, 1992**

This program allowed the Government of Uruguay to implement a series of major policy changes to attract private investment. The policies were to be grouped around four principal strategies. The first was the development of institutional savers through social security reform, the implementation of measures to develop private insurance and to strengthen regulatory functions. Secondly, the program promoted the institutional structure of equity, bond, money and long-term credit markets through the issuance of normative and operational instruments for the establishment and functioning of investment companies, and the development and implementation of tax treatment equalization measures. Also included was legislation allowing the establishment and functioning of investment companies (mutual funds) and the creation of Superintendency of Securities within the central bank. The reform program also included financing to build a regulatory framework for the securities and long-term credit markets, including implementation of stock exchange regulatory mechanisms, a review of legislation governing businesses and implementation of accounting standards for publicly traded corporations and new securities trading regulations. Lastly, the program supported the expansion of the securities market by submitting a legislative proposal to allow sales to the public of government shares in two state companies (ANTEL and PLUNA), modernize the operation, information, clearing and settlement of the stock exchange transactions, strengthen the regulation of stock and commerce exchange; reach a consensus on a tax equalization proposal; develop legislation to demonopolize the insurance industry; reach a consensus on social security reform and develop an action plan to promote private sector participation in the insurance business.

## **25.3. MULTISECTOR GLOBAL CREDIT PROGRAM**

**UR-0063, PR-1877, \$90,000,000, 1992**

The previous program was effective in strengthening banking regulators and the supervision of credit operations, making them sufficient and adequate. However, there was virtually no medium- or long-term credit, and when it existed, it was managed under short-term rules. This program supported the establishment of appropriate rules for medium- and long-term credit operations. Their implementation was recommended to be a condition for the first disbursement of the loan.

## **25.4. LOAN OPERATION TO ASSIST THE GOVERNMENT WITH SOCIAL SECURITY REFORM**

**UR-0108, PR-2114, \$150,000,000, 1996**

The specific objectives of this program were to: (i) establish a regulatory framework to allow full implementation of the law; (ii) improve the administrative efficiency of the Social Security Bank and the quality of its service; (iii) continue to support development of the capital market; and (iv) adapt pension plans that cover certain occupation groups (specifically professionals, bank employees, and notaries) to the new system. Capital markets development support reinforced a previously approved investment sector program.

## **25.5. GLOBAL MULTISECTOR FINANCING PROGRAM**

**UR-0021, PR-2360, \$155,000,000, 1998**

The objectives of this program were to expand medium- and long-term credit; to support the development of new products, such as securitization and private debt issues to develop a capital market; and to reinforce regulation and security mechanisms, especially for new activities. In particular, the program was intended to continue support for expanding the liquidity discount facility for financial intermediaries, created under Multisector Loan I. This follow-on program also included an institutional strengthening component for the Superintendency of Financial Intermediation Institutions (SIIF); the mortgage lending bank; and the financial intermediaries participating in the program. Activities were targeted toward modernizing and expanding the capacity of the SIIF to supervise and regulate activities related to the introduction of new products as well as developing the capacity of domestic financial entities to meet eligibility requirements and gain access to the program. In addition, the program called for the introduction of new instruments such as lines of credit to financial intermediaries to cover maturity mismatch risk and support for leasing operations.

## **25.6. CAPITAL MARKETS DEVELOPMENT**

**ATN/MT-6098-UR, MIF/AT-194, \$1,336,000, 1998**

The objective of the program was to contribute to consolidating and deepening Uruguayan capital markets by supporting the development of the regulatory and supervisory capacity of the Central Bank of Uruguay (BCU) over the securities and insurance markets. This was achieved through actions to strengthen the supervisory and regulatory capacity of the BCU's Superintendency of Insurance and Reinsurance; promote diversification in the supply of products and increase competitiveness in the insurance and reinsurance markets; strengthen the regulatory and supervisory capacity of the BCU's securities market control department; and promote an expanded number of companies trading securities on the country's stock exchanges and diversify the range of negotiable instruments traded on those exchanges.

## **25.7. MULTISECTOR GLOBAL FINANCING PROGRAM III**

**UR-0136, PR-2674, \$180,000,000, 2002**

This program is designed to meet the medium- and long-term credit needs of private enterprises by expanding and consolidating the supply of medium- and long-term credit for private sector investment projects and providing the liquidity needed to spur the use of financial products already available. The program also provides funds to enlarge the Central Bank's medium- and long-term discount window. Funding enables the Central Bank to provide intermediary financial institutions (IFIs) with lines of credit to discount subloans made by the IFIs. Financing will also support (i) capital investments of companies of any size and operating in any sector of private enterprise; (ii) term-mismatch insurance cover for IFI's medium- and long-term lending portfolios; (iii) medium-term financial and operating leasing; (iv) securitization of bank loans to support private sector productive investments; and (v) medium- and long-term export credit operations. This program should help make up the shortfall in the domestic financial market, which is not mobilizing sufficient medium- and long-term savings to fund private sector productive investments.

## 26. Venezuela

### 26.1. FINANCIAL SECTOR REFORM PROGRAM

**VE-0071, PR-1726, \$300,000,000, 1990**

The program was designed to redefine the regulatory functions and strengthen the financial autonomy of the following institutions: the Central Bank (BCV), Ministry of Finance, the Superintendency of Banks and Financial Institutions, and the Deposit Insurance Fund (FOGADE). Also, the operation was dedicated to strengthening prudential regulation, auditing and information disclosure. As a condition for disbursement, the government had to submit to the Congress revisions to the BCV Act to make it consistent with the proposal for the SBIF.

### 26.2. PROGRAM TO STRENGTHEN THE FINANCIAL SYSTEM

**VE-0101, AT-1056, \$14,000,000, 1995**

This program included short-term immediate actions as well as institutional strengthening actions. Immediate actions were aimed at supporting the banking sector stabilization process by establishing a short-term supervision and regulatory framework, among other measures. Institutional actions aimed at strengthening the banking system in the medium-term, included: strengthening financial supervision and regulation, strengthening the deposit guarantee fund and banking protection, strengthening the Insurance Superintendency and strengthening of the National Securities Commission.

### 26.3. SOCIAL SECURITY REFORM

**VE-0100, PR-2272, \$395,000,000, 1998**

The overall program was designed to support the government of Venezuela's efforts to reform social security in order to transform it into a comprehensive system with an appropriate regulatory framework and increased private sector participation. The new comprehensive system consisted of three administratively and financially independent subsystems for pensions, unemployment, and health. The pension system reform component called for mandatory contributions to a new compulsory subsystem, based on combined principles of intergenerational transfers (or "solidarity") and individually funded accounts, with the State guaranteeing a minimum pension financed by general revenues. A parallel technical cooperation supported this reform operation by funding consulting services and studies associated with the policy and institutional reform efforts. Specifically, it was used to finance the technical preparatory work required to design the system, supply any assistance needed to prepare the legal and regulatory framework, ensure the institutional strengthening of new entities (including the superintendency and solidarity funds), and conduct the public information campaign.

### 26.4. STRENGTHENING OF THE VENEZUELAN AGRICULTURAL COMMODITIES EXCHANGE (BOLPRIAVEN)

**ATN/MT-6872-VE, MIF/AT-311, \$485,000, 2000**

The executing agency was Bolsa de Productos e Insumos Agropecuarios de Venezuela (BOLPRIAVEN). The project included four components: (i) review of the regulatory and operating framework governing BOLPRIAVEN; (ii) development of negotiable exchange instruments; (iii) implementation of a price reporting and market information system; and (iv) strengthening of the institu-

tional capacity of BOLPRIAVEN. The main objective of these four components is to establish transparent marketing channels for agricultural commodities in Venezuela.

## 27. Regional

### 27.1. FINANCIAL AND SECURITIES MARKETS DEVELOPMENT PROGRAM

**ATN/SF-5274-RG, AT-1090, \$850,000, 1996**

The objective of this program was to strengthen the development of domestic financial and securities markets and support regional integration by assisting with financial sector reform and modernization in borrowing countries. The program financed research on financial and securities markets in Latin America and the Caribbean. Research topics included the institutional requirements for financial development and innovation, with particular attention given to the regulatory and supervisory aspects of these markets, focusing on the lessons for the region. The program was divided into five subprograms: (i) Risk Management Program; (ii) Survey of Financial Systems; (iii) Best Practices in Accounting and Auditing Standards-Information Disclosure for Commercial Banks and Public Listings; (iv) Training Programs for Bank Supervision; and (v) Investor Education.

### 27.2. BANK AND SECURITIES MARKETS SUPERVISION REGIONAL TRAINING PROGRAM

**ATN/MT-5855-RG, MIF/AT-140, \$1,300,000, 1997**

This program was designed to enhance regional and subregional training of bank and securities markets regulators. Funding was limited to programs with a regional focus in order to help develop a consistent supervisory approach and common minimum standards. The demand for funds from the Multilateral Investment Fund program covered several training programs for banking supervisors and securities markets regulators.

### 27.3. MULTISECTOR GLOBAL CREDIT PROGRAM

**RG-0014, PR-2226, \$300,000,000, 1997**

This credit program consisted of a loan from the IDB to the Inter-American Investment Corporation (IIC) to be used as a credit program for the region's small- and medium-sized businesses. The IIC program financed direct loans and lines of credit to financial intermediaries without government guarantee. Funds were in turn lent to create new businesses and to expand, restructure or privatize existing firms. The IIC estimated that projects in its future active portfolio would generate annual export revenues of more than \$1 billion, as well as create close to 100,000 jobs, directly and indirectly. By providing comfort to commercial lenders and encouraging private lenders to provide the IIC with resources at attractive rates, the program also strengthened the Corporation's role as a source and catalyst for private sector resources for the region. Although the IDB loan could not be used for equity investment, the loan freed the IIC's own resources for that purpose.

### 27.4. INTEGRITY OF FINANCIAL MARKETS

**ATN/MT-5909, MIF/AT-165, \$480,000, 1998**

The objective of this project was to implement a pilot program to train financial regulators and the regulated in borrowing member countries in best practices for the detection and prevention of money laundering.

**27.5. IMPLEMENTATION OF BASLE CORE PRINCIPLES****ATN/SF-6169-RG, \$100,000, 1998**

The general objective of this technical cooperation was to support the countries of the region in the process of implementing the Basle Committee's Core Principles of Banking Supervision and creating financial systems that are more solid, efficient, and solvent. The project consisted of three activities: (i) preparation of a survey to determine the degree to which the countries were complying with the Basle principles; (ii) tabulation of the results and preparation of a draft for dissemination; (iii) preparation of the final report which would include the degree of compliance on a country-by-country as well as regional basis. In addition, the final report included a plan of action, outlining specific recommendations for compliance for each country.

**27.6. FINANCIAL SECTOR ACTIVITIES AND POVERTY REDUCTION****ATN/SF-7297-RG, \$115,000, 2000**

The project investigated the links and transmission mechanisms between financial sector activities and instruments and poverty reduction, and identify areas of reforms and market development that, although not necessarily targeted to low-income people, may strongly impact their asset accumulation and income generation capacity, and their ability to manage risks. The project addressed financial policies, financial infrastructure, and financial products and services that might have a significant impact on income distribution and poverty reduction.

**27.7. REGIONAL FINANCIAL SECTOR POLICY FRAMEWORK****ATN/SF-7464-RG, \$150,000, 2001**

The purpose of the project is to develop a regional forum of regulators and financial sector regulators to work together on a regular basis over the life of this project. As part of the work of the forum, the project proposes research on key policy issues and publication and dissemination of results. The research activities are structured to support the activities of the regional forum and will be tied directly to the issues relating to international standards for financial market activities. The main objective of this project is to develop a regional focus in Latin America and the Caribbean on the key issues for supporting financial sector development. It will promote activities directed at ensuring best practices and standards in the operations of financial sector in the region.

**27.8. SUPPORT FOR THE EXCHANGE OF KNOW-HOW AND EXPERIENCE AMONG DEVELOPMENT BANKS IN LATIN AMERICA AND THE CARIBBEAN****ATN/MT-7872-RG, MIF/AT-470, \$275,000, 2002**

This program is funded with MIF resources and is being implemented by ALIDE (Asociación Latinoamericana de Instituciones Financieras para el Desarrollo). The general objective of the program is to promote and consolidate the process of reform, modernization and restructuring undertaken by development banks in Latin America and the Caribbean to make them effective instruments for financing development. The specific objective of this program is to support the exchange of experiences and the transfer of know-how on specialized banking techniques and financial approaches among development banks in Latin America and the Caribbean. The program consists of two components: (i) fostering interinstitutional exchange

and dialogue on successful experiences in development banking, through a program of seminar and workshops, on-the-job training (internships) and reciprocal advisory services, of international scope; and (ii) outreach and dissemination of results.

## 28. Andean Region

### 28.1. ANDEAN DEVELOPMENT CORPORATION MULTISECTOR INSTITUTIONAL SUPPORT PROGRAM

**RG-0010, PR-1951, \$200,000,000, 1993**

This loan marked a departure in the Bank's policy with regard to supporting subregional lending agencies. Past loans generally provided resources to finance specific projects on a case-by-case basis, usually in physical infrastructure. This operation, by contrast, was designed to provide broad-based institutional support, enabling the CAF to apply the loan resources to any of its projects, without separate accounting, so long as they were found to be consistent with and complementary to the Inter-American Development Bank's own development activities in the subregion. The Andean Corporation Fund (CAF) increased its emphasis on private sector lending, and also encouraged efforts to modernize the productive sectors of its member countries' economies, as well as the development and diversification of capital markets, assistance for small businesses and microenterprise. The Inter-American Development Bank's support for the CAF was part of a broader financial plan designed to accommodate a lending program of approximately \$1.7 billion over the next four years. To complement the IDB's share in financing such a program, the CAF planned to expand its borrowing on international capital markets over the next three years.

### 28.2. FINANCIAL DEPOSITS REINSURANCE

**ATN/SF-7018-RG, \$78,000, 2000**

The program contemplated performing a comparative study of banking deposit protection systems of member states from the Andean Community. The study consisted of a direct research of the financial deposits insurance funds and the national financial systems. It also engaged in research based on international experiences related to the subject. The program also financed the development of a proposal to create a community mechanism of financial deposit reinsurance for each member country that may require it. The main objective was to support the Andean Community in the process of deepening its economic integration.

## 29. Central America

### 29.1. CENTRAL AMERICAN HARMONIZATION OF CAPITAL MARKETS

**ATN/MT-4532-RG, MIF/AT-11, \$2,900,000, 1994**

This program was devoted to support the creation of an appropriate self-regulation framework for each exchange. As a first step toward integrated regional exchanges, the program included designing and implementing central securities depository (CSD) for each country; and automating trading and clearance and settlement functions within each exchange.

## **29.2. CREDIT PROGRAM FOR THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI) FOR A CABEI INSTITUTIONAL SUPPORT AND MULTISECTORAL CREDIT PROGRAM**

**CA-0008, PR-2196, \$100,000,000, 1997**

This program financed a multisector credit program for the private sector and supported reforms of the Central American Bank for Economic Integration (BCIE) that would improve its access to international capital markets. As the Central American economies improved, growing private sector demand for medium- and long-term financing could not be met solely by central banks or official development institutions, or through short-term commercial bank financing. By providing credit through financial intermediaries and supporting a revamped BCIE geared more toward private sector finance, this program looked to strengthen access to financing for businesses throughout Central America. BCIE is a multilateral financing institution established in 1960 to foster economic integration and balanced economic and social development in Central America.

## **29.3. PROGRAM FOR HARMONIZATION OF PUBLIC DEBT MARKETS IN CENTRAL AMERICA AND PANAMA**

**ATN/MT-7357-RG, MIF/AT-397, \$600,000, 2001**

The program seeks: (i) to establish regional standards for organizing the markets and disseminating information; (ii) to set up a regional market information system; and (iii) to provide major players in the private and public sectors with a theoretical and practical basis for organizing the essential features of standardized public debt markets with a regional focus. The objective of the program is to promote harmonization of public debt markets in Central America and Panama. To this end, the project seeks to provide national authorities in the region with technical guidance and the means of disseminating the necessary information on establishing and implementing regionally oriented modernization programs of their own.

# **30. Caribbean**

## **30.1. CARIBBEAN HARMONIZATION OF CAPITAL MARKETS**

**ATN/MT-4691-RG, MIF/AT-16, \$2,204,000, 1994**

This program was designed to create the appropriate self-regulation framework for each exchange; design and implement a central securities depository (CSD) for each country; and automate the trading and clearance and settlement functions with each exchange. It also includes stock exchange development for Barbados, Dominican Republic, Jamaica and Trinidad and Tobago, and the prospective exchange for Bahamas as well. Harmonization of the capital markets is a first step toward integrated regional exchanges and opens possibilities for future integration between Central America and the Caribbean.

## **30.2. CREDIT PROGRAM FOR SMALL CARIBBEAN STATES**

**RG-0037, PR-2120, \$37,000,000, 1996**

The objective was to support the Caribbean Development Bank's (CDB) overall lending and technical assistance program. The program consisted of a loan and a nonreimbursable technical cooperation facility. The loan was used to support subloans to eligible Caribbean countries. The objectives of the technical cooperation were to: (i) strengthen the CDB's capacity to support its

borrowing member countries in their efforts to improve the environmental control and natural resources management capabilities of agencies in the target countries; and (ii) improve the delivery of social sector services. This program focused on increasing the ability of the borrowers to prepare environmental feasibility studies for project preparation and monitor environmental performance of operations in execution; strengthening the capacity of the environmental and development units to provide environmental control and manage natural resources; improving environmental legislative and regulatory frameworks; identifying, preparing and administering projects; and providing training to professionals in eligible countries by offsetting some of the expenses of attending IDB-sponsored conferences and seminars.

### **30.3. EASTERN CARIBBEAN STATES CAPITAL MARKETS DEVELOPMENT PROGRAM ATN/MT-5353-RG, MIF/AT-90, \$1,223,000, 1996**

The main objective of this program was to promote the private sector-led development of the member countries of the Organization of Eastern Caribbean States (OECS). The technical cooperation had a specific subprogram devoted to establishing an over-the-counter electronic stock exchange that included: preparation of the legislation to allow the exchange to become operational throughout the OECS, development of the rules and regulations for the operation of the exchange, and development of electronic formats to make financial information available throughout the islands (stock registration system). The second subprogram, although not directly related to the financial system, was intended to change the legal framework for establishing the ownership of fixed and moveable property, enabling collateral to be used for credit.

### **30.4. GLOBAL CREDIT FOR SMALL CARIBBEAN STATES RG-0056, PR-2680, \$20,000,000, 2002**

The program consists of a minimum of \$2.2 million in counterpart resources. The loan would be used to finance no less than four Caribbean Development Bank (CDB) operations in Fund for Special Operation (FSO) eligible countries that are not members of the Inter-American Development Bank. Loan resources could be used to support programs in the social and infrastructure areas, for poverty reduction and natural disaster and mitigation measures, as well as to finance specific project expenses related to the implementation of economic policy and institutional strengthening measures. The objective of the program is to assist in the financing of projects that effectively address the development priorities of the FSO eligible members of the CDB, which are not members of the Bank.

## **31. Mercosur**

### **31.1. FINANCIAL SYSTEMS INTEGRATION ATN/SF-7032-RG, \$150,000, 2000**

The program supported the financial integration process of MERCOSUR nations. Technical cooperation finances consulting financial services to create comparative studies between legislation, procedures, and plans of consolidated supervision adopted by MERCOSUR states. An end product of the program is the development of recommendations to improve the countries' national legislations and their supervision procedures.

## 32. South America

### 32.1. SUPPORT FOR THE CREATION AND DEVELOPMENT OF FINANCIAL INTELLIGENCE UNIT IN SOUTH AMERICA

**ATN/MT-7884-RG, MIF/AT-468, \$1,320,000, 2002**

The general objective of the program is to help reduce money laundering to minimum. The specific objective is to support the process of establishing new financial intelligence units (FIU) and to consolidate for purposes of efficiency those now in place in South America. The program will qualify the countries for a variety of offers of technical cooperation, depending on the phase of institutionalization of their individual FIUs. This program finances technical assistance in the following four areas: (i) development of legal frameworks; (ii) institutional development; (iii) personnel training; (iv) information and communications technology.

### 32.2. TRAINING FOR MUTUAL EVALUATIONS OF THE FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING IN SOUTH AMERICA

**ATN/MT-7968-RG, MIF/AT-489, \$120,000, 2002**

The main objective of this program is to help minimize money-laundering practices through support for conducting of money laundering controls in the member countries of the Financial Action Task Force on Money Laundering in South America (GAFISUD). The program has the following three components: (i) training for the 27 specialists who will conduct the mutual evaluations in the countries of GAFISUD; (ii) preparation and publication of training materials emanating from the workshops, for use in training future evaluators; and (iii) creation of a database for storage and monitoring of evaluation results.

## 4. IDB Nonlending Activities: Strategy and Support

In addition to lending technical assistance operations, the IDB supports other activities that do not involve direct financing. Nonlending activities are effective instruments to provide policy advice to governments, disseminate information, promote good practices and create the proper environment for financial sector development.

Strategies, conferences, and publications are some of the instruments that the IDB uses to disseminate information and create awareness of the importance of key issues. These activities create the knowledge base required to align the interests of different counterparts, both in the private and public sectors and implement changes in policies and regulatory frameworks or encourage local contribution and participation in recommended activities. The dissemination of state-of-the-art knowledge to promote development diminishes barriers and increases the potential for success of the lending operations.

### 1. Strategy Documents

As a general approach in all areas, the Bank prepares and relies on *sectoral strategies* that define its operational framework and guidelines. These strategies are subsequently presented as a “strategy document” which includes a review of the Bank’s past experience, an assessment of the comparative advantages of the IDB Group as a development institution, and an analysis of the possible alternatives and recommendations that the IDB Group should undertake in the respective sector. The foundations for the financial sector are defined and presented in two strategy documents: The *Capital Markets Strategy* and the *Financial Markets Strategy*. These two documents address the principal issues affecting the development of financial markets in emerging economies and how the IDB Group can better manage and promote the development of sound financial systems in Latin America and the Caribbean.

The *Capital Markets Strategy* was the first one issued and was considered by the Policy Committee of the Board of Executive Directors on September 28, 1995. This strategy attempts to: a) raise the level of savings and improve its composition (i.e. shifting from real to financial assets, and transforming savings to longer-term, more stable sources); b) enhance the economic efficiency of capital markets; and c) promote the harmonization and integration of the region’s capital markets. The Capital Markets Strategy is devoted in its entirety to the nonbank segment of the financial system.

The *Financial Markets Strategy* (FMS) was approved by the Board of Executive Directors on September 8, 1999. It complements the *Capital Markets Strategy* by addressing the need for the overall development of financial markets and the integration of banking systems with other financial markets. The *Financial Markets Strategy* focuses primarily on the role of financial instruments, institutions and markets in the efficient allocation and transfer of risk. It concentrates on the enhanced risk management opportunities facilitated by equity, debt, commodities and

derivatives markets and how these markets can be developed within the context of emerging economies as well as the development of institutional investors (insurance, pension funds, mutual funds, etc.) needed to support deep and liquid financial markets. It aims at extending the efforts of the IDB Group and developing financial systems beyond the bank-dominated systems developed in the past. The strategy proposes that in addition to developing overall plans for new instruments, institutions and markets, a long-term program of financial market development should be prepared for each country to provide the basis for programming future Bank activities in the financial sector.

## THE FINANCIAL MARKETS STRATEGY

The Inter-American Development Bank's work in financial market development has been guided by the following five goals:

- Fostering the emergence of new and varied mechanisms for pooling longer-term savings in the domestic markets.
- Developing financial instruments and infrastructure to channel financing, both domestic and foreign, into private sector investment.
- Expanding access to financial services by potential users of those services, especially smaller businesses.
- Providing maximum efficiency, mainly by encouraging competition among the providers of financial services.
- Assuring adequate prudential regulation of the financial system.

The complete strategy documents are available at [http://www.iadb.org/sds/IFM/mainpublication\\_151\\_e.htm](http://www.iadb.org/sds/IFM/mainpublication_151_e.htm).

## 2. Conferences, Seminars and Workshops

**Banking Crises in Latin America.** September 1995, Washington, D.C.

This conference brought together distinguished policymakers, academics and bankers to examine the main causes of banking crises, how government can manage them more effectively, and how they can be prevented.

**Latin American Derivatives Conference.** November 9th-10th, 1995, Washington, D.C.

The IDB organized a conference on the use of derivative securities in Latin America and the Caribbean and how the appropriate use of these securities could help manage risk in the region. This conference, co-sponsored by the International Swaps and Derivatives Association, Inc., was held at IDB headquarters. A variety of topics was discussed, including the uses and benefits of derivatives, using derivatives to manage balance sheet risk, hedging financial risk (highlighting

a Brazilian case), practices and principles for managing derivatives risk, oversight of derivative activities, and the legal risks associated with derivative activities.

**Policy-Based Finance and Alternatives to Financial Market Development: East Asian Lessons for Latin America and the Caribbean.** February 1st-2nd, 1996, Rio de Janeiro, Brazil

This conference addressed the lessons for Latin America and the Caribbean that could be gained from both the East Asian experiments with policy-based finance and the alternative of developing private financial markets to meet the financial needs of investors. The IDB organized the conference, which was co-sponsored by the Japan Development Bank (JDB) and the Banco Nacional de Desenvolvimento Econômico e Social of Brazil (BNDES).

**Credit Guarantee Systems: International Experiences and Lessons for Latin America and the Caribbean.** June 27th-28th, 1996, Washington, D.C.

This workshop reviewed best practices for the design of effective guarantee schemes, analyzing the potential distortions they can introduce into the financial markets. Cases analyzed covered the experiences of countries in Asia, Europe and Latin America.

**Seminar on Municipal Development Finance.** July 9th-10th, 1996, Washington, D.C.

As a result of the increasing emphasis being placed on decentralization in the region, this workshop was organized as a means to explore the issues surrounding municipal finance. In addition to a general discussion of decentralization and financing infrastructure at the local level, the workshop presented the benefits, risks and prerequisites for municipal access to capital markets. This included the key characteristics for access to capital markets and development of local credit markets; ratings agencies and their role in municipal access to capital markets; the role of credit enhancement, including bond insurance and bond banks; and public-private partnerships in financing municipal activities.

**Building Modern and Effective Banking Systems in Latin America and the Caribbean.**

August 7th-8th, 1997, Buenos Aires, Argentina

This conference provided a forum for senior policymakers, bank supervisors and regulators, economists, and market practitioners to exchange views on the strategic design, operation and importance of banking sectors in Latin America and the Caribbean. Based on the experience gained in the region and elsewhere, conference participants focused their discussion on three main issues, the interaction between the banking sector and the macroeconomy, current pressing issues in the banking system (such as wide interest rate spreads and entry-exit rules for the banking industry), and effective regulatory and economic environments for financial institutions in the region. The conference was jointly organized by the Central Bank of Argentina and the IDB.

**Safe and Sound Financial Systems: What Works for Latin America?**

September 27th-28th, 1996, Washington, D.C.

This conference addressed the question of whether Latin American countries should adopt the same financial framework—the same regulatory and supervisory procedures, the same market structures—now in place in the industrial countries or whether they should consider alternative

frameworks that may be better suited to their economies. Among the central topics discussed were the appropriate financial regulatory and supervisory standards, the design of financial market institutions, and the construction of efficient safety nets for banks and other financial institutions.

**Financial Disclosure and the Development of Financial Markets in Latin America and the Caribbean.** September 29th-30th, 1997, Washington, D.C.

The IDB organized a conference on the role of disclosure and the development of a transparent information environment as a prerequisite to the development of financial markets. The conference was co-sponsored by the International Accounting Standards Board and the Inter-American Accounting Association. Participants included senior level officials from securities and exchange commissions, bank superintendencies, auditing firms, standard-setting boards, and the investment community. Speakers examined the movement toward improved standards on an international basis and the opportunity for the countries of Latin America and the Caribbean to participate in this effort. Two case studies on the changes in accounting standards (Mexico and Venezuela) were examined for information regarding the need for change and the need for developing a consensus on how to improve accounting and auditing standards.

**The Development of Securities Markets in Emerging Markets: Obstacles and Preconditions for Success.** October 28th-29th, 1997, Washington, D.C.

The IDB organized a conference for senior policymakers, regulators, economists and market participants to exchange views on the strategic design, operation and importance of securities markets in Latin America and the Caribbean. The conference was focused on approaches to the regulation of securities markets, the development of domestic equity markets, public debt management, and effective ways to promote the development of institutional investors.

**Financial Market Integration and Harmonization in the Americas.** December 1st, 1997.

This conference was jointly sponsored by the IDB and the Ministry of Finance of Chile. The conference created a forum to discuss strategies to achieve integration of financial markets in Latin America and the Caribbean. The three main issues for discussion included (i) dealing with the challenges imposed by the globalization of financial markets; (ii) lessons from other regions' efforts to achieve financial integration; and (iii) the policy agenda for regional financial market integration in the Americas.

**Payments and Clearance and Settlement Systems in Latin America and the Caribbean.**

October 23rd, 1998, Washington, D.C.

This conference was co-sponsored by The Depository Trust Company. Speakers presented issues associated with the risks in such systems as well as the challenges resulting from increasing globalization and regionalization. In particular, the presentations focused on (i) the risks in payments, clearance and settlement and custody; (ii) the current reality of regionalization, possibilities for harmonization, and lessons learned from the European experience; (iii) the challenges resulting from an increasingly global market place; and (iv) ways in which multilateral institutions can support the development and effective functioning of payments and clearance and settlements systems. A special report, sponsored by Deutsche Bank, provided excerpts from many of the presentations and was featured in the Winter 1998/99 edition of the *Global Custodian*.

**The Development of Mortgage Securitization in Latin America and the Caribbean.**

November 2nd-3rd, 1998, Washington, D.C.

During the conference, representatives from institutions working in the areas of housing finance and securitization, notably Fannie Mae and Freddie Mac, explored the role of mortgage securitization in promoting economic development as well as some regional experiences with secondary mortgage markets. More specifically, discussion centered around the role of securitization in promoting economic development; the prerequisites for successful secondary mortgage markets (including the role of primary markets, mortgage insurance, legal/regulatory environments and the domestic capital markets); regional experiences, or case studies, with secondary mortgage markets; and business strategies to promote mortgage securitization, including the use of such instruments as mortgage bonds. In addition, Fannie Mae sponsored a workshop concerning the methodology for analyzing and managing markets, instruments and institutional relationships.

**Financial Risk Management in Emerging Markets.** February 8th-9th, 1999, Washington, D.C.

This conference was jointly organized by the Inter-American Development Bank and Banco Santander of Spain. The purpose of the conference was to present general guidelines for risk management, based on the risk management model developed as part of the *Financial and Securities Market Development Program*. In addition, Banco Santander presented a review of their experiences in implementing comprehensive risk management systems in Chile and Peru as well as information on recent developments in both investor perceptions and regulatory environments as related to risk management activities and how these will likely affect financial institutions in emerging markets.

**Symposium on Risk Management.** February 21st-22nd, 2000, Trinidad and Tobago.

Much of the conference was based on the book *A Model for Financial Risk Management. A Practical Approach for Emerging Markets* jointly produced by the Inter-American Development Bank and the Banco Santander Group and published by the IDB. Two concurrent workshops for regulators and officials from financial institutions were also held.

**Securitization and Structured Finance in Emerging Economies.** May 17th, 2000, Washington, D.C.

The main purpose of this seminar was to present the fundamental issues pertaining to credit securitization and explore opportunities relevant for the work of the Inter-American Development Bank, in terms of its activities within Latin America and the Caribbean.

**Financial Market Regulation and Supervision Practices.** June 2000, Washington, D.C.

With funding from the MIF, the IDB supported the consolidation of several financial intermediaries for small and microenterprises throughout Latin America and the Caribbean. In addition, the IDB recognized the growing importance of facilitating the application of BIS Core Principles among bank supervisory bodies. These two issues were the focus of this workshop. Bank superintendents from the region attended the event.

**Housing Finance Template.** June 8th, 2000, Washington, D.C.

The IDB hosted a one-day seminar to present a housing finance template. The seminar demonstrated the usefulness of the tool to evaluate the relevant components of the housing market and suggested means to improve the efficiency of each component.

**Capital Markets Roundtable “A New Focus for Capital Market Development in Latin America and the Caribbean.”** February 5th-6th, 2001, Washington, D.C.

This roundtable was organized by the IDB Group and was a direct response to the growing focus on the decline in many capital markets of the region and the on-going debate regarding the approaches to promote the development of capital markets in LAC. The roundtable discussion focused on second generation issues pertinent to the development of capital markets in Latin America and the Caribbean, including: (i) the role of market institutions; (ii) development of domestic bond markets; (iii) the role of institutional investor in developing capital markets; and (iv) the importance of regional market integration. In addition, during the second day of meetings the Multilateral Investment Fund organized a separate workshop to discuss lessons and strategies to increase SME access to capital markets.

**Implementation of International Standards for Accounting and Auditing.**

April 2nd, 2001, Washington, D.C.

Improving accounting and financial disclosure through the development and implementation of standards for accounting and auditing is viewed as a key instrument to support the development of a stable global financial environment. This seminar presented a vision for improving financial reporting and auditing practices through the implementation of international standards.

**Managing Economic Exposures of Natural Disasters: Exploring Alternative Financial Risk Management Opportunities and Instruments.**

May 16th, 2001, Washington, D.C.

This workshop addressed current issues in financial risk management of catastrophe exposures. Participants engaged in the exploration and discussion of alternative financial risk transfer markets, techniques and instruments.

**Financial Crises: Japan’s Experience and Implications for Latin America and the Caribbean.**

June 11th-12th, 2001, Washington, D.C.

This workshop focused on examining the experience of Japan regarding financial crises and its implications for LAC. Experts from Japan, Latin America and the Caribbean, other countries, and multilateral organizations discussed the causes, policy actions, market discipline, preemptive strategies and other issues related to financial crises.

**Developing Bond Markets in Latin America and the Caribbean: Analytical Framework and Issues for the Region.** August 9th, 2002, Washington, D.C.

The main purpose of this workshop was to provide training and orientation for a selected group of IDB staff members to prepare them for a potentially more active role in the area of bond markets development and to strengthen the relationship with and among policymakers interested in bond market development in the countries of the region.

**Helping Small and Medium Enterprises Access Finance and Capital in Emerging Economies.**

October 21st, 2002, Washington, D.C.

The overall objective of this meeting was to increase awareness and understanding of the types of strategies that could be utilized to help increase access to finance for small and medium

enterprises. The specific objective was to convene a dialogue among researchers and technicians on the key constraints that have an impact on the capacity to increase access to finance and also to survey the experiences in various countries. In that context, the meeting also addressed the topic of financial sector development and SMEs financing.

### 3. Publications

#### Books

##### **Volatile Capital Flows: Taming Their Impact on Latin America.**

Edited by Ricardo Hausmann and Liliana Rojas-Suárez, June 1996.

This book is based on a conference organized by the IDB on the topic of international capital flows that took place in Jerusalem in April 1995. The book is divided into two sections: (i) the macroeconomics of capital flows to Latin America, and (ii) achieving stability in Latin American financial markets in the presence of volatile capital flows. Some of the issues presented in the book relate to the appropriate response from Latin American governments to volatile capital flows, how to ensure that economies adjust, and what has been the impact of the crises on domestic banking and financial systems.

##### **Banking Crises in Latin America.**

Edited by Ricardo Hausmann and Liliana Rojas-Suárez, October 1996.

This book gives an overview of the major aspects of the financial crises in Latin America. It focuses on four key questions about the crises: what are the features, the causes, management issues and prevention techniques of banking crises. It offers policy recommendations on both the macro- and the microeconomic level.

##### **Small and Medium Enterprises Credit Guarantee Systems.**

Edited by Juan J. Llisterri, November 1996.

This book presents proceedings from the workshop *Credit Guarantee Systems: International Experiences and Lessons for LAC*. It contains twelve articles on the conceptual issues and country experiences and a summary of the lessons learned from credit guarantee systems established around the world. It was published as a special issue of *The Financier* (Vol. 4, Nos. 1 and 2, February/May 1997). It was also published in Spanish by the Inter-American Development Bank as *Sistemas de garantía de crédito: experiencias internacionales y lecciones para América Latina y el Caribe*.

##### **Safe and Sound Financial Systems: What Works for Latin America?**

Edited by Liliana Rojas-Suárez, October 1997.

This book presents the proceedings of the conference with the same title held at the Inter-American Development Bank headquarters in September 1996. The book addresses three main questions: (i) what kind of regulatory system is appropriate for the Latin American economies today; (ii) what kind of structure is needed to ensure that the region has a sound, efficient and creative financial system capable of responding to changing conditions; and (iii) what kind of financial safety net is appropriate for a region undergoing the kind of transformation that Latin

America is expecting? The book addresses these questions with reference to the issues of supervision and regulation, financial markets structures and other policy related issues.

### **Policy-Based Finance and Market Alternatives: East Asian Lessons for Latin America and the Caribbean.**

Edited by Kim B. Staking, 1997.

Policy-based finance refers to the active involvement of government policymakers in the allocation of credit, widely used in East Asia as a tool for supporting exporters and other sectors of the economy considered key to economic development. To understand the applicability of the East Asian experience to other emerging markets, a conference on “Policy-Based Finance and Alternatives for Financial Market Development” was held in Rio de Janeiro, Brazil in early 1996. This book contains a selection of the major presentations from that conference. It explores the East Asian experiences with policy-based finance and contrasts these with the less successful, directed credit programs undertaken by Latin American and Caribbean governments in their attempts to support specific economic sectors. The volume extracts the lessons that are applicable to emerging markets and applies them to the market approach under way in most of the countries of Latin America and the Caribbean.

### **Financial Disclosure: A First Step to Financial Market Development.**

Edited by Kim B. Staking and Alison Schulz, 1999.

Recognizing the importance of high quality accounting and auditing standards, the IDB, in association with the International Accounting Standards Committee and the Inter-American Accounting Association organized a conference entitled “Financial Disclosure and Development of Financial Markets in Latin America and the Caribbean.” This book, published in both English and Spanish, collects five papers presented at the conference, which make a strong case for improved disclosure and international standards, presents case studies on the transition taking place in Mexico and Venezuela, and includes guidelines for ensuring an effective transition.

### **Accounting for Saving Financial Liberalization, Capital Flows and Growth in Latin America and Europe.**

By Carmen M. Reinhart, September 1999.

Which comes first, saving or growth? Does financial liberalization help or hinder saving? How do terms of trade shocks affect saving? These are only a few of the questions explored in *Accounting for Saving*, a book that looks beyond the traditional determinants of saving and winds up challenging conventional wisdom on a number of controversial issues.

### **Financial Risk Management: A Practical Approach for Emerging Markets.**

By José A. Soler Ramos, Kim B. Staking, Alfonso Ayuso Calle, Paulina Beato, Emilio Botín O’Shea, Miguel Escrig Meliá and Bernardo Falero Carrasco, 2000.

This publication is a comprehensive guide designed to help businesses and financial institutions operating in emerging markets to incorporate modern risk management techniques in their decision making. It looks at market, credit, operational and legal risks and proposes solutions to risk management issues as they apply specifically to emerging markets. Based on a value-at-risk approach, the book examines the role of senior management in setting risk guidelines,

the use of information systems for monitoring and communication risk, and the tools for measuring and managing risk. Drawing on practical methods used by successful risk managers throughout the world, the book provides specific guidance on establishing a modern risk management framework and on efficient approaches to increasing the profitability of risk management activities in emerging market settings.

### **Global Finance from a Latin American Viewpoint.**

By Ricardo Hausmann and Ulrich Hiemenz, April 2000.

This book contains contributions from the tenth meeting of the International Forum on Latin American Perspectives held in Paris in 1999. Its broad conclusion is that reform of the international financial system must take place in the context of partnership between the private and the public international sectors in order to provide the conditions for stability and growth. The Forum debated whether the current reforms of the global financial markets were succeeding in identifying and addressing major distortions to international capital flows between developed and developing countries—essentially, the moral hazard versus sovereign risk question. Particular attention was devoted to the following issues: bailing the private sector into crisis prevention and resolution, including under Paris Club framework; recently proposed revisions to the Basel Accord on bank capital requirements; and the appropriate exchange rate regime in Latin America.

### **Defusing Default: Incentives and Institutions.**

Edited by Marco Pagano, 2001.

Access to capital is crucial for economic development. In many developing nations, however, high default rates present serious obstacles to the creation of effective capital markets. *Defusing Default* examines the problem of default in various countries throughout the Americas as well as public and private means of encouraging repayment of debts. Encompassing theoretical approaches and empirical data, with both contemporary and historical examples, the studies in this volume discuss how factors such as legal systems, judicial enforcement, and contractual arrangements affect the likelihood of repayment and how they can be improved.

## **Best Practices and Technical Studies**

### **PUBLISHED BY THE INFRASTRUCTURE AND FINANCIAL MARKETS DIVISION**

#### **Capital Market Development in Latin America and the Caribbean.**

Bank Strategy Paper, 1995.

#### **Issues Surrounding Security Regulation in Latin America and the Caribbean.**

By Hugo Nemirowsky and Jesse Wright. Best Practice Study, IFM-101, February 1996.

#### **A Primer on Risk Management: Applications to Latin America and the Caribbean.**

By Jesse Wright. Technical Study, IFM-106, 1997.

#### **Building Effective Banking Systems in Latin America and the Caribbean: Tactics and Strategies.**

By E. Gerald Corrigan. Best Practice Study, IFM-107, April 1997.

**Financial Intermediation and Policy-Based Lending: Policy Recommendations for Latin America and the Caribbean.**

By Antonio Vives and Kim B. Staking. Best Practice Study, IFM-108, June 1997.

**Liberalization and Integration of Financial Markets in the Western Hemisphere.**

By Paul R. Knapp and Andrés Velasco. Working Paper, IFM97-103, November 1997.

**Developing Government Bond Markets.**

By Jorge Castellanos. Technical Study, IFM-111, March 1998.

**Essays on Municipal Development Finance.**

Edited by Kenroy A. Dowers and Federico Basaños. Working Paper, October 1999.

**Financial Markets Strategy.**

Bank Strategy Paper, IFM-120, 2000.

**The Role of the Primary Mortgage Market in the Development of a Successful Secondary Mortgage Market.**

By Michael Lea. Technical Study, IFM-121, January 2000.

**Housing Finance in Chile. The Experience in Primary and Secondary Mortgage Financing.**

By Claudio A. Pardo. Best Practice Study, IFM-123, March 2000.

**Reseña del desarrollo de sistemas nacionales contra la legitimación de recursos de procedencia ilícita en el sistema financiero y en los mercados de capitales de algunos países de América Latina.**

By Pedro Luis Echeverría. Working Paper, November 2001.

**Pension Reform in Small Emerging Economies: Issues and Challenges.**

By Kenroy A. Dowers, Stefano Fassina, and Stefano Pettinato. Technical Study, IFM-130, December 2001.

**El Nuevo Acuerdo de Capital de Basilea: El enfoque estándar versus el enfoque basado en calificaciones internas.**

By Luis Giorgio, and Carlos Rivas. Working Paper, November 2002.

**Implementación de los estándares internacionales de contabilidad y auditoría en El Salvador.**

By Interdin & Ahead Advisory Group S.A. Working Paper, November 2002.

**Implementación de los estándares internacionales de contabilidad y auditoría en Panamá.**

By Interdin & Ahead Advisory Group S.A. Working Paper, November 2002.

**Innovative Financial Instruments for Natural Disaster Risk Management.**

By Torben J. Andersen. Technical Study, IFM-133, December 2002.

**PUBLISHED BY THE RESEARCH DEPARTMENT**

**Achieving Stability in Latin American Financial Markets in the Presence of Volatile Capital Flows.**

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #304, April 1995.

**The Roots of Banking Crises: The Macroeconomic Context.**

By Michael Gavin and Ricardo Hausmann. Working Paper #318, January 1996.

**Managing Banking Crises in Latin America: The Do's and Don'ts of Successful Bank Restructuring Programs.**

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #319, February 1996.

**Building Stability in Latin American Financial Markets.**

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #320, February 1996.

**Banking Crises in Latin America: Experiences and Issues.**

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #321, February 1996.

**Towards an Effective Regulatory and Supervisory Framework for Latin America.**

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #336, February 1997.

**Make or Buy? Approaches to Financial Market Integration.**

By Michael Gavin and Ricardo Hausmann. Working Paper #337, February 1997.

**How Should Financial Market Institutions and Market Be Structured? Analysis and Options for Financial System Design.**

By George G. Kaufman and Randall S. Kroszner. Working Paper #338, February 1997.

**Transition to a Functional Financial Safety Net in Latin America.**

By Peter M. Garber. Working Paper #339, February 1997.

**Financial Markets and the Behavior of Private Savings in Latin America.**

By Liliana Rojas-Suárez and Steven R. Weisbrod. Working Paper #340, February 1997.

**Capital Requirements for Latin American Banks in Relation to their Market Risks: The Relevance of the Basle 1996 Amendment to Latin America.**

By Antonio Powell and Verónica Balzarotti. Working Paper #347, May 1997.

**Entry and Exit of Banks in Latin America and the Caribbean: Public Policy Concerns and a Proposed Solution.**

By George J. Benston. Working Paper #361, August 1997.

**Debt Management: Some Reflections Based on Argentina.**

By Miguel A. Kiguel. Working Paper #364, October 1997.

**Institutional Investors, Pension Reform, and Emerging Securities Markets.**

By Hans J. Blommestein. Working Paper #359, November 1997.

**Integración financiera en América Latina (Financial Integration in Latin America).**

By Vittorio Corbo. Working Paper #360, December 1997.

**Regional Financial Market Integration: Learning from the European Experience.**

By Benn Steil. Working Paper #362, December 1997.

**Financial Liberalization and Policy Challenges.**

By Michael P. Dooley. Working Paper #363, December 1997.

**Wholesale Payments Systems and Financial Discipline, Efficiency, and Liquidity.**

By David Folkerts-Landau. Working Paper #370, January 1998.

**El margen de intermediación bancaria en Colombia.**

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**International Initiatives to Bring Stability to Financial Integration.**

By Eduardo Fernández-Arias and Ricardo Hausmann. Working Paper #402, March 1999.

**The New Wave of Capital Inflows: Sea Change or Tide?**

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**Foreign Direct Investment: Good Cholesterol?**

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By Ricardo Hausmann and Eduardo Fernández-Arias. Working Paper #428, August 2000.

**What's Wrong with International Financial Markets?**

By Eduardo Fernández-Arias and Ricardo Hausmann. Working Paper #429, August 2000.

**Hacia un envejecimiento responsable: Las reformas de los sistemas pensionales en América Latina.**

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**The Redesign of the International Financial Architecture from a Latin America Perspective: Who Pays the Bill?**

By Eduardo Fernández-Arias and Ricardo Hausmann. Working Paper #440, December 2000.

**The Importance of an Effective Legal System for Credit Markets: The Case of Argentina.**

By Marcela Cristini, Ramiro Moya, and Andrew Powell. Research Network Working Paper #428, February 2001.

**Creditor Rights and the Credit Market: Where Do We Stand?**

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**Determinants and Consequences of Financial Constraints Facing Firms in Argentina.**

By Jose Maria Fanelli, Ricardo N. Bebczuk, and Juan J. Pradelli. Research Network Working Paper #453, July 2002.

**Access to Long Term Debt and Effects on Firms' Performance: Lessons from Ecuador.**

By Fidel Jaramillo and Fabio Schiantarelli. Research Network Working Paper #460, July 2002.

**Investment Equations and Financial Restrictions at Firm Level: The Case of Uruguay.**

By Eduardo Barbieri, Julio de Brun, and Nestor Gandelman. Research Network Working Paper #462, July 2002.

**Credit, Financial Liberalization and Manufacturing Investment in Colombia.**

By María Angélica Arbeláez, and Juan José Echavarría. Research Network Working Paper #450, August 2002.

**Internal Capital Markets and Financing Choices of Mexican Firms Before and During the Financial Paralysis of 1995-2000.**

By Gonzalo Castaneda. Research Network Working Paper #451, August 2002.

**Credit Constraints in Latin America: An Overview of the Micro Evidence.**

By Arturo Galindo, and Fabio Schiantarelli. Research Network Working Paper #472, September 2002.

**Credit Frictions and "Sudden Stops" in Small Open Economies: An Equilibrium Business Cycle Framework for Emerging Markets Crises.**

By Cristina Arellano, and Enrique G. Mendoza. Working Paper #473, September 2002.

**Newsletters and Other Publications*****Infrastructure and Financial Markets Review***

The Infrastructure and Financial Markets Division publishes a quarterly review that highlights research activities and topics of current interest. It also provides information on resources on infrastructure and financial markets, such as reviews of recently released books and journals as well as interesting Internet sites. In addition, the Review lists upcoming seminars and the Division's working papers. The following articles were published:

**Clearance and Settlement...Don't Mail Your Check Without It!** By Jesse Wright. Vol. 1 No. 1, May 1995.

**Venture Capital: Equity for Capital-Starved Firms.** By Nathaniel Jackson. Vol. 1 No. 2, July 1995.

**Global Systemic Risk: Insuring Against Meltdowns.** By Jesse Wright. Vol. 1 No. 3, September 1995.

**Is it Liquidity or is it Solvency? Risks in Banking.** By Roberto Vellutini, and Kim B. Staking. Vol. 1 No. 3, September 1995.

**Policy-Based Finance: Is There a Role for Government Intervention in Financial Markets?** By Antonio Vives, and Kim B. Staking. Vol. 3 No. 2, June 1997.

**Secondary Mortgage Markets in Developing Countries: Benefits, Risks and Challenges.** By Kenroy A. Dowers. Vol. 3 No. 2, June 1997.

**Improving Financial Disclosure: A Virtuous Cycle for Promoting Investment.** By Kim B. Staking. Vol. 3 No. 3, September 1997.

**Improving Financial Disclosure Through Globally Acceptable Accounting Principles.** By Alison L. Schulz. Vol. 3 No. 3, September 1997.

**Accounting Principles: Towards an International Approach, the Mexican Case.** By Armando Murguia O'Keefe. Vol. 3 No. 3, September 1997.

**Survey Results on Western Hemisphere Financial Markets Now Available.** By Alison L. Schulz. Vol. 3 No. 4, December 1997.

**Financial Market Development: Issues and Strategies.** By Kenroy A. Dowers. Vol. 4 No. 1, April 1998.

**Local Government Ratings in Emerging Market.** By Jane Eddy, and Fred Haddard. Vol. 4 No. 2, August 1998.

**Strengthening Clearance and Settlement Systems in Latin America and the Caribbean.** By Jesse Wright, and Kenroy A. Dowers. Vol. 4 No. 3, September 1998.

**To Hedge or Not to Hedge? Is that the Question?** By Kim B. Staking. Vol. 4 No. 4, December 1998.

**Whither Risk Management.** Vol. 5 No. 1, May 1999.

**The Use of Guarantees: the Perspective of Borrowing Governments.** Vol. 5 No. 3, November 1999.

**Social Security Reform in Small Emerging Economies.** Vol. 5 No. 3, November 1999.

**Editor's Desk: Evolution of US Banking Regulation-Death of Glass-Steagall?** Vol. 5 No. 3, November 1999.

**Key Components of Global Stock Exchange Markets. Market Structure and Liquidity.** By Felipe Gomez-Acebo. Vol. 5 No. 4, December 1999.

**Reform of the Financial Disclosure Framework.** By Charles Heeter. Vol. 6 No. 1, June 2000.

**Bankable Property Rights.** By William Armstrong. Vol. 6 No. 1, June 2000.

**Development Principles for the Regulation of Securities Markets.** By Brian Gelfand. Vol. 6 No. 2, September 2000.

**Project Review: Capital Markets and Low Cost Home Ownership in Chile.** By Leonor Demori. Vol. 6 No. 2, September 2000.

**Making Capital Markets Viable in Latin America and the Caribbean.** By Kenroy Dowers, Felipe Gomez-Acebo, and Pietro Masci. Vol. 6 No. 3, December 2000.

**Strategic Alliances Among Securities Exchanges.** By Antonio Zoido. Vol. 6 No. 4.

**The Role of the Private Sector Department in the IDB's Capital Market Development Activities.** Vol. 7 No. 1, March 2001.

**Financial Market Development in Latin America and the Caribbean. Support from the IDB Group (1990-2000).** By Edgardo Demaestri, and Paul Moreno. Vol. 7 No. 1, March 2001.

**The New Basel Capital Accord Proposals.** By Gabriela Basurto, and Luis Alberto Giorgio. Vol. 7 No. 2, June 2001.

**Guidance for Developing Deposit Insurance Systems.** By Edgardo Demaestri. Vol. 7 No. 3, September 2001.

**Economic Exposures to Natural Disasters Public Policy and Alternative Risk Management Approaches.** By Torben Andersen, and Pietro Masci. Vol. 7 No. 4, December 2001.

**Conflicts of Interest Facing Securities Research Analysts: Implications for Capital Markets.** By Leslie Boni, Luis Alberto Giorgio, and Pietro Masci. Vol. 8 No. 1, March 2002.

**International Accounting Standards or United States Generally Accepted Accounting Principles for Latin America and the Caribbean?** By Ivan Sotomayor, and Pietro Masci. Vol. 8 No. 2, June 2002.

**The United Kingdom's Experience of Creating an Integrated Financial Services Regulator.** By Phillip Thorpe. Vol. 8 No. 3, September 2002.

**Can Capital Markets Meet the Financing Needs of SMEs?** By Kinga Korcsmaros. Vol. 8 No. 4, December 2002.

### *Other Publications*

**Infrastructure Finance. The Financier: Analyses of Capital and Money Market Transactions Vol. 3, No. 1, February 1996. Journal.**

This special issue of The Financier was published by the Inter-American Development Bank. It consists of papers presented at a roundtable on "Innovative Financing for Infrastructure" held in October 1995. The objective of the meeting was to examine financing issues with project sponsors and advisors, government agencies, commercial banks, law firms, rating agencies, multilateral institutions, and independent analysts.

**Economic and Social Progress in Latin America, 1996 Report.**

Chapter IV, Part II, of this publication describes and analyzes the major financial reforms undertaken since 1988 in Latin America and the Caribbean. It discusses the advantages and drawbacks of each of the financial reforms, and examines the issue of the sequencing of liberalization measures versus prudential safeguards. It also includes data on the reforms, examines the current status indicators and analyzes the relationship between the reforms and the banking crises. Finally, it takes a brief look at the trends and possible future directions for enhancing the development of financial systems in the region.

**Latin American Derivatives: Treading a Fine Line Promoting and Regulating Derivatives in Latin America.**

Edited by Jesse Wright.

In April 1996, Risk and Emerging Markets Investor magazines published a special report on the Inter-American Development Bank/International Swap Dealers Association Latin American Derivatives Conference. This special issue included most of the presentations made at the conference.

**Financial Market Development: Critical Issues and Strategies.**

By Kim Staking, Kenroy Dowers, Alison Schulz, and Silvia Sagari. Special Report, February 1998. This report assesses the status of financial systems of countries in the region. It identifies the key issues for consolidating the first generation of reforms and for launching a second generation reform agenda. It also presents the strategic approach of the Inter-American Development Bank in supporting those developments.

**Financial Market Development. Support from the Inter-American Development Bank Group. 1990-2000.**

By Edgardo Demaestri, María Antola, and Paul Moreno. Special Report, February 2001.

This publication offers a general view of the Bank Group's activities in support of financial market

development in Latin America and the Caribbean during the period 1990-2000. It presents a consolidated description of the financial and non-financial activities undertaken by the Bank Group –the Bank, the Inter-American Investment Corporation, and the Multilateral Investment Fund– and the extent to which more action is required. The report concludes with some comments on how the Bank Group expects to continue providing support in the financial sector area. Antonio Vives and Jorge Rivas (1997); and Tracy Phillips, Karin Larsen and Kim Staking (1999) prepared earlier editions of this publication.

## 5. Special Meetings

The IDB has also set up a series of meetings with high level officials to promote the exchange of experiences and ideas on the development of financial markets. Activities include meetings with chief economists from central banks and finance ministries (twice a year); consultation missions to countries that include meetings to discuss the health of the domestic financial system; and finance ministers meetings.

Recently, the Bank created the Financial Sector Regional Forum. The purpose of this Forum is to develop a regional dialogue among the financial sector regulators on the key issues for supporting financial sector development. It will promote activities directed at ensuring best practices and standards in the operations of the financial sector in the region. The first meeting of the Forum took place on September 13, 2002 in Washington, D.C. The main topic discussed during the meeting was the institutional structure of financial regulation and supervision.

## 5. Conclusion

**T**he IDB Group has actively supported the reform and deepening of financial systems in Latin America and the Caribbean. The main goals of the IDB Group in this area are to facilitate the development of efficient and integrated financial markets and to foster financial stability in order to promote sustained and more equitable economic growth in the region.

The initial work focused on financial intermediation (i.e., supporting supervisory reform, rationalizing the role of the state in the provision of financial services, and focusing central bank attention on monetary policies). Later, the IDB Group concentrated more in promoting the development of capital markets (i.e., supporting the improvement of legal and regulatory frameworks, availability of information, and strengthening of stock exchanges). Although these efforts have been successful, more needs and may be done.

As a response to the difficulties and serious costs associated with financial crises, which are being observed more frequently, the Bank will continue to support member countries in their efforts to prevent systemic crises, mitigate their negative effects, and develop and implement effective and efficient mechanisms to resolve them.

The area of capital markets is also receiving special attention. The IDB Group will continue to support work in this area in order to contribute to the process of institutional strengthening, develop financial instruments, and improve supervision. Efforts are also expected in supporting newer topics for the region, such as the development of government and corporate bond markets and improvements in the access of small and medium size enterprises to securities markets.

Additionally, further efforts are required to develop deeper, more liquid bank and nonbank financial markets. The current trend is toward the increased integration of both the provision of and the demand for financial services. The boundaries among financial services are becoming more and more blurred. This raises new issues for financial regulation and supervision in the region that will require IDB Group support.

The process of financial integration across countries and regions has also given rise to new issues and needs. This is leading the IDB Group to support new kinds of programs and financial activities. In that regard, the IDB Group will work with supervisory and regulatory institutions, self-regulatory organizations, and private sector organizations to ensure that appropriate financial standards are implemented and that the shift toward improved standards takes place in a context of harmonization and integration of financial markets. In implementing this support, the IDB Group will continue to coordinate with other bilateral and multilateral institutions supporting financial sector reform in the region.

As the process of globalization continues, more integrated financial markets will have a deeper impact on people's well-being. The challenge for the IDB Group is to provide continuous support to member countries while promoting regional cooperation and financial reforms that will lead to further development of the region's economies and the reduction of poverty.



# Annex

Table 1: Financial Sector Operations by Country (1990-2002)

No.	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Approval Date	Amount US\$'000s
1	Argentina	Global Credit Program for Small Businesses and Microenterprises	AR-0213	PR-1802	1.1	M	1991	45,000
2	Argentina	Public Sector Reform Program	AR-0215	PR-1792	1.2	B	1991	325,000
3	Argentina	Investment Sector Reform Program	AR-0059	PR-1901	1.3	B / I / P	1992	350,000
4	Argentina	Debt and Debt Service Reduction Loan	AR-0139	PR-1902	1.4	D	1992	400,000
5	Argentina	Global Multisector Credit Program	AR-0055	PR-1963	1.5	B / M	1993	300,000
6	Argentina	Provincial Banks Privatization Sector Loan	AR-0187	PR-2036	1.6	B	1995	750,000
7	Argentina	Credit Guarantee System for Small and Medium Sized Enterprises	ATN/MT-5080-AR	MIF/AT-66	1.7	B	1995	610
8	Argentina	Provincial Social Security Sector Reform	AR-0201	PR-2151	1.8	P / S	1996	320,000
9	Argentina	Municipal Reform and Development Program	AR-0250	PR-2371	1.9	S	1998	250,000
10	Argentina	Structural Adjustment Program and Strengthening of Banking Safeguards	AR-0254	PR-2370	1.10	B / I	1998	1,000,000
11	Argentina	Financial Services Sector Program	AR-0266	PR-2579	1.11	I / P / S	2001	500,000
12	Argentina	Technical Cooperation - Financial Services Sector Program	AR-0284	PR-2579	1.12	I / P / S	2001	2,000
13	Bahamas	Multisectoral Credit Program	BH-0015	PR-1882	2.1	M	1992	21,000
14	Bahamas	Program to Support Capital Markets Modernization	ATN/MT-6083-BH	MIF/AT-190	2.2	S	1998	500
15	Barbados	Investment Sector Reform Program	BA-0012	PR-2081	3.1	B / I / S	1995	35,000
16	Barbados	Strengthening of the Barbados Securities Market	ATN/MT-7090-BH	MIF/AT-349	3.2	S	2000	298
17	Bolivia	Multisector Lending Program	BO-0088	PR-1789	5.1	M	1991	80,000
18	Bolivia	Financial and Investment Sector Reform Program	BO-0110	PR-1789	5.2	P / S	1991	60,000
19	Bolivia	Global Multisectoral Credit Program II	BO-0034	PR-2016	5.3	B / M / S	1994	70,000
20	Bolivia	Structural Reforms and Capitalization Program	BO-0094	PR-2050	5.4	B / I / P	1995	70,000
21	Bolivia	Housing Policy Support Program (PROVIVIENDA)	BO-0008	PR-2291	5.5	S	1998	60,000
22	Bolivia	Strengthening of the Superintendency of Banks	ATN/MT-5946-BO	MIF/AT-169	5.6	B	1998	1,200
23	Bolivia	Capital Market Consolidation and Development Program	ATN/MT-6354-BO	MIF/AT-225	5.7	S	1999	1,150
24	Bolivia	Pension Reform Implementation	ATN/MT-6374-BO	MIF/AT-230	5.8	P	1999	1,100
25	Bolivia	Institutional Strengthening of the Office of Insurance Oversight	ATN/MT-6950-BO	MIF/AT-319	5.9	I	2000	840
26	Brazil	Global Multisectoral Credit Program I	BR-0172	PR-1731	6.1	M	1990	250,000
27	Brazil	Global Multisectoral Credit Program II	BR-0155	PR-2093	6.2	M	1995	300,000
28	Brazil	Brazilian Equity Investments III Ltd.	BR-1058A	CIU/PR-132	6.3	O	1995	5,000
29	Brazil	Global Multisectoral Financing Program III	BR-0277	PR-2316	6.4	M	1998	1,100,000
30	Brazil	Supervision of Closed Private Pension Funds	ATN/MT-5949-BR	MIF/AT-171	6.5	P	1998	1,200
31	Brazil	Global Credit Program for Small- and Medium-Sized Enterprises	BR-0310	PR-2382	6.6	M	1999	1,200,000
32	Brazil	SFI-Serviços Financeiros Imobiliários Ltda.	BR-1102A	CIU/PR-242	6.7	H	2000	1,000
33	Brazil	Brazilian Securities	BR-1099A	CIU/PR-243	6.8	H	2000	10,500
34	Brazil	Brazilian Mortgages	BR-1117A	CIU/PR-243	6.9	H	2000	200
35	Brazil	Program to Expand Markets for SMEs in Northeastern Brazil (PEM)	BR-0270	PR-2560	6.10	M	2001	150,000
36	Brazil	Support of Modernization of Pension System Management (PROPEV)	BR-0327	PR-2602	6.11	P	2001	57,000
37	Brazil	BNDES Program to Support Micro, Small- and Medium-Sized Enterprises	BR-0331	PR-2633	6.12	M	2001	900,000
38	Brazil	Brazilian Securities Companhia de Securitizacão II	BR-1099B	CIU/PR-271	6.13	O	2001	25,000
39	Brazil	Brazilian Mortgages Companhia Hipotecaria II	BR-1117B	CIU/PR-271	6.14	H	2001	15,000
40	Brazil	Modernization and Institutional Strengthening of the Comissão de Valores Mobiliários	ATN/MT-7887-BR	MIF/AT-475	6.15	S	2002	2,000
41	Chile	Investment Sector Reform Program	CH-0044	PR-1775	7.1	B / I / P / S	1991	150,000
42	Chile	Multisector Global Financing Program	CH-0157	PR-2388	7.2	M	1999	240,000
43	Chile	Delta Leasing Habitacional S.A.	CH-1069A	CIU/PR-235	7.3	H	2000	8,000

Table 1 continued

No. Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Approval Date	Amount US\$'000s
44 Colombia	Investment Sector Program	CO-0035	PR-1799	8.1	B / P / S	1991	205,000
45 Colombia	Financial Sector Reform	CO-0232	PR-2461	8.2	B	1999	300,000
46 Colombia	Colpatria Mortgage Bond Project	CO-0260	PR-2715	8.3	H / S	2002	5,200
47 Colombia	Strengthening Capital Markets	ATN/MT-7793-CO	MIF/AT-457	8.4	S	2002	1,018
48 Costa Rica	Investment Sector and Multisector Credit Programs	CR-0032	PR-1904	9.1	B / I / P / S / M	1993	170,000
49 Costa Rica	Commodity Market Exchange Support Program: BOLPRO	ATN/MT-5062-CR	MIF/AT-62	9.2	O	1995	323
50 Costa Rica	State Reform and Opening Up the Finance and Infrastructure Sectors to Private Sector	CR-0112	PR-2211	9.3	I / P / O	1997	12,650
51 Costa Rica	Support for Opening Up the Financial System to the Private Sector	ATN/MT-5643-CR	MIF/AT-135	9.4	B / I	1997	1,600
52 Costa Rica	Program to Strengthen the Capital Market	ATN/MT-5644-CR	MIF/AT-136	9.5	P / S	1997	1,600
53 Dominican Republic	Financial Sector Reform Program	DR-0016	PR-1933	10.1	B	1993	102,000
54 Dominican Republic	Commodity Market Exchange Support Program: JAD	ATN/MT-5065-DR	MIF/AT-62	10.2	O	1995	295
55 Dominican Republic	Support Program for Bank Supervision	ATN/MT-7252-DR	MIF/AT-379	10.3	B	2000	1,300
56 Ecuador	Multisectoral Global Credit Program	EC-0089	PR-1810	11.1	M	1991	102,270
57 Ecuador	Financial Sector Reform Program	EC-0043	PR-1995	11.2	B / I / P	1994	110,000
58 Ecuador	Debt and Debt-Service Reduction Program	EC-0142	PR-2015	11.3	D	1994	80,000
59 Ecuador	Compañía de Titularización Hipotecaria	EC-1027A	CI-PR-208	11.4	H	1998	5,000
60 Ecuador	Investment Sector Program	EC-0194	PR-2500	11.5	B	2000	150,000
61 Ecuador	Institutional Strengthening for Debt Management	ATN/SF-7067-EC	-	11.6	S	2000	150
62 El Salvador	Multisector Global Credit Program	ES-0086	PR-1743	12.1	B / M	1990	60,000
63 El Salvador	Investment Sector Reform Program	ES-0016	PR-1893	12.2	B / I / P / S	1992	90,000
64 El Salvador	Program for Institutional Strengthening of the Financial Sector Superintendency	ATN/MT-4471-ES	MIF/AT-5-0&1	12.3	B / I / P / S	1994	1,832
65 El Salvador	Multisectoral Global Credit-Phase II	ES-0057	PR-2065	12.4	M	1995	100,000
66 El Salvador	Commodity Market Exchange Support Program: BOLPROES	ATN/MT-5063-ES	MIF/AT-62	12.5	O	1995	686
67 El Salvador	Strengthen Financial Sector Supervision	ES-0115	PR-2384	12.6	B / I / S	1999	3,802
68 El Salvador	Support Program for the Financial Sector	ATN/MT-6400-ES	MIF/AT-237	12.7	B / I / S	1999	2,962
69 El Salvador	Support Program for the Instituto Salvadoreño del Seguro Social (ISSS)	ES-0134	PR-2504	12.8	P	2000	5,800
70 El Salvador	Housing Program	ES-0087	PR-2637	12.9	H	2001	70,000
71 El Salvador	Global Multisector Credit Program	ES-0130	PR-2657	12.10	M	2002	42,400
72 El Salvador	Strengthening of Financial and Family-Remittance Services for Low Income Groups	ATN/ME-7886-ES	MIF/AT-473	12.11	O	2002	1,500
73 Guatemala	Financial Sector Reform Program	GU-0018	PR-1948	13.1	B / I / S	1993	132,000
74 Guatemala	Support for the Development of a Securities Registry for Guatemala's Capital Markets	ATN/MT-5783-GU	MIF/AT-151	13.2	S	1997	930
75 Guatemala	Financial Sector Reform Program II	GU-0119	PR-2638	13.3	B	2002	200,000
76 Guatemala	Project to Strengthen Bank Supervision	ATN/MT-7827-GU	MIF/AT-460	13.4	B	2002	1,000
77 Guyana	Financial Sector Adjustment Program	GY-0032	PR-2056	14.1	B	1995	38,000
78 Guyana	Strengthening System of Property Rights	ATN/MT-6671-GY	MIF/AT-289	14.2	B	1999	940
79 Guyana	Technical Cooperation to Strengthen Bank Supervision	ATN/SF-7597-GY	-	14.3	B	2001	700
80 Haiti	Bankable Property Rights Reform Program	ATN/MT-5078-HA	MIF/AT-67	15.1	B	1995	650
81 Haiti	Investment Sector Loan	HA-0046	PR-2173	15.2	B	1996	52,495
82 Honduras	Multisector Global Credit Program	HO-0034	PR-1888	16.1	B / I / M / S	1992	60,000
83 Honduras	Program to Strengthen the Banking and Insurance Commission	ATN/MT-5235-HO	MIF/AT-82	16.2	B / I / S	1996	1,530
84 Honduras	Program to Strengthen the Financial Sector	ATN/MT-7240-HO	MIF/AT-375	16.3	B / I	2000	1,457
85 Honduras	Strengthening the Macroeconomic Information of the Central Bank	ATN/SF-7320-HO	-	16.4	B	2001	750
86 Honduras	Financial Preparedness for Catastrophes	ATN/SF-8025-HO	-	16.5	O	2002	150

Table 1 continued

No.	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Approval Date	Amount US\$'000s
87	Jamaica	Adjustment Program for Trade, Finance and Investment Sector	JA-0019	PR-1790	17.1	B / S	1991	76,092
88	Jamaica	Institutional Support of FINSAC	ATN/MT-5735-JA	MIF/AT-141	17.2	I	1997	1,445
89	Jamaica	Financial Sector Reform	JA-0049	PR-2509	17.3	B / I / P / S	2000	150,000
90	Jamaica	Support for Strengthening the Supervision of Non-Deposit Taking Activity	ATN/SF-7700-JA	-	17.4	I / P / S	2001	700
91	Jamaica	Supporting the Improvement of the Accounting Profession	ATN/MT-8113-JA	MIF/AT-512	17.5	O	2002	665
92	Mexico	Global Credit Program for Medium and Small Business	ME-0152	PR-1856	18.1	M	1992	250,000
93	Mexico	Corporate Strengthening of Financial Institutions Program	ME-0126	PR-2097	18.2	B / M	1995	250,000
94	Mexico	Financial Sector Restructuring Program	ME-0188	PR-2041	18.3	B / S	1995	750,000
95	Mexico	Contractual Savings Development Program	ME-0197	PR-2153	18.4	I / P / S	1996	300,000
96	Mexico	Support to the Comisión Nacional Bancaria y de Valores de México (CNVB)	ME-0059	PR-2252	18.5	B / S	1997	8,000
97	Mexico	Capital Market Development	ATN/MT-6085-ME	MIF/AT-187	18.6	S	1998	1,500
98	Mexico	Multisectoral Global Credit Program	ME-0117	PR-2491	18.7	M	2000	300,000
99	Mexico	Support Consolidation of Banking Sector Reform Program	ME-0227	PR-2490	18.8	B	2000	250,000
100	Mexico	Support for Small Farmers through PROCAMPO	ME-0213	PR-2590	18.9	O	2001	500,000
101	Mexico	Capitalization of Remittances for Local Economic Development	ATN/ME-7717-ME	MIF/AT-450	18.10	O	2001	1,115
102	Mexico	Investment of Remittances for Rural Development in Migrant's Home Economies	ATN/ME-7834-ME	MIF/AT-465	18.11	O	2002	460
103	Nicaragua	Trade and Finance Adjustment Program	NI-0012	PR-1798	19.1	B	1991	132,500
104	Nicaragua	Debt Reduction Program	NI-0082	PR-2048	19.2	D	1995	40,000
105	Nicaragua	Loan for the Strengthening of the Central Bank of Nicaragua	NI-0087	PR-2085	19.3	B	1995	3,450
106	Nicaragua	Commodity Exchange Support Program: BAGSA	ATN/MT-5064-NI	MIF/AT-62	19.4	O	1995	375
107	Nicaragua	Financial Sector Reform Program II	NI-0104	PR-2317	19.5	B	1998	65,000
108	Nicaragua	Financial Sector Reform	NI-0106	PR-2317	19.6	B	1998	765
109	Nicaragua	Capital Markets Modernization Program	ATN/MT-6157-NI	MIF/AT-199	19.7	S	1998	998
110	Nicaragua	Legal Framework of New Pension System	ATN/MT-6573-NI	MIF/AT-260-1	19.8	P	1999	1,200
111	Nicaragua	Support of the Pension System Reform	NI-0101	PR-2614	19.9	P	2001	30,000
112	Nicaragua	Support for the Superintendency of Banks and Other Financial Institutions	ATN/MT-7975-NI	MIF/AT-481	19.10	B	2002	1,238
113	Panama	External Debt and Debt-Service Reduction Program	PN-0098	PR-2094	20.1	D	1995	30,000
114	Panama	Financial Sector Reform Program	PN-0056	PR-2256	20.2	B / P / S	1997	130,130
115	Panama	Project to Strengthen the Securities Commission	ATN/MT-5785-PN	MIF/AT-154	20.3	S	1997	1,200
116	Panama	Commodity Exchange Support Program: Bolsa Agropecuaria e Industrial, S.A.	ATN/MT-6665-PN	MIF/AT-290	20.4	O	1999	482
117	Paraguay	Industrial Credit Program	PR-0065	PR-1714	21.1	O	1990	30,000
118	Paraguay	Investment Sector Program	PR-0003	PR-1894	21.2	B / I / S	1992	81,500
119	Paraguay	Global Microenterprise Credit Program	PR-0013	PR-1878	21.3	S	1992	10,000
120	Paraguay	Institutional Strengthening of the Bank Superintendency	ATN/MT-5479-PR	MIF/AT-112	21.4	B / S	1996	1,200
121	Paraguay	Insurance Industry Reform	ATN/MT-6357-PR	MIF/AT-228	21.5	I	1999	915
122	Paraguay	Strengthening of Transparency and Formalization of the Financial System	ATN/MT-7926-PR	MIF/AT-480	21.6	B	2002	641
123	Peru	Financial Sector Reform	PE-0033	PR-1832	22.1	B / I	1992	221,825
124	Peru	Multisector Credit Program	PE-0113	PR-2019	22.2	M	1994	100,000
125	Peru	Program for Citizen Participation in Privatization and Capital Market Development	ATN/MT-4909-PE	MIF/AT-42	22.3	S	1995	1,731
126	Peru	Investment Sector Reform Program	PE-0097	PR-2178	22.4	B / I	1996	150,000
127	Peru	Debt and Debt Service Reduction Program	PE-0103	PR-2155	22.5	D	1996	235,500
128	Peru	Multisector Credit Program	PE-0191	PR-2337	22.6	M / S	1998	200,000
129	Peru	Support Program for Instituto de Formación Bancaria	ATN/ME-5879-PE	MIF/AT-158	22.7	O	1998	1,300

Table 1 continued

No.	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Approval Date	Amount US\$'000s
130	Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	B//O/S/H	1999	310,900
131	Suriname	Advisory Services to the Central Bank of Suriname	ATN/SF-7914-SU	–	23.1	B	2002	100
132	Trinidad & Tobago	Investment Sector Reform Program	TT-0012	PR-1914	24.1	S	1993	80,000
133	Trinidad & Tobago	Technical Cooperation to Strengthen Bank Supervision	ATN/MT-6025-TT	MIF/AT-181	24.2	B	1998	720
134	Trinidad & Tobago	Integrated Financial Sector Supervision	ATN/MT-6983-TT	MIF/AT-327	24.3	B / I / P	2000	1,186
135	Trinidad & Tobago	Secured Transactions	ATN/MT-7064-TT	MIF/AT-339	24.4	B	2000	650
136	Trinidad & Tobago	Supporting the Improvement of the Accounting Profession	ATN/MT-8114-TT	MIF/AT-513	24.5	O	2002	665
137	Uruguay	Financial Sector Program	UR-0031	PR-1784	25.1	B	1991	151,700
138	Uruguay	Investment Sector Reform Program	UR-0057	PR-1876	25.2	B / I / P / S	1992	68,800
139	Uruguay	Multisector Global Credit Program	UR-0063	PR-1877	25.3	B / M	1992	90,000
140	Uruguay	Loan Operation to Assist the Government with Social Security	UR-0108	PR-2114	25.4	P / S	1996	150,000
141	Uruguay	Global Multisector Financing Program	UR-0021	PR-2360	25.5	M / S	1998	155,000
142	Uruguay	Capital Markets Development	ATN/MT-6098-UR	MIF/AT-194	25.6	I / S	1998	1,336
143	Uruguay	Multisector Global Financing Program III	UR-0136	PR-2674	25.7	M	2002	180,000
144	Venezuela	Financial Sector Reform Program	VE-0071	PR-1726	26.1	B / S	1990	300,000
145	Venezuela	Program to Strengthen the Financial System	VE-0101	AT-1056	26.2	B / I / S	1995	14,000
146	Venezuela	Social Security Reform	VE-0100	PR-2272	26.3	P	1998	395,000
147	Venezuela	Strengthening of the Venezuelan Agricultural Commodities Exchange (BOLPRI/AVEN)	ATN/MT-6872-VE	MIF/AT-311	26.4	O	2000	485
148	Reg.: Latin America	Financial and Securities Markets Development Program	ATN/SF-5274-RG	AT-1090	27.1	B / I / P / S	1996	850
149	Reg.: Latin America	Bank and Securities Markets Supervision Regional Training Program	ATN/MT-5855-RG	MIF/AT-140	27.2	B / S	1997	1,300
150	Reg.: Latin America	Multisector Global Credit Program	RG-0014	PR-2226	27.3	B / M / S	1997	300,000
151	Reg.: Latin America	Integrity of Financial Markets	ATN/MT-5909-RG	MIF/AT-165	27.4	B	1998	480
152	Reg.: Latin America	Implementation of Basle Core Principles	ATN/SF-6169-RG	–	27.5	B	1998	100
153	Reg.: Latin America	Financial Sector Activities and Poverty Reduction in Latin America and the Caribbean	ATN/SF-7297-RG	–	27.6	O	2000	115
154	Reg.: Latin America	Regional Financial Sector Policy Framework	ATN/SF-7464-RG	–	27.7	B / I / S	2001	150
155	Reg.: Latin America	Exchange of Know-How and Experience among Development Banks in LAC	ATN/MT-7872-RG	MIF/AT-470	27.8	O	2002	275
156	Reg.: Andean Region	Andean Development Corporation Multisector Institutional Support Program	RG-0010	PR-1951	28.1	M	1993	200,000
157	Reg.: Andean Region	Creation of a Communitarian Mechanism of Financial Deposits Reinsurance	ATN/SF-7018-RG	–	28.2	I	2000	78
158	Reg.: Central America	Central American Harmonization of Capital Markets	ATN/MT-4532-RG	MIF/AT-11	29.1	S	1994	2,900
159	Reg.: Central America	Credit Program for the Central American Bank for Economic Integration	CA-0008	PR-2196	29.2	M	1997	100,000
160	Reg.: Central America	Program for Harmonization of Public Debt Markets in Central America and Panama	ATN/MT-7357-RG	MIF/AT-397	29.3	D	2001	600
161	Reg.: Caribbean	Caribbean Harmonization of Capital Markets	ATN/MT-4690-RG	MIF/AT-16	30.1	S	1994	2,204
162	Reg.: Caribbean	Credit Program for Small Caribbean States	RG-0037	PR-2120	30.2	M	1996	37,000
163	Reg.: Caribbean	Eastern Caribbean States Capital Markets Development Program	ATN/MT-5353-RG	MIF/AT-90	30.3	S	1996	1,223
164	Reg.: Caribbean	Global Credit for Small Caribbean States	RG-0056	PR-2680	30.4	M	2002	20,000
165	Reg.: Mercosur	MERCOSUR Financial Systems Integration	ATN/SF-7032-RG	–	31.1	O	2000	150
166	Reg.: South America	Support for the Creation and Development of Financial Intelligence Units	ATN/MT-7884-RG	MIF/AT-468	32.1	B / I / S	2002	1,320
167	Reg.: South America	Training for the Financial Action Task Force on Money Laundering	ATN/MT-7968-RG	MIF/AT-489	32.2	O	2002	120
<b>TOTAL</b>								<b>18,057,922</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.

<sup>2</sup> Project Areas of Interest - B: Banking; D: Debt Reduction; H: Housing Finance; I: Insurance Markets; M: Multisectoral; P: Pension Reform; S: Securities Markets, and O: Others.

Table 2: Financial Sector Operations by Year of Approval (1990-2002)

Year of Approval	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Amount US\$'000s
1990	Brazil	Global Multisectoral Credit Program I	BR-0172	PR-1731	6.1	M	250,000
1990	El Salvador	Multisector Global Credit Program	ES-0086	PR-1743	12.1	B / M	60,000
1990	Paraguay	Industrial Credit Program	PR-0065	PR-1714	21.1	O	30,000
1990	Venezuela	Financial Sector Reform Program	VE-0071	PR-1726	26.1	B / S	300,000
						<b>Subtotal</b>	<b>640,000</b>
1991	Argentina	Global Credit Program for Small Businesses and Microenterprises	AR-0213	PR-1802	1.1	M	45,000
1991	Argentina	Public Sector Reform Program	AR-0215	PR-1792	1.2	B	325,000
1991	Bolivia	Multisector Lending Program	BO-0088	PR-1789	5.1	M	80,000
1991	Bolivia	Financial and Investment Sector Reform Program	BO-0110	PR-1789	5.2	P / S	60,000
1991	Chile	Investment Sector Reform Program	CH-0044	PR-1775	7.1	B / I / P / S	150,000
1991	Colombia	Investment Sector Program	CO-0035	PR-1799	8.1	B / P / S	205,000
1991	Ecuador	Multisectoral Global Credit Program	EC-0089	PR-1810	11.1	M	102,270
1991	Jamaica	Adjustment Program for Trade, Finance and Investment Sector	JA-0019	PR-1790	17.1	B / S	76,092
1991	Nicaragua	Trade and Finance Adjustment Program	NI-0012	PR-1798	19.1	B	132,500
1991	Uruguay	Financial Sector Program	UR-0031	PR-1784	25.1	B	151,700
						<b>Subtotal</b>	<b>1,327,562</b>
1992	Argentina	Investment Sector Reform Program	AR-0059	PR-1901	1.3	B / I / P / S	350,000
1992	Argentina	Debt and Debt Service Reduction Loan	AR-0139	PR-1902	1.4	D	400,000
1992	Bahamas	Multisectoral Credit Program	BH-0015	PR-1882	2.1	M	21,000
1992	El Salvador	Investment Sector Reform Program	ES-0016	PR-1893	12.2	B / I / P / S	90,000
1992	Honduras	Multisector Global Credit Program	HO-0034	PR-1888	16.1	B / I / M / S	60,000
1992	Mexico	Global Credit Program for Medium and Small Business	ME-0152	PR-1856	18.1	M	250,000
1992	Paraguay	Investment Sector Program	PR-0003	PR-1894	21.2	B / I / S	81,500
1992	Paraguay	Global Microenterprise Credit Program	PR-0013	PR-1878	21.3	S	10,000
1992	Peru	Financial Sector Reform	PE-0033	PR-1832	22.1	B / I	221,825
1992	Uruguay	Investment Sector Reform Program	UR-0057	PR-1876	25.2	B / I / P / S	68,800
1992	Uruguay	Multisector Global Credit Program	UR-0063	PR-1877	25.3	B / M	90,000
						<b>Subtotal</b>	<b>1,643,125</b>
1993	Argentina	Global Multi-sector Credit Program	AR-0055	PR-1963	1.5	B / M	300,000
1993	Costa Rica	Investment Sector and Multisector Credit Programs	CR-0032	PR-1904	9.1	B / I / P / S / M	170,000
1993	Dominican Republic	Financial Sector Reform Program	DR-0016	PR-1933	10.1	B	102,000
1993	Guatemala	Financial Sector Reform Program	GU-0018	PR-1948	13.1	B / I / S	132,000
1993	Trinidad & Tobago	Investment Sector Reform Program	TT-0012	PR-1914	24.1	S	80,000
1993	Reg.: Andean Region	Andean Development Corporation Multisector Institutional Support Program	RG-0010	PR-1951	28.1	M	200,000
						<b>Subtotal</b>	<b>984,000</b>
1994	Bolivia	Global Multisectoral Credit Program II	BO-0034	PR-2016	5.3	B / M / S	70,000
1994	Ecuador	Financial Sector Reform Program	EC-0043	PR-1995	11.2	B / I / P / S	110,000
1994	Ecuador	Debt and Debt-Service Reduction Program	EC-0142	PR-2015	11.3	D	80,000
1994	El Salvador	Program for Institutional Strengthening of the Financial Sector Superintendency	SATN/MT-4471-ES	MIF/AT-5	12.3	B / I / P / S	1,832
1994	Peru	Multisector Credit Program	PE-0113	PR-2019	22.2	M	100,000
1994	Reg.: Central America	Central American Harmonization of Capital Markets	ATN/MT-4532-RG	MIF/AT-11	29.1	S	2,900
1994	Reg.: Caribbean	Caribbean Harmonization of Capital Markets	ATN/MT-4690-RG	MIF/AT-16	30.1	S	2,204
						<b>Subtotal</b>	<b>366,936</b>
1995	Argentina	Provincial Banks Privatization Sector Loan	AR-0187	PR-2036	1.6	B	750,000
1995	Argentina	Credit Guarantee System for Small- and Medium Sized Enterprises	ATN/MT-5080-AR	MIF/AT-66	1.7	B	610
1995	Barbados	Investment Sector Reform Program	BA-0012	PR-2081	3.1	B / I / S	35,000

Table 2 continued

Year of Approval	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Amount US\$'000s
1995	Bolivia	Structural Reforms and Capitalization Program	BO-0094	PR-2050	5.4	B / I / P / S	70,000
1995	Brazil	Global Multisectoral Credit Program II	BR-0155	PR-2093	6.2	M	300,000
1995	Brazil	Brazilian Equity Investments III Ltd.	BR-1058A	CI/PR-132	6.3	O	5,000
1995	Costa Rica	Commodity Market Exchange Support Program: BOLPRO	ATN/MT-5062-CR	MIF/AT-62	9.2	O	323
1995	Dominican Republic	Commodity Market Exchange Support Program: JAD	ATN/MT-5065-DR	MIF/AT-62	10.2	O	295
1995	El Salvador	Multisectoral Global Credit-Phase II	ES-0057	PR-2065	12.4	M	100,000
1995	El Salvador	Commodity Market Exchange Support Program: BOLPROES	ATN/MT-5063-ES	MIF/AT-62	12.5	O	686
1995	Guyana	Financial Sector Adjustment Program	GY-0032	PR-2056	14.1	B	38,000
1995	Haiti	Bankable Property Rights Reform Program	ATN/MT-5078-HA	MIF/AT-67	15.1	B	650
1995	Mexico	Corporate Strengthening of Financial Institutions Program	ME-0126	PR-2097	18.2	B / M	250,000
1995	Mexico	Financial Sector Restructuring Program	ME-0188	PR-2041	18.3	B / S	750,000
1995	Nicaragua	Debt Reduction Program	NI-0082	PR-2048	19.2	D	40,000
1995	Nicaragua	Commodity Exchange Support Program: BAGSA	ATN/MT-5064-NI	MIF/AT-62	19.4	O	375
1995	Nicaragua	Loan for the Strengthening of the Central Bank of Nicaragua	NI-0087	PR-2085	19.3	B	3,450
1995	Panama	External Debt and Debt-Service Reduction Program	PN-0098	PR-2094	20.1	D	30,000
1995	Peru	Citizen Participation in Privatization and Capital Market Development Program	ATN/MT-4909-PE	MIF/AT-42	22.3	S	1,731
1995	Venezuela	Program to Strengthen the Financial System	VE-0101	AT-1056	26.2	B / I / S	14,000
1996	Argentina	Provincial Social Security Sector Reform	AR-0201	PR-2151	1.8	P / S	320,000
1996	Haiti	Investment Sector Loan	HA-0046	PR-2173	15.2	B	52,495
1996	Honduras	Program to Strengthen the Banking and Insurance Commission	ATN/MT-5235-HO	MIF/AT-82	16.2	B / I / S	1,530
1996	Mexico	Contractual Savings Development Program	ME-0197	PR-2153	18.4	I / P / S	300,000
1996	Paraguay	Institutional Strengthening of the Bank Superintendency	ATN/MT-5479-PR	MIF/AT-112	21.4	B / S	1,200
1996	Peru	Investment Sector Reform Program	PE-0097	PR-2178	22.4	B / I	150,000
1996	Peru	Debt and Debt Service Reduction Program	PE-0103	PR-2155	22.5	D	235,500
1996	Uruguay	Loan Operation to Assist the Government with Social Security Reform	UR-0108	PR-2114	25.4	P / S	150,000
1996	Reg.: Latin America	Financial and Securities Markets Development Program	ATN/SF-5274-RG	AT-1090	27.1	B / I / P / S	850
1996	Reg.: Caribbean	Credit Program for Small Caribbean States	RG-0037	PR-2120	30.2	M	37,000
1996	Reg.: Caribbean	Eastern Caribbean States Capital Markets Development Program	ATN/MT-5353-RG	MIF/AT-90	30.3	S	1,223
						<b>Subtotal</b>	<b>1,249,798</b>
1997	Costa Rica	State Reform and Opening Up the Finance and Infrastructure Sectors	CR-0112	PR-2211	9.3	I / P / O / S	12,650
1997	Costa Rica	Support for Opening Up the Financial System to the Private Sector	ATN/MT-5643-CR	MIF/AT-135	9.4	B / I	1,600
1997	Costa Rica	Program to Strengthen the Capital Market	ATN/MT-5644-CR	MIF/AT-136	9.5	P / S	1,600
1997	Guatemala	Support for the Development of a Securities Registry for Capital Markets	GATN/MT-5783-GU	MIF/AT-151	13.2	S	930
1997	Jamaica	Institutional Support of FINSAC	ATN/MT-5735JA-	MIF/AT-141	17.2	I	1,445
1997	Mexico	Support to the Comisión Nacional Bancaria y de Valores de México	ME-0059	PR-2252	18.5	B / S	8,000
1997	Panama	Financial Sector Reform Program	PN-0056	PR-2256	20.2	B / P / S	130,130
1997	Panama	Project to Strengthen the Securities Commission	ATN/MT-5785-PN	MIF/AT-154	20.3	S	1,200
1997	Reg.: Latin America	Bank and Securities Markets Supervision Regional Training Program	ATN/MT-5855-RG	MIF/AT-140	27.2	B / S	1,300
1997	Reg.: Latin America	Multisector Global Credit Program	RG-0014	PR-2226	27.3	B / M / S	300,000
1997	Reg.: Central America	Credit Program for the Central American Bank for Economic Integration	CA-0008	PR-2196	29.2	M	100,000
						<b>Subtotal</b>	<b>558,855</b>
1998	Argentina	Municipal Reform and Development Program	AR-0250	PR-2371	1.9	S	250,000
1998	Argentina	Structural Adjustment Program and Strengthening of Banking System	AR-0254	PR-2370	1.10	B / I	1,000,000
1998	Bahamas	Program to Support Capital Markets Modernization	ATN/MT-6083-BH	MIF/AT-190	2.2	S	500
1998	Bolivia	Housing Policy Support Program (PROVIVIENDA)	BO-0008	PR-2291	5.5	S	60,000

Table 2 continued

Year of Approval	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Amount US\$'000s
1998	Bolivia	Strengthening of the Superintendency of Banks	ATN/MT-5946-BO	MIF/AT-169	5.6	B	1,200
1998	Brazil	Global Multisectoral Financing Program III	BR-0277	PR-2316	6.4	M	1,100,000
1998	Brazil	Supervision of Closed Private Pension Funds	ATN/MT-5949-BR	MIF/AT-171	6.5	P	1,200
1998	Ecuador	Compañía de Titularización Hipotecaria	EC-1027A	CII-PR-208	11.4	H	5,000
1998	Mexico	Capital Market Development	ATN/MT-6085-ME	MIF/AT-187	18.6	S	1,500
1998	Nicaragua	Financial Sector Reform Program II	NI-0104	PR-2317	19.5	B	65,000
1998	Nicaragua	Financial Sector Reform	NI-0106	PR-2317	19.6	B	765
1998	Nicaragua	Capital Markets Modernization Program	ATN/MT-6157-NI	MIF/AT-199	19.7	S	998
1998	Peru	Multisector Credit Program	PE-0191	PR-2337	22.6	M / S	200,000
1998	Peru	Support Program for Instituto de Formación Bancaria	ATN/ME-5879-PE	MIF/AT-158	22.7	O	1,300
1998	Trinidad & Tobago	Technical Cooperation to Strengthen Bank Supervision	ATN/MT-6025-TT	MIF/AT-181	24.2	B	720
1998	Uruguay	Global Multisector Financing Program	UR-0021	PR-2360	25.5	M / S	155,000
1998	Uruguay	Capital Markets Development	ATN/MT-6098-UR	MIF/AT-194	25.6	I / S	1,336
1998	Venezuela	Social Security Reform	VE-0100	PR-2272	26.3	P	395,000
1998	Reg.: Latin America	Integrity of Financial Markets	ATN/MT-5909-RG	MIF/AT-165	27.4		480
1998	Reg.: Latin America	Implementation of Basle Core Principles	ATN/SF-6169-RG	–	27.5	B	100
						<b>Subtotal</b>	<b>3,240,099</b>
1999	Bolivia	Capital Market Consolidation and Development Program	ATN/MT-6354-BO	MIF/AT-225	5.7	S	1,150
1999	Bolivia	Pension Reform Implementation	ATN/MT-6374-BO	MIF/AT-230	5.8	P	1,100
1999	Brazil	Global Credit Program for Small- and Medium-Sized Enterprises	BR-0310	PR-2382	6.6	M	1,200,000
1999	Chile	Multisector Global Financing Program	CH-0157	PR-2388	7.2	M	240,000
1999	Colombia	Financial Sector Reform	CO-0232	PR-2461	8.2	B	300,000
1999	El Salvador	Strengthen Financial Sector Supervision	ES-0115	PR-2384	12.6	B / I / S	3,802
1999	El Salvador	Support Program for the Financial Sector	ATN/MT-6400-ES	MIF/AT-237	12.7	B / I / S	2,962
1999	Guayana	Strengthening System of Property Rights	ATN/MT-6671-GY	MIF/AT-289	14.2	B	940
1999	Nicaragua	Legal Framework of New Pension System	ATN/MT-6573-NI	MIF/AT-260	19.8	P	1,200
1999	Panama	Commodity Exchange Support Program: Bolsa Agropecuaria e Industrial, S.A.	ATN/MT-6665-PN	MIF/AT-290	20.4	O	482
1999	Paraguay	Insurance Industry Reform	ATN/MT-6357-PR	MIF/AT-228	21.5	I	915
1999	Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	B / I / O / S / H	310,900
						<b>Subtotal</b>	<b>2,063,451</b>
2000	Barbados	Strengthening of the Barbados Securities Market	ATN/MT-7090-BA	MIF/AT-349	3.2	S	298
2000	Bolivia	Institutional Strengthening of the Office of Insurance Oversight	ATN/MT-6950-BO	MIF/AT-319	5.9	I	840
2000	Brazil	SFI-Serviços Financeiros Imobiliários Ltda.	BR-1102A	CII/PR-242	6.7	H	1,000
2000	Brazil	Brazilian Securities	BR-1099A	CII/PR-243	6.8	H	10,500
2000	Brazil	Brazilian Mortgages	BR-1117A	CII/PR-243	6.9	H	200
2000	Chile	Delta Leasing Habitacional S.A.	CH-1069A	CII/PR-235	7.3	H	8,000
2000	Dominican Republic	Support Program for Bank Supervision	ATN/MT-7252-DR	MIF/AT-379	10.3	B	1,300
2000	Ecuador	Investment Sector Program	EC-0194	PR-2500	11.5	B	150,000
2000	Ecuador	Institutional Strengthening for Debt Management	ATN/SF-7067-EC	–	11.6	S	150
2000	El Salvador	Support Program for the Instituto Salvadoreño del Seguro Social (ISSS)	ES-0134	PR-2504	12.8	P	5,800
2000	Honduras	Program to Strengthen the Financial Sector	ATN/MT-7240-HO	MIF/AT-375	16.3	B / I	1,457
2000	Jamaica	Financial Sector Reform	JA-0049	PR-2509	17.3	B / I / P / S	150,000
2000	Mexico	Multisectoral Global Credit Program	ME-0117	PR-2491	18.7	M	300,000
2000	Mexico	Support Consolidation of Banking Sector Reform Program	ME-0227	PR-2490	18.8	B	250,000
2000	Trinidad & Tobago	Integrated Financial Sector Supervision	ATN/MT-6983-TT	MIF/AT-327	24.3	B / I / P	1,186
2000	Trinidad & Tobago	Secured Transactions	ATN/MT-7064-TT	MIF/AT-339	24.4	B	650

Table 2 continued

Year of Approval	Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Area <sup>2</sup>	Amount US\$ '000s
2000	Venezuela	Strengthening of the Venezuelan Agricultural Commodities Exchange (BOLPRAVEN)	ATN/MT-6872-VE	MIF/AT-311	26.4	O	485
2000	Reg.: Latin America	Financial Sector Activities and Poverty Reduction in Latin American and the Caribbean	ATN/SF-7297-RG	–	27.6	O	115
2000	Reg.: Andean Region	Creation of a Communitarian Mechanism of Financial Deposit Reinsurance	ATN/SF-7018-RG	–	28.2	I	78
2000	Reg.: Mercosur	MERCOSUR Financial Systems Integration	ATN/SF-7032-RG	–	31.1	O	150
						<b>Subtotal</b>	<b>882,209</b>
2001	Argentina	Financial Services Sector Program	AR-0266	PR-2579	1.11	I / P / S	500,000
2001	Argentina	Technical Cooperation - Financial Services Sector Program	AR-0284	PR-2579	1.12	I / P / S	2,000
2001	Brazil	Program to Expand Markets for SMEs in Northeastern Brazil (PEM)	BR-0270	PR-2560	6.10	M	150,000
2001	Brazil	Support of Modernization of Pension System Management (PROPEV)	BR-0327	PR-2602	6.11	P	57,000
2001	Brazil	BNDES Program to Support Micro, Small- and Medium-Sized Enterprises	BR-0331	PR-2633	6.12	M	900,000
2001	Brazil	Brazilian Securities Companhia de Securitizacão II	BR-1099B	CI/PR-271	6.13	O	25,000
2001	Brazil	Brazilian Mortgages Companhia Hipotecaria II	BR-1117B	CI/PR-271	6.14	H	15,000
2001	El Salvador	Housing Program	ES-0087	PR-2637	12.9	H	70,000
2001	Guyana	Technical Cooperation to Strengthen Bank Supervision	ATN/SF-7597-GY	–	14.3	B	700
2001	Honduras	Support for Strengthening the Macroeconomic Information of the Central Bank	ATN/SF-7320-HO	–	16.4	B	750
2001	Jamaica	Support for Strengthening the Supervision of Non-Deposit Taking Activity	ATN/SF-7700-JA	–	17.4	I / P / S	700
2001	Mexico	Support for Small Farmers through PROCAMPO	ME-0213	PR-2590	18.9	O	500,000
2001	Mexico	Capitalization of Remittances for Local Economic Development	ATN/ME-7717-ME	MIF/AT-450	18.10	O	1,115
2001	Nicaragua	Support of the Pension System Reform	NI-0101	PR-2614	19.9	P	30,000
2001	Reg.: Latin America	Regional Financial Sector Policy Framework	ATN/SF-7464-RG	–	27.7	B / I / S	150
2001	Reg.: Central America	Program for Harmonization of Public Debt Markets in Central America and Panama	ATN/MT-7357-RG	MIF/AT-397	29.3	D	600
						<b>Subtotal</b>	<b>2,253,015</b>
2002	Brazil	Modernization and Institutional Strengthening of the Comissão de Valores Mobiliários	ATN/MT-7887-BR	MIF/AT-475	6.15	S	2,000
2002	Colombia	Colpatria Mortgage Bond Project	CO-0260	PR-2715	8.3	H / S	5,200
2002	Colombia	Strengthening Capital Markets	ATN/MT-7793-CO	MIF/AT-457	8.4	S	1,018
2002	El Salvador	Strengthening of Financial and Family-Remittance Services for Low Income Groups	ATN/ME-7886-ES	MIF/AT-473	12.11	O	1,500
2002	El Salvador	Global Multisector Credit Program	ES-0130	PR-2657	12.10	M	42,400
2002	Guatemala	Financial Sector Reform Program II	GU-0119	PR-2638	13.3	B	200,000
2002	Guatemala	Project to Strengthen Bank Supervision	ATN/MT-7827-GU	MIF/AT-460	13.4	B	1,000
2002	Honduras	Financial Preparedness for Catastrophes	ATN/SF-8025-HO	–	16.5	O	150
2002	Jamaica	Supporting the Improvement of the Accounting Profession	ATN/MT-8113-JA	MIF/AT-512	17.5	O	665
2002	Mexico	Investment of Remittances for Rural Development in Migrant's Home Economies	ATN/ME-7834-ME	MIF/AT-465	18.11	O	460
2002	Nicaragua	Support for the Superintendency of Banks and Other Financial Institutions	ATN/MT-7975-NI	MIF/AT-481	19.10	B	1,238
2002	Paraguay	Strengthening of Transparency and Formalization of the Financial System	ATN/MT-7926-PR	MIF/AT-480	21.6	B	641
2002	Suriname	Advisory Services to the Central Bank of Suriname	ATN/SF-7914-SU	–	23.1	B	100
2002	Trinidad & Tobago	Supporting the Improvement of the Accounting Profession	ATN/MT-8114-TT	MIF/AT-513	24.5	O	665
2002	Uruguay	Multisector Global Financing Program III	UR-0136	PR-2674	25.7	M	180,000
2002	Reg.: Latin America	Exchange of Know-How and Experience among Development Bank in LAC	ATN/MT-7872-RG	MIF/AT-470	27.8	O	275
2002	Reg.: Caribbean	Global Credit for Small Caribbean States	RG-0056	PR-2680	30.4	M	20,000
2002	Reg.: South America	Support for the Creation and Development of Financial Intelligence Units	ATN/MT-7884-RG	MIF/AT-468	32.1	B / I / S	1,320
2002	Reg.: South America	The Financial Action Task Force on Money Laundering Training Program	ATN/MT-7968-RG	MIF/AT-489	32.2	O	120
						<b>Subtotal</b>	<b>458,752</b>
						<b>TOTAL</b>	<b>18,057,922</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.<sup>2</sup> Project Areas of Interest - B: Banking; D: Debt Reduction; H: Housing Finance; I: Insurance Markets; M: Multisectoral; P: Pension Reform; S: Securities Markets, and O: Others.

**Table 3: Financial Sector Operations by Area of Interest Banking (B)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Activities <sup>2</sup>	Approval Date	Amount US\$'000
Argentina	Public Sector Reform Program	AR-0215	PR-1792	1.2	BS / LR / PN / PT	1991	325,000
Argentina	Investment Sector Reform Program	AR-0059	PR-1901	1.3	BS / PT / SP	1992	350,000
Argentina	Global Multi-sector Credit Program	AR-0055	PR-1963	1.5	AD / SP	1993	300,000
Argentina	Provincial Banks Privatization Sector Loan	AR-0187	PR-2036	1.6	BR / LR	1995	750,000
Argentina	Credit Guarantee System for Small and Medium Sized Enterprises	ATN/MT-5080-AR	MIF/AT-66	1.7	LR / SP	1995	610
Argentina	Structural Program and Strengthening of Banking System Safeguards	AR-0254	PR-2370	1.10	AD / LR / PN / SP / CB	1998	1,000,000
Barbados	Investment Sector Reform Program	BA-0012	PR-2081	3.1	BR / LR / PN	1995	35,000
Bolivia	Global Multisectoral Credit Program II	BO-0034	PR-2016	5.3	AD / BS / SP	1994	70,000
Bolivia	Structural Reforms and Capitalization Program	BO-0094	PR-2050	5.4	LR / PN / SP	1995	70,000
Bolivia	Strengthening of the Superintendency of Banks	ATN/MT-5946-BO	MIF/AT-169	5.6	AD / BS / LR / PN / PT / SP	1998	1,200
Chile	Investment Sector Reform Program	CH-0044	PR-1775	7.1	BS / PN / SP	1991	150,000
Colombia	Investment Sector Program	CO-0035	PR-1799	8.1	AD / PN	1991	205,000
Colombia	Financial Sector Reform	CO-0232	PR-2461	8.2	BS / LR / PT	1999	300,000
Costa Rica	Investment Sector Reform Program	CR-0032	PR-1904	9.1	BS / PN / PT	1993	100,000
Costa Rica	Support for Opening Up the Financial System to the Private Sector	ATN/MT-5643-CR	MIF/AT-135	9.4	AD / BR / BS / PN / PT / SP	1997	1,600
Dominican Republic	Financial Sector Reform Program (FSRP)	DR-0016	PR-1933	10.1	BS / LR / PN / PT / SP	1993	102,000
Dominican Republic	Support Program for Bank Supervision	ATN/MT-7252-DR	MIF/AT-379	10.3	BS / LR / PN / PT / SP	2000	1,300
Ecuador	Financial Sector Reform Program	EC-0043	PR-1995	11.2	PN / PT	1994	110,000
Ecuador	Investment Sector Program	EC-0194	PR-2500	11.5	BS / SP	2000	150,000
El Salvador	Multisector Global Credit Program	ES-0086	PR-1743	12.1	LR	1990	60,000
El Salvador	Investment Sector Reform Program	ES-0016	PR-1893	12.2	BS / PN / PT / SP	1992	90,000
El Salvador	Institutional Strengthening of Financial Sector Superintendency	ATN/MT-4471-ES	MIF/AT-5-0&1	12.3	BS / LR / PN / PT / SP	1994	1,832
El Salvador	Strengthen Financial Sector Supervision	ES-0115	PR-2384	12.6	AD / BS / LR / PN / PT / SP	1999	3,802
El Salvador	Support Program for the Financial Sector	ATN/MT-6400-ES	MIF/AT-237	12.7	AD / BS / LR / PN / PT / SP	1999	2,962
Guatemala	Financial Sector Reform Program	GU-0018	PR-1948	13.1	BS / LR / PN / PT / SP	1993	132,000
Guatemala	Financial Sector Reform Program II	GU-0119	PR-2638	13.3	BS / LR / SP	2002	200,000
Guatemala	Project to Strengthen Bank Supervision	ATN/MT-7827-GU	MIF/AT-460	13.4	AD / BS / LR / SP	2002	1,000
Guyana	Financial Sector Adjustment Program	GY-0032	PR-2056	14.1	LR	1995	38,000
Guyana	Strengthening System of Property Rights	ATN/MT-6671-GY	MIF/AT-289	14.2	LR	1999	940
Guyana	Technical Cooperation to Strengthen Bank Supervision	ATN/SF-7597-GY	-	14.3	BS / LR / PN / SP	2001	700
Haiti	Bankable Property Rights Reform Program	ATN/MT-5078-HA	MIF/AT-67	15.1	LR	1995	650
Haiti	Investment Sector Loan	HA-0046	PR-2173	15.2	LR	1996	52,495
Honduras	Multisector Global Credit Program	HO-0034	PR-1888	16.1	BS / PN / PT / SP	1992	60,000
Honduras	Program to Strengthen the Banking and Insurance Commission	ATN/MT-5235-HO	MIF/AT-82	16.2	BS / LR / PN / PT / SP	1996	1,530
Honduras	Program to Strengthen the Financial Sector	ATN/MT-7240-HO	MIF/AT-375	16.3	LR / PT	2000	1,457
Honduras	Strengthening the Macroeconomic Information of the Central Bank	ATN/SF-7320-HO	-	16.4	CB	2001	750
Jamaica	Adjustment Program for Trade, Finance and Investment Sector	JA-0019	PR-1790	17.1	LR / PN / PT / SP	1991	76,092

Table 3 continued  
Banking (B)

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Activities <sup>2</sup>	Approval Date	Amount US\$'000
Jamaica	Financial Sector Reform	JA-0049	PR-2509	17.3	BR / LR / PT / SP	2000	150,000
Mexico	Corporate Strengthening of Financial Institutions Program	ME-0126	PR-2097	18.2	BR	1995	250,000
Mexico	Financial Sector Restructuring Program	ME-0188	PR-2041	18.3	AD / BR / BS / PN / PT	1995	750,000
Mexico	Support to the Comisión Nacional Bancaria y de Valores	ME-0059	PR-2252	18.5	LR / SP	1997	8,000
Mexico	Support Consolidation of Banking Sector Reform Program	ME-0227	PR-2490	18.8	AD / BR / LR / PN	2000	250,000
Nicaragua	Trade and Finance Adjustment Program	NI-0012	PR-1798	19.1	LR	1991	132,500
Nicaragua	Loan for the Strengthening of the Central Bank of Nicaragua	NI-0087	PR-2085	19.3	LR / CB	1995	3,450
Nicaragua	Financial Sector Reform Program II	NI-0104	PR-2317	19.5	LR / SP	1998	65,000
Nicaragua	Financial Sector Reform	NI-0106	PR-2317	19.6	LR	1998	765
Nicaragua	Support for the Superintendency of Banks and Other Financial Institutions	ATN/MT-7975-NI	MIF/AT-481	19.10	AD / BS / LR / PT / SP	2002	1,238
Panama	Financial Sector Reform Program	PN-0056	PR-2256	20.2	AD / BR / LR / SP	1997	130,130
Paraguay	Investment Sector Program	PR-0003	PR-1894	21.2	AD / BS / LR / PN / SP	1992	81,500
Paraguay	Institutional Strengthening of the Bank Superintendency	ATN/MT-5479-PR	MIF/AT-112	21.4	AD / LR / PN / PT	1996	1,200
Paraguay	Transparency and Formalization of the Financial System	ATN/MT-7926-PR	MIF/AT-480	21.6	AD / LR / PN / PT / SP	2002	641
Peru	Financial Sector Reform	PE-0033	PR-1832	22.1	BS / PN / PT	1992	221,825
Peru	Investment Sector Reform Program	PE-0097	PR-2178	22.4	BS / LR	1996	150,000
Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	AD / LR / PN / PT / SP	1999	310,900
Suriname	Advisory Services to the Central Bank of Suriname	ATN/SF-7914-SU	–	23.1	CB	2002	100
Trinidad & Tobago	Technical Cooperation to Strengthen Bank Supervision	ATN/MT-6025-TT	MIF/AT-181	24.2	PT	1998	720
Trinidad & Tobago	Integrated Financial Sector Supervision	ATN/MT-6983-TT	MIF/AT-327	24.3	BS / SP	2000	1,186
Trinidad & Tobago	Secured Transactions	ATN/MT-7064-TT	MIF/AT-339	24.4	LR	2000	650
Uruguay	Financial Sector Program	UR-0031	PR-1784	25.1	BS / LR / PN / PT / SP	1991	151,700
Uruguay	Investment Sector Reform Program	UR-0057	PR-1876	25.2	LR	1992	68,800
Uruguay	Multisector Global Credit Program	UR-0063	PR-1877	25.3	PN / SP	1992	90,000
Venezuela	Financial Sector Reform Program	VE-0071	PR-1726	26.1	CB / LR / PN / SP	1990	300,000
Venezuela	Program to Strengthen the Financial System	VE-0101	AT-1056	26.2	BS / LR / PN / SP	1995	14,000
Reg: Latin America	Financial and Securities Markets Development Program	ATN/SF-5274-RG	AT-1090	27.1	AD / BS / PN / PT / SP	1996	850
Reg: Latin America	Bank and Securities Markets Supervision Regional Training Program	ATN/MT-5855-RG	MIF/AT-140	27.2	PT	1997	1,300
Reg: Latin America	Multisector Global Credit Program	RG-0014	PR-2226	27.3	BS	1997	300,000
Reg: Latin America	Integrity of Financial Markets	ATN/MT-5909-RG	MIF/AT-165	27.4	LR	1998	480
Reg: Latin America	Implementation of Basle Core Principles	ATN/SF-6169-RG	–	27.5	PN	1998	100
Reg: Latin America	Regional Financial Sector Policy Framework	ATN/SF-7464-RG	–	27.7	AD / BS / LR / SP	2001	150
Reg: South America	Creation of Financial Intelligence Units	ATN/MT-7884-RG	MIF/AT-468	32.1	BS / LR / PT / SP	2002	1,320
					<b>TOTAL</b>		<b>8,184,425</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.<sup>2</sup> Main Activities considered in the project - AD: Auditing and Disclosure of Information-Transparency; BR: Banking Restructuring; BS: Banking Superintendency Restructuring; CB: Central Bank; LR: Legal and Regulatory Framework; PN: Prudential Norms; PT: Professional Training; and SP: Supervision Procedures Oversight and Enforcement.

Table 3: Financial Sector Operations by Area of Interest  
Securities Markets (\$)

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Activities <sup>2</sup>	Approval Date	Amount US\$'000
Argentina	Investment Sector Reform Program	AR-0059	PR-1901	1.3	LR	1992	350,000
Argentina	Provincial Social Security Sector Reform	AR-0201	PR-2151	1.8	MD	1996	320,000
Argentina	Municipal Reform and Development Program	AR-0250	PR-2371	1.9	MD	1998	250,000
Argentina	Structural Adjustment Progr. and Strengthening of Banking System Safeguard	AR-0266	PR-2579	1.11	AD / CS / LR / PT / SP	2001	500,000
Argentina	Technical Cooperation - Financial Services Sector Program	AR-0284	PR-2579	1.12	AD / CS / LR / PT / SP	2001	2,000
Bahamas	Program to Support Capital Markets Modernization	ATN/MT-6083-BH	MIF/AT-190	2.2	NS / PT / SP	1998	500
Barbados	Investment Sector Reform Program	BA-0012	PR-2081	3.1	MD / PN / SP	1995	35,000
Barbados	Strengthening of the Barbados Securities Market	ATN/MT-7090-BA	MIF/AT-349	3.2	LR / NS	2000	298
Bolivia	Financial and Investment Sector Reform Program	BO-0110	PR-1789	5.2	LR / NS	1991	60,000
Bolivia	Global Multisectoral Credit Program II	BO-0034	PR-2016	5.3	CS / MD	1994	70,000
Bolivia	Structural Reforms and Capitalization Program	BO-0094	PR-2050	5.4	AD / MD / LR	1995	70,000
Bolivia	Housing Policy Support Program (PROVIVIENDA)	BO-0008	PR-2291	5.5	LR	1998	60,000
Bolivia	Capital Market Consolidation and Development	ATN/MT-6354-BO	MIF/AT-225	5.7	AD / NS / PN	1999	1,150
Brazil	Institutional Strengthening of the Comissão de Valores Mobiliários	ATN/MT-7887	MIF/AT-475	6.15	AD / LR / NS / SP	2002	2,000
Chile	Investment Sector Reform Program	CH-0044	PR-1775	7.1	LR / NS / PN	1991	150,000
Colombia	Investment Sector Program	CO-0035	PR-1799	8.1	MD	1991	205,000
Colombia	Colpatria Mortgage Bond Project	CO-0260	PR-2715	8.3	LR	2002	5,200
Colombia	Strengthening Capital Markets	ATN/MT-7793-CO	MIF/AT-457	8.4	CS / PN	2002	1,018
Costa Rica	Investment Sector Reform Program	CR-0032	PR-1904	9.1	CS / LR / MD	1993	100,000
Costa Rica	State Reform and Opening Up the Finance and Infrastructure Sectors	CR-0112	PR-2211	9.3	PN / PT / SP	1997	12,650
Costa Rica	Program to Strengthen the Capital Market	ATN/MT-5644-CR	MIF/AT-136	9.5	CS / LR / MD / NS / PN / PT	1997	1,600
Ecuador	Financial Sector Reform Program	EC-0043	PR-1995	11.2	LR / SP	1994	110,000
Ecuador	Institutional Strengthening for Debt Management	ATN/SF-7067-EC	-	11.6	MD	2000	150
El Salvador	Investment Sector Reform Program	ES-0016	PR-1893	12.2	LR	1992	90,000
El Salvador	Program for Institutional Strengthening of the Financial Sector Superintendency	ATN/MT-4471-ES	MIF/AT-5-0&1	12.3	LR / NS / PT / SP	1994	1,832
El Salvador	Strengthen Financial Sector Supervision	ES-0115	PR-2384	12.6	AD / LR / NS / PN / PT / SP	1999	3,802
El Salvador	Support Program for the Financial Sector	ATN/MT-6400-ES	MIF/AT-237	12.7	AD / LR / NS / PN / PT / SP	1999	2,962
Guatemala	Financial Sector Reform Program	GU-0018	PR-1948	13.1	LR / SP	1993	132,000
Guatemala	Development of a Securities Registry for Guatemala's Capital Markets	ATN/MT-5783-GU	MIF/AT-151	13.2	LR / PT / SP	1997	930
Honduras	Multisector Global Credit Program	HO-0034	PR-1888	16.1	AD	1992	60,000
Honduras	Program to Strengthen the Banking and Insurance Commission	ATN/MT-5235-HO	MIF/AT-82	16.2	LR	1996	1,530
Jamaica	Adjustment Program for Trade, Finance and Investment Sector	JA-0019	PR-1790	17.1	LR / PN / PT / SP	1991	76,092
Jamaica	Financial Sector Reform	JA-0049	PR-2509	17.3	LR / NS / PT	2000	150,000
Jamaica	Strengthening the Supervision of Non-Deposit Taking Activity	ATN/SF-7700-JA	-	17.4	AD / LR / NS / PN / PT / SP	2001	700
Mexico	Financial Sector Restructuring Program	ME-0188	PR-2041	18.3	AD / PN / SP	1995	750,000
Mexico	Contractual Savings Development Program	ME-0197	PR-2153	18.4	LR / PN / PT	1996	300,000

**Table 3 continued**  
**Securities Markets (\$)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Activities <sup>2</sup>	Approval Date	Amount US\$'000
Mexico	Support to the Comisión Nacional Bancaria y de Valores de México	ME-0059	PR-2252	18.5	AD / CS / LR / PN	1997	8,000
Mexico	Capital Market Development	ATN/MT-6085-ME	MIF/AT-187	18.6	AD / CS / LR / NS / PN	1998	1,500
Nicaragua	Capital Markets Modernization Program	ATN/MT-6157-NI	MIF/AT-199	19.7	LR / MD / NS	1998	998
Panama	Financial Sector Reform Program	PN-0056	PR-2256	20.2	AD / LR / MD / SP	1997	130 130
Panama	Project to Strengthen the Securities Commission	ATN/MT-5785-PN	MIF/AT-154	20.3	NS / PT / SP	1997	1,200
Paraguay	Investment Sector Program	PR-0003	PR-1894	21.2	AD / LR / MD / NS / PN / SP	1992	81,500
Paraguay	Global Microenterprise Credit Program	PR-0013	PR 1878	21.3	LR / MD / PT	1992	10,000
Peru	Program for Citizen Participation in Privatization and Capital Market Dev.	ATN/MT-4909-PE	MIF/AT-42	22.3	AD / CS / LR / NS / PN / PT / SP	1995	1,731
Peru	Multisector Credit Program	PE-0191	PR-2337	22.6	MD	1998	200 000
Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	LR / NS / PT	1999	310 900
Trinidad & Tobago	Investment Sector Reform Program	TT-0012	PR-1914	24.1	AD / LR / NS / SP	1993	80,000
Uruguay	Investment Sector Reform Program	UR-0057	PR-1876	25.2	AD / CS / LR / MD / NS / PN / SP	1992	68 800
Uruguay	Loan Operation to Assist the Government with Social Security Reform	UR-0108	PR-2114	25.4	MD	1996	150 000
Uruguay	Global Multisector Financing Program	UR-0021	PR-2360	25.5	LR / MD / SP	1998	155 000
Uruguay	Capital Markets Development	ATN/MT-6098-UR	MIF/AT-194	25.6	LR / MD / NS / PN / PT / SP	1998	1,336
Venezuela	Financial Sector Reform Program	VE-0071	PR-1726	26.1	SP	1990	300 000
Venezuela	Program to Strengthen the Financial System	VE-0101	AT-1056	26.2	LR / NS / PN / SP	1995	850
Reg.: Latin America	Financial and Securities Markets Development Program	ATN/SF-5274-RG	AT-1090	27.1	AD / PN / PT	1996	
Reg.: Latin America	Bank and Securities Markets Supervision Regional Training Program	ATN/MT-5855-RG	MIF/AT-140	27.2	PT	1997	1,300
Reg.: Caribbean	Multisector Global Credit Program	RG-0014	PR- 2226	27.3	MD	1997	300,000
Reg.: Latin America	Regional Financial Sector Policy Framework	ATN/SF-7464-RG	–	27.7	AD / LR / NS / SP	2001	150
Reg.: Central America	Central American Harmonization of Capital Markets	ATN/MT-4532-RG	MIF/AT-11	29.1	CS / LR	1994	2,900
Reg.: Central America	Harmonization of Public Debt Markets in Central America and Panama	ATN/MT-7357-RG	MIF/AT-397	29.3		2001	600
Reg.: Caribbean	Caribbean Harmonization of Capital Markets	ATN/MT-4691-RG	MIF/AT-16	30.1	CS / LR	1994	2,204
Reg.: Caribbean	Eastern Caribbean States Capital Markets Development Program	ATN/MT-5353-RG	MIF/AT-90	30.3	LR	1996	1,223
Reg.: South America	Creation and Development of Financial Intelligence Units	ATN/MT-7884-RG	MIF/AT-468	32.1	LR / NS / PT / SP	2002	1,320
					<b>TOTAL</b>		<b>5,702,056</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.<sup>2</sup> Main Activities considered in the project - AD: Auditing and Disclosure of Information-Transparency; CB: Central Bank; CS: Clearance & Settlement; LR: Legal and Regulatory Framework; NS: National Securities Commission and/or Oversight Agency; PN: Prudential Norms/Risks Management; PT: Professional Training; and SP: Supervision Procedures Oversight and Enforcement.

**Table 3: Financial Sector Operations by Area of Interest Insurance Markets (I)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Activities <sup>2</sup>	Approval Date	Amount US\$'000
Argentina	Investment Sector Reform Program	AR-0059	PR-1901	1.3	IS / SP	1992	350,000
Argentina	Special Structural Adjustment Program and Strengthening of Banking System Safeguards	AR-0254	PR-2370	1.10	AD / FI / LR / PN / S	1998	1,000,000
Argentina	Financial Investment Sector Reform Program	AR-0266	PR-2579	1.11	LR / PN	2001	500,000
Argentina	Technical Cooperation - Financial Services Sector Program	AR-0284	PR-2579	1.12	LR / PN	2001	2,000
Barbados	Investment Sector Reform Program	BA-0012	PR-2081	3.1	LR / PN	1995	35,000
Bolivia	Structural Reforms and Capitalization Program	BO-0094	PR-2050	5.4	SP	1995	70,000
Bolivia	Institutional Strengthening of the Office of Insurance Oversight	ATN/MT-6950-BO	MIF/AT-319	5.9	SP	2000	840
Chile	Investment Sector Reform Program	CH-0044	PR-1775	7.1	IS	1991	150,000
Costa Rica	Investment Sector Reform Program	CR-0032	PR-1904	9.1	SP	1993	100,000
Costa Rica	Deepening State Reform and Opening Up the Finance and Infrastructure Sectors	CR-0112	PR-2211	9.3	IS	1997	12,650
Costa Rica	Support for Opening Up the Financial System to the Private Sector	ATN/MT-5643-CR	MIF/AT-135	9.4	AD / FI / IS / LR / P	1997	1,600
Ecuador	Financial Sector Reform Program	EC-0043	PR-1995	11.2	LR / PN	1994	110,000
El Salvador	Investment Sector Reform Program	ES-0016	PR-1893	12.2	IS / SP	1992	90,000
El Salvador	Program for Institutional Strengthening of the Financial Sector Superintendency	ATN/MT-4471-ES	MIF/AT-5-0&1	12.3	FI / IS / LR / SP	1994	1,832
El Salvador	Strengthen Financial Sector Supervision	ES-0115	PR-2384	12.6	IS / LR / PN / SP	1999	3,802
El Salvador	Support Program for the Financial Sector	ATN/MT-6400-ES	MIF/AT-237	12.7	IS / LR / PN / SP	1999	2,962
Guatemala	Financial Sector Reform Program	GU-0018	PR-1948	13.1	IS / LR	1993	132,000
Honduras	Multisector Global Credit Program	HO-0034	PR-1888	16.1	AD	1992	60,000
Honduras	Program to Strengthen the Banking and Insurance Commission	ATN/MT-5235-HO	MIF/AT-82	16.2	FI / IS / LR / SP	1996	1,530
Honduras	Program to Strengthen the Financial Sector	ATN/MT-7240-HO	MIF/AT-375	16.3	FI / IS / LR / SP	2000	1,457
Jamaica	Institutional Support of FINSAC	ATN/MT-5735-JA	MIF/AT-141	17.2	SP	1997	1,445
Jamaica	Financial Sector Reform	JA-0049	PR-2509	17.3	IS / SP	2000	150,000
Jamaica	Support for Strengthening the Supervision of Non-Deposit Taking Activity	ATN/SF-7700-JA	–	17.4	AD / IS / LR / PN / SP	2001	700
Mexico	Contractual Savings Development Program	ME-0197	PR-2153	18.4	LR	1996	300,000
Paraguay	Investment Sector Program	PR-0003	PR-1894	21.2	LR	1992	81,500
Paraguay	Insurance Industry Reform	ATN/MT-6357-PR	MIF/AT-228	21.5	AD / IS / PN / SP	1999	915
Peru	Financial Sector Reform	PE-0033	PR-1832	22.1	IS / PN	1992	221,825
Peru	Investment Sector Reform Program	PE-0097	PR-2178	22.4	IS / LR	1996	150,000
Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	IS / SP	1999	310,900
Trinidad & Tobago	Integrated Financial Sector Supervision	ATN/MT-6983-TT	MIF/AT-327	24.3	IS / LR / SP	2000	1,186
Uruguay	Investment Sector Reform Program	UR-0057	PR-1876	25.2	AD / LR / PN / SP	1992	68,800
Uruguay	Capital Markets Development	ATN/MT-6098-UR	MIF/AT-194	25.6	IS / LR / PN / SP	1998	1,336
Venezuela	Program to Strengthen the Financial System	VE-0101	PR-1056	26.2	FI / IS / LR / PN / S	1995	14,000
Reg: Latin America	Financial and Securities Markets Development Program	ATN/SF-5274-RG	AT-1090	27.1	IS / PN / SP	1996	850
Reg: Latin America	Regional Financial Sector Policy Framework	ATN/SF-7464-RG	–	27.7	AD / IS / LR / SP	2001	150
Reg: Andean Region	Creation of a Communitarian Mechanism of Financial Deposits Reinsurance	ATN/SF-7018-RG	–	28.2	LR	2000	78
Reg: South America	Support for the Creation and Development of Financial Intelligence Units	ATN/MT-7884-RG	MIF/AT-468	32.1	FI / IS / LR / SP	2002	1,320
					<b>TOTAL</b>		<b>3,930,678</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.<sup>2</sup> Main activities considered in the project - AD: Auditing and Disclosure of Information-Transparency; FI: Financial Information Systems; IS: Insurance Superintendency Restructuring or Institutional Structure; LR: Legal and Regulatory Framework; PN: Prudential Norms; and SP Supervision Procedures Oversight and Enforcement.

**Table 3: Financial Sector Operations by Area of Interest  
Pension Reform (P)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Approval Date	Amount US\$'000
Argentina	Investment Sector Reform Program	AR-0059	PR-1901	1.3	1992	350,000
Argentina	Provincial Social Security Sector Reform	AR-0201	PR-2151	1.8	1996	320,000
Argentina	Special Structural Adjustment Program and Strengthening of Banking System Safeguards	AR-0266	PR-2579	1.1	2001	500,000
Argentina	Technical Cooperation - Financial Services Sector Program	AR-0284	PR-2579	1.12	2001	2,000
Bolivia	Financial and Investment Sector Reform Program	BO-0110	PR-1789	5.2	1991	60,000
Bolivia	Structural Reforms and Capitalization Program	BO-0094	PR-2050	5.4	1995	70,000
Bolivia	Pension Reform Implementation	ATN/MT-6374-BO	MIF/AT-230	5.8	1999	1,100
Brazil	Supervision of Closed Private Pension Funds	ATN/MT-5949-BR	MIF/AT-171	6.5	1998	1,200
Brazil	Support of Modernization of Pension System Management (PROPEV)	BR-0327	PR-2602	6.11	2001	57,000
Chile	Investment Sector Reform Program	CH-0044	PR-1775	7.1	199	150,000
Colombia	Investment Sector Program	CO-0035	PR-1799	8.1	1991	205,000
Costa Rica	Investment Sector Reform Program	CR-0032	PR-1904	9.1	1993	100,000
Costa Rica	Deepening State Reform and Opening Up the Finance and Infrastructure Sectors to Private Enterprise	CR-0112	PR-2211	9.3	1997	12,650
Costa Rica	Program to Strengthen the Capital Market	ATN/MT-5644-CR	MIF/AT-136	9.5	1997	1,600
Ecuador	Financial Sector Reform Program	EC-0043	PR-1995	11.2	1994	110,000
El Salvador	Investment Sector Reform Program	ES-0016	PR-1893	12.2	1992	90,000
El Salvador	Program for Institutional Strengthening of the Financial Sector Superintendency (SSF)	ATN/MT-4471-ES	MIF/AT-5-0&1	12.3	1994	1,832
El Salvador	Support Program for the Instituto Salvadoreño del Seguro Social (ISSS)	ES-0134	PR-2504	12.8	2000	5,800
Jamaica	Financial Sector Reform	JA-0049	PR-2509	17.3	2000	150,000
Jamaica	Support for Strengthening the Supervision of Non-Deposit Taking Activity	ATN/SF-7700-JA	PR-2153	17.4	2001	700
Mexico	Contractual Savings Development Program	ME-0197	PR-2153	18.4	1996	300,000
Nicaragua	Legal Framework of New Pension System	ATN/MT-6573-NI	MIF/AT-260-1	19.8	1999	1,200
Nicaragua	Support of the Pension System Reform	NI-0101	PR-2614	19.9	2001	30,000
Panama	Financial Sector Reform Program	PN-0056	PR-2256	20.2	1997	130,130
Trinidad & Tobago	Integrated Financial Sector Supervision	ATN/MT-6983-TT	MIF/AT-327	24.3	2000	1,186
Uruguay	Investment Sector Reform Program	UR-0057	PR-1876	25.2	1992	68,800
Uruguay	Loan Operation to Assist the Government with Social Security Reform	UR-0108	PR-2114	25.4	1996	150,000
Venezuela	Social Security Reform	VE-0100	PR-2272	26.3	1998	395,000
Reg: Latin America	Financial and Securities Markets Development Program	ATN/SF-5274-RG	AT-1090	27.1	1996	850
				<b>TOTAL</b>		<b>3,266,048</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.

**Table 3: Financial Sector Operations by Area of Interest  
Multisectoral Programs (M)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Approval Date	Amount US\$'000
Argentina	Global Credit Program for Small Business and Microenterprise	AR-0213	PR-1802	1.1	1991	45,000
Argentina	Global Multi-sector Credit Program	AR-0055	PR-1963	1.5	1993	300,000
Bahamas	Multisectoral Credit Program	BH-0015	PR-1882	2.1	1992	21,000
Bolivia	Multisector Lending Program	BO-0088	PR-1789	5.1	1991	80,000
Bolivia	Global Multisectoral Credit Program II	BO-0034	PR-2016	5.3	1994	70,000
Brazil	Global Multisectoral Credit Program I	BR-0172	PR-1731	6.1	1990	250,000
Brazil	Global Multisectoral Credit Program II	BR-0155	PR-2093	6.2	1995	300,000
Brazil	Global Multisectoral Financing Program III	BR-0277	PR-2316	6.4	1998	1,100,000
Brazil	Global Credit Program for Small- and Medium-Sized Enterprises	BR-0310	PR-2382	6.6	1999	1,200,000
Brazil	Program to Expand Markets for SMEs in Northeastern Brazil (PEM)	BR-0270	PR-2560	6.10	2001	150,000
Brazil	BNDES Program to Support Micro, Small- and Medium-Sized Enterprises	BR-0331	PR-2633	6.12	2001	900,000
Chile	Multisector Global Financing Program	CH-0157	PR-2388	7.2	1999	240,000
Costa Rica	Multisector Credit Program	CR-0032	PR-1904	9.1	1993	70,000
Ecuador	Multisectoral Global Credit Program	EC-0089	PR-1810	11.1	1991	102,270
El Salvador	Multisector Global Credit Program	ES-0086	PR-1743	12.1	1990	60,000
El Salvador	Multisectoral Global Credit-Phase II	ES-0057	PR-2065	12.4	1995	100,000
El Salvador	Global Multisector Credit Program	ES-0130	PR-2657	12.10	2002	42,400
Honduras	Multisector Global Credit Program	HO-0034	PR-1888	16.1	1992	60,000
Mexico	Global Credit Program for Small and Medium Businesses	ME-0152	PR-1856	18.1	1992	250,000
Mexico	Corporate Strengthening of Financial Institutions Program	ME-0126	PR-2097	18.2	1995	250,000
Mexico	Multisectoral Global Credit Program	ME-0117	PR-2491	18.7	2000	300,000
Peru	Multisector Credit Program	PE-0113	PR-2019	22.2	1994	100,000
Peru	Multisector Credit Program	PE-0191	PR-2337	22.6	1998	200,000
Uruguay	Multisector Global Credit Program	UR-0063	PR-1877	25.3	1992	90,000
Uruguay	Global Multisector Financing Program	UR-0021	PR-2360	25.5	1998	155,000
Uruguay	Multisector Global Financing Program III	UR-0136	PR-2674	25.7	2002	180,000
Reg: Latin America	Multisector Global Credit Program	RG-0014	PR-2226	27.3	1997	300,000
Reg: Andean Region	Andean Development Corporation Multisector Institutional Support Program	RG-0010	PR-1951	28.1	1993	200,000
Reg: Central America	Credit Program for the Central American Bank for Economic Integration	CA-0008	PR-2196	29.2	1997	100,000
Reg: Caribbean	Credit Program for Small Caribbean States	RG-0037	PR-2120	30.2	1996	37,000
Reg: Caribbean	Global Credit for Small Caribbean States	RG-0056	PR-2680	30.4	2002	20,000
				<b>TOTAL</b>		<b>8,272,670</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.

**Table 3: Financial Sector Operations by Area of Interest  
Housing Finance (H)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Approval Date	Amount US\$'000
Brazil	SFI-Servicos Financeiros Imobiliarios Ltda.	BR-1102A	CIU/PR-242	6.7	2000	1,000
Brazil	Brazilian Securities	BR-1099A	CIU/PR-243	6.8	2000	10,500
Brazil	Brazilian Mortgages	BR-1117A	CIU/PR-243	6.9	2000	200
Brazil	Brazilian Mortgages Companhia Hipotecaria II	BR-1117B	CIU/PR-271	6.14	2001	15,000
Chile	Delta Leasing Habitacional S.A.	CH-1069A	CIU/PR-235	7.3	2000	8,000
Colombia	Colpatria Mortgage Bond Project	CO-0260	PR-2715	8.3	2002	5,200
Ecuador	Compañía de Titularización Hipotecaria	EC-1027A	CIU-PR-208	11.4	1998	5,000
El Salvador	Housing Program	ES-0087	PR-2637	12.9	2001	70,000
Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	1999	310,900
				<b>TOTAL</b>		<b>425,800</b>

### Debt Reduction (D)

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Approval Date	Amount US\$'000
Argentina	Debt and Debt Service Reduction Loan	AR-0139	PR-1902	1.4	1992	400,000
Ecuador	Debt and Debt-Service Reduction Program	EC-0142	PR-2015	11.3	1994	80,000
Nicaragua	Debt Reduction Program	NI-0082	PR-2048	19.2	1995	40,000
Panama	External Debt and Debt-Service Reduction Program	PN-0098	PR-2094	20.1	1995	30,000
Peru	Debt and Debt Service Reduction Program	PE-0103	PR-2155	22.5	1996	235,500
				<b>TOTAL</b>		<b>785,500</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.

**Table 3: Financial Sector Operations by Area of Interest  
Other Activities (O)**

Country	Project Name	Project Code	Document	Ref. <sup>1</sup>	Approval Date	Amount US\$'000
Brazil	Brazilian Equity Investments III Ltd.	BR-1058A	CI/PR-132	6.3	1995	5,000
Brazil	Brazilian Securities Companhia de Securitizacao II	BR-1099B	CI/PR-271	6.13	2001	25,000
Costa Rica	Commodity Market Exchange Support Program: BOLPRO	ATN/MT-5062-CR	MIF/AT-62	9.2	1995	323
Costa Rica	Deepening State Reform and Opening Up the Finance and Infrastructure Sect	CR-0112	PR-2211	9.3	1997	12,650
Dominican Republic	Commodity Market Exchange Support Program: JAD	ATN/MT-5065-DR	MIF/AT-62	10.2	1995	295
El Salvador	Strengthening of Financial and Family-Remittance Services for Low Income	ATN/ME-7886-ES	MIF/AT-473	12.11	2002	1,500
El Salvador	Commodity Market Exchange Support Program: BOLPROES	ATN/MT-5063-ES	MIF/AT-62	12.5	1995	686
Honduras	Financial Preparedness for Catastrophes	ATN/SF-8025-HO	–	16.5	2002	150
Jamaica	Supporting the Improvement of the Accounting Profession	ATN/MT-8113-JA	MIF/AT-512	17.5	2002	665
Mexico	Support for Small Farmers through PROCAMPO	ME-0213	PR-2590	18.9	2001	500,000
Mexico	Capitalization of Remittances for Local Economic Development	ATN/ME-7717-ME	MIF/AT-450	18.10	2001	1,115
Mexico	Investment of Remittances for Rural Development in Migrant's Home Economy	ATN/ME-7834-ME	MIF/AT-465	18.11	2002	460
Nicaragua	Commodity Exchange Support Program: BAGSA	ATN/MT-5064-NI	MIF/AT-62	19.4	1995	375
Panama	Commodity Exchange Support Program: Bolsa Agropecuaria e Industrial, S.A.	ATN/MT-6665-PN	MIF/AT-290	20.4	1999	482
Paraguay	Industrial Credit Program	PR-0065	PR-1714	21.1	1990	30,000
Peru	Support Program for Instituto de Formaci3n Bancaria	ATN/ME-5879-PE	MIF/AT-158	22.7	1998	1,300
Peru	Financial Sector Reform II	PE-0202	PR-2415	22.8	1999	310,900
Reg: Latin Ameri	Financial Sector Activities and Poverty Reduction in Latin America and th	ATN/SF-7297-RG	–	27.6	2000	115
Reg: Latin Ameri	Exchange of Know-How and Experience among Development Banks in LAC	ATN/MT-7872-RG	MIF/AT-470	27.8	2002	275
Reg: Mercosur	MERCOSUR Financial Systems Integration	ATN/SF-7032-RG	–	31.1	2000	150
Reg: South Americ	Training for Mutual Evaluations of the Financial Action Task Force on Mon	ATN/MT-7968-RG	MIF/AT-489	32.2	2002	120
Trinidad & Tobago	Supporting the Improvement of the Accounting Profession	ATN/MT-8114-TT	MIF/AT-513	24.5	2002	665
Venezuela	Strengthening of the Venezuelan Agricultural Commodities Exchange (BOLPRI)	ATN/MT-6872-VE	MIF/AT-311	26.4	2000	485
				<b>TOTAL</b>		<b>892,711</b>

<sup>1</sup> The Reference indicates the location of the project's description in Chapter 3.

**Table 4: Financial Sector Operations by Area and Activities\***  
**Banking (B)**

Country	Legal and Regulatory Framework (LR)	Prudential Norms (PN)	Professional Training (PT)	Supervision Procedures Oversight and Enforcement (SP)	Banking Superintendency Restructuring (BS)	Auditing and Disclosure of Information-Transparency (AD)	Banking Restructuring (BR)	Money and Debt Markets (MD)
1	1.2, 1.6, 1.7, 1.10	1.2, 1.10	1.2, 1.3	1.3, 1.5, 1.7, 1.10	1.2, 1.3	1.5, 1.10	1.6	1.1
2								
3	3.1	3.1					3.1	
4								
5	5.4, 5.6	5.4, 5.6	5.6	5.3, 5.4, 5.6	5.3, 5.6	5.3, 5.6		
6								
7		7.1		7.1	7.1			
8	8.2	8.1	8.2		8.2	8.1		
9		9.1, 9.4	9.1, 9.4	9.4	9.1, 9.4	9.4	9.4	
10	10.1, 10.3	10.1, 10.3	10.1, 10.3	10.1, 10.3	10.1, 10.3			
11		11.2	11.2	11.5	11.5			
12	12.1, 12.3, 12.6, 12.7	12.2, 12.3, 12.6, 12.7	12.2, 12.3, 12.6, 12.7	12.2, 12.3, 12.6, 12.7	12.2, 12.3, 12.6, 12.7	12.6, 12.7		
13	13.1, 13.3, 13.4	13.1	13.1	13.1, 13.3, 13.4	13.1, 13.3, 13.4	13.4		
14	14.1, 14.2, 14.3	14.3		14.3	14.3			
15	15.1, 15.2							
16	16.2, 16.3	16.1, 16.2	16.1, 16.2, 16.3	16.1, 16.2	16.1, 16.2			16.4
17	17.1, 17.3	17.1	17.1, 17.3	17.1, 17.3			17.3	
18	18.5, 18.8	18.3, 18.8	18.3	18.5	18.3	18.3, 18.8	18.2, 18.3, 18.8	
19	19.1, 19.3, 19.5, 19.6, 19.10		19.10	19.5, 19.10	19.10	19.10		19.3
20	20.2			20.2		20.2	20.2	
21	21.2, 21.4, 21.6	21.2, 21.4, 21.6	21.4, 21.6	21.2, 21.6	21.2	21.2, 21.4, 21.6		
22	22.4, 22.8	22.1, 22.8	22.1, 22.8	22.8	22.1, 22.4	22.8		
23								23.1
24	24.4		24.2	24.3	24.3			
25	25.1, 25.2	25.1, 25.3	25.1	25.1, 25.3	25.1			
26	26.1, 26.2	26.1, 26.2		26.1, 26.2	26.2			26.1
27	27.4, 27.7	27.1, 27.5	27.1, 27.2	27.1, 27.7	27.1, 27.3, 27.7	27.1, 27.7		
28								
29								
30								
31								
32	32.1		32.1	32.1	32.1			
TOTAL OPERATIONS	47	34	30	39	33	19	8	5
NUMBER OF COUNTRIES	19	18	16	19	18	11	6	5

\* The references presented in this table (e.g. 1.2) indicates the location of the project's description in Chapter 3.

Table 4: Financial Sector Operations by Area and Activities\*  
Securities Markets (S)

Country	Legal and Regulatory Framework Legislation (LR)	Prudential Norms/Risks Management (PN)	Professional Training (PT)	Supervision Procedures: Oversight and Enforcement (SP)	National Securities Commission -NSC- and/or Oversight Agency (NS)	Auditing and Disclosure of Information- Transparency (AD)	Clearance & Settlement (CS)	Central Bank (CB)
Argentina	1.3, 1.11, 1.12	1.11, 1.12	1.12	1.11, 1.12		1.11, 1.12	1.11, 1.12	1.8, 1.9
Bahamas			2.2	2.2	2.2			
Barbados	3.2	3.1		3.1	3.2			3.1
Belize								
Bolivia	5.2, 5.4, 5.5	5.7			5.2, 5.7	5.4, 5.7	5.3	5.3, 5.4
Brazil	6.15			6.15	6.15	6.15		
Chile	7.1	7.1			7.1			
Colombia	8.3	8.4					8.4	8.1
Costa Rica	9.1, 9.5	9.3, 9.5	9.3, 9.5	9.3	9.5		9.1, 9.5	9.1, 9.5
Dominican Republic								
Ecuador	11.2			11.2				11.6
El Salvador	12.2, 12.3, 12.6, 12.7	12.6, 12.7	12.3, 12.6, 12.7	12.3, 12.6, 12.7	12.3, 12.6, 12.7	12.6, 12.7		
Guatemala	13.1, 13.3		13.3	13.1, 13.3				
Guyana								
Haiti								
Honduras	16.2					16.1		
Jamaica	17.1, 17.3, 17.4	17.1, 17.4	17.1, 17.3, 17.4	17.1, 17.4	17.3, 17.4	17.4		
Mexico	18.4, 18.5, 18.6	18.3, 18.4, 18.5, 18.6	18.4	18.3	18.6	18.3, 18.5, 18.6	18.5, 18.6	
Nicaragua	19.7				19.7			19.7
Panama	20.2		20.3	20.2, 20.3	20.3	20.2		20.2
Paraguay	21.2, 21.3	21.2	21.3	21.2	21.2	21.2		21.2, 21.3
Peru	22.3, 22.8	22.3	22.3, 22.8	22.3	22.3, 22.8	22.3	22.3	22.6
Suriname								
Trinidad & Tobago	24.1			24.1	24.1	24.1		
Uruguay	25.2, 25.5, 25.6	25.2, 25.6	25.6	25.2, 25.5, 25.6	25.2, 25.6	25.2	25.2	25.2, 25.4, 25.5, 25.6
Venezuela	26.2	26.2		26.1, 26.2	26.2			
Latin America	27.7	27.1	27.1, 27.2	27.7	27.7	27.1, 27.7		27.3
Andean Region								
Central America	29.1						29.1	
Caribbean	30.1, 30.3						30.1	
MERCOSUR								
South America	32.1		32.1	32.1	32.1			
<b>TOTAL OPERATIONS</b>	<b>42</b>	<b>22</b>	<b>20</b>	<b>27</b>	<b>24</b>	<b>19</b>	<b>12</b>	<b>19</b>
<b>NUMBER OF COUNTRIES</b>	<b>20</b>	<b>13</b>	<b>11</b>	<b>16</b>	<b>16</b>	<b>12</b>	<b>7</b>	<b>11</b>

\* The references presented in this table (e.g. 1.2) indicates the location of the project's description in Chapter 3.

**Table 4: Financial Sector Operations by Area and Activities\***  
**Insurance Sector (I)**

Country	Legal & Regulatory Framework (LR)	Prudential Norms (PN)	Supervision Procedures: Oversight and Enforcement (SP)	Insurance Superintendency Restructuring or Institutional Structure (IS)	Auditing & Disclosure of Information Transparency (AD)	Financial Information Systems (FI)
Argentina	1.10, 1.11, 1.12	1.10, 1.11, 1.12	1.3, 1.10	1.3	1.10	1.10
Bahamas						
Barbados	3.1	3.1				
Belize						
Bolivia			5.4, 5.9			
Brazil						
Chile				7.1		
Colombia						
Costa Rica	9.4	9.4	9.1, 9.4	9.3, 9.4	9.4	9.4
Dominican Republic						
Ecuador	11.2	11.2				
El Salvador	12.3, 12.6, 12.7	12.6, 12.7	12.2, 12.3, 12.6, 12.7	12.2, 12.3, 12.6, 12.7		12.3
Guatemala	13.1			13.1		
Guyana						
Haiti						
Honduras	16.2, 16.3		16.2, 16.3	16.2, 16.3	16.1	16.2, 16.3
Jamaica	17.4	17.4	17.2, 17.3, 17.4	17.3, 17.4	17.4	
Mexico	18.4					
Nicaragua						
Panama						
Paraguay	21.2	21.5	21.5	21.5	21.5	
Peru	22.4	22.1	22.8	22.1, 22.4, 22.8		
Suriname						
Trinidad & Tobago	24.3		24.3	24.3		
Uruguay	25.2, 25.6	25.2, 25.6	25.2, 25.6	25.6	25.2	
Venezuela	26.2	26.2	26.2	26.2		26.2
Latin America	27.7	27.1	27.1, 27.7	27.1, 27.7	27.7	
Andean Region	28.2					
Central America						
Caribbean						
MERCOSUR						
South America	32.1		32.1	32.1		32.1
<b>TOTAL OPERATIONS</b>	<b>23</b>	<b>15</b>	<b>24</b>	<b>23</b>	<b>7</b>	<b>7</b>
<b>NUMBER OF COUNTRIES</b>	<b>14</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>6</b>	<b>5</b>

\* The references presented in this table (e.g. 1.3) indicates the location of the project's description in Chapter 3.

Table 4: Financial Sector Operations by Area and Activities\*  
Other Areas

Country		Pension Reform	Multisector Credit Program	Housing Finance	Debt Reduction	Other
Argentina	1	1.3, 1.8, 1.11, 1.12	1.1, 1.5		1.4	
Bahamas	2		2.1			
Barbados	3					
Belize	4					
Bolivia	5	5.1, 5.4, 5.8	5.1, 5.3			
Brazil	6	6.5, 6.11	6.1, 6.2, 6.4, 6.6, 6.10, 6.12	6.7, 6.8, 6.9, 6.14		6.3, 6.13
Chile	7	7.1	7.2	7.3		
Colombia	8	8.1		8.3		
Costa Rica	9	9.1, 9.3, 9.5	9.1			9.2, 9.3
Dominican Republic	10					10.2
Ecuador	11	11.2	11.1	11.4	11.3	
El Salvador	12	12.2, 12.3, 12.8	12.1, 12.4, 12.10	12.9		12.5, 12.11
Guatemala	13					
Guyana	14					
Haiti	15					
Honduras	16		16.1			16.5
Jamaica	17	17.3, 17.4				17.5
Mexico	18	18.4	18.1, 18.2, 18.7			18.9, 18.10, 18.11
Nicaragua	19	19.8, 19.9			19.2	19.4
Panama	20	20.2			20.1	20.4
Paraguay	21					21.1
Peru	22		22.2, 22.6	22.8	22.5	22.7, 22.8
Suriname	23					
Trinidad & Tobago	24	24.3				24.5
Uruguay	25	25.2, 25.4	25.3, 25.5, 25.7			
Venezuela	26	26.3				26.4
Latin America	27	27.1	27.3			27.6, 27.8
Andean Region	28		28.1			
Central America	29		29.2			29.3
Caribbean	30		30.2, 30.4			31.1
MERCOSUR	31					32.2
South America	32					
<b>TOTAL OPERATIONS</b>		<b>29</b>	<b>31</b>	<b>9</b>	<b>5</b>	<b>23</b>
<b>NUMBER OF COUNTRIES</b>		<b>15</b>	<b>11</b>	<b>6</b>	<b>5</b>	<b>13</b>

\* The references presented in this table (e.g. 1.3) indicates the location of the project's description in Chapter 3.