

# **MEMORANDUM**

**April 9, 2010**

**TO: All Members**

**FROM: Saúl Hanono, President**  
**Association of Retirees of the IDB**

**SUBJECT: 2009 Annual Report**

**Please find attached the 2009 Annual Report of the Retirees Association. The Report has been prepared in English and Spanish to facilitate its reading by all members.**

**MINUTES OF THE XXIX ANNUAL MEETING  
OF THE RETIREES ASSOCIATION OF THE  
INTER-AMERICAN DEVELOPMENT BANK**

**Washington, D.C., April 21, 2009**

**QUORUM.** The XXIX Annual Meeting of the Retirees Association took place on April 21 with 134 attendees. Rolando Castañeda, who served as master of ceremonies, opened the event by requesting a minute of silence in honor of those colleagues who passed away since the last Annual Meeting. He then asked for approval of the Minutes of the previous Assembly.

**ANNOUNCEMENTS AND PRESENTATIONS.** At the head table were the President of the Bank, Luis Alberto Moreno, the General Manager of Human Resources Department, Guillermo Miranda, accompanied by Miguel Rivera, President a.i, Juan Proaño, Deputy Treasurer, Arnold H. Weiss, and Manuel Valderrama, founders of the Bank who have been giving their continued support to the Association. Attending the Meeting as special guests were Gluch Bernardo and Ruth Connolly, President and Vice-President of the Association of Retirees of the OAS (AROAS), and Jaime Ayala, representing AFICS Washington Chapter. Also present were Robert S. Cole, Executive Secretary of the Staff Retirement Plans; Robert Deal, Chief of the Pensions Administration Unit; Max Pulgar-Vidal, Elizabeth Rodezno, respectively President and Vice-President of the Staff Association; Lucia L. de Aguerre, President of the Family Association, and Gustavo Padrés a member of the Board of the Florida Chapter.

**APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING.** There was a motion to approve the Minutes of the XXVIII Meeting, held on April 30, 2008. This motion was seconded and approved by acclamation.

**FINANCIAL STATEMENTS.** Deputy Treasurer Juan Proaño read the report prepared by the Association's Treasurer, Paula Verdun, who was unable to attend the meeting, which focused on the important changes in 2008 such as the use of funds within the 2008 budget to modernize the computer equipment of the Office. He referred to changes that will affect the assets of the Association, such as innovations in the 2009 budget to cover the use of telephones, mail, and print material to be distributed to the membership. He also mentioned that the 2009 budget provides for the necessary funds to implement the new payment arrangements and that the Association is working with a clear understanding of what its responsibilities are with regard to the expenditures incurred in the items mentioned above. He then offered to answer any questions from the participants.

**REMARKS FROM THE PRESIDENT OF THE RETIREES ASSOCIATION.** Miguel Rivera outlined the main topics which the Association is concerned with. Miguel outlined the role of the Bank in the last fifty years and, specifically, the achievements of each of its four past presidents.

**REPORT FROM THE TELLERS COMMITTEE.** Because George P. Montalván, Coordinator of the Tellers Committee, was unable to attend, Miguel Rivera presented the results of the recent election, which are summarized below:

<b>Position</b>	<b>Candidates</b>	<b>Votes Received</b>	<b>Result</b>
Vice-President	Saúl Hanono	363	Elected
	Isabel C. Larson	247	-
Deputy Treasurer	Fausto Medina-López	331	Elected
	Mirtha Leonor Tresky	255	-
Directors	Asunción Aguilá	264	Elected
	Juan Manuel Corredor	157	-
	Ciro De Falco	203	Elected
	Christian Gómez-Fabling	166	-
	Federico Germán Klein	188	-
	Mercedes C. Kupratty	52	-
	Gabriela Sotela	187	-

As shown in the table below, 610 of 631 valid votes were received, which equates to 51.5% of the membership of the Association, for which, according to the stipulations of Article 5 of the By-Laws, the results reported here are valid.

Number of Valid Ballots	610
Number of Invalidated Ballots	21
Number of Ballots Received	631

**MESSAGE FROM THE PRESIDENT OF THE BANK.** In his statement, President Luis Alberto Moreno addressed the transformation of the region and its progress in the last 50 years, which the Bank had accompanied and actively supported since its foundation and would continue to do so in the future; the satisfaction of being once again in the Association’s Annual Meeting, since its membership is a representation of retirees who had been part of the Bank’s important work in the region. He indicated the strong support from the Bank to the Staff Retirement Plan and the Health Insurance Program, both of which have a strong and healthy position despite the negative impact of the financial crisis, and stressed that Management saw these as an incentive as well as a guarantee for active employees.

**VOLUNTEER OF THE YEAR AWARD.** Rolando Castañeda announced Ronald Brousseau to be the recipient of the 2008 Volunteer of the Year Award and pointed out his outstanding and ongoing work to benefit the homeless in Falls Church/Fairfax for more than a decade. Then Miguel gave him a plaque of recognition and a check for \$200 on behalf of Homestrech.

**RECOGNITION PLAQUES.** Next on the agenda was the presentation by the Human Resources Manager of plaques of appreciation to former Board members Rolando

Castañeda and Jairo Sánchez, as Directors, Juan Proaño as Deputy Treasurer/Director, and Miguel Rivera as Director/Vice-President/President a.i.

**OTHER MATTERS.** Marta Ruíz de Gamboa made two motions. The first was to resume publishing the Newsletter in two languages. It was seconded by Oscar Echeverría, then put to a vote and approved. The other motion, which was seconded by Noemi Camacho de Peschard, involved choosing retirees' representatives to the committees of the Pension Plans through an election involving retirees, whether or not they are members of the Association, rather than through the present method of designation by the Board of the Retirees Association. This motion was rejected by the Assembly.

Gustavo Padrés, member of the Board of the Florida Chapter, addressed the concerns of retirees who live in that state for maintaining the value of their pensions as a result of the low cost of living increase given by the Bank (1.07%), emphasizing the need to review the methodologies used to establish these increases so they are more in line with reality. He believed that using an average of 10 years to try to show that everything levels off, erases the fact that a single input, such as insurance of a vehicle, or gasoline, as examples, can absorb the total amount of the increase received. Finally, he asked for a more fluid communication between headquarters and chapters and the appointment of persons to give effective monthly follow-up to the issues raised by the chapters, using the latest available information technology.

**ADJOURNMENT.** With no other issues to be discussed, President a.i. Miguel Rivera, adjourned the meeting.

# 2009 ANNUAL REPORT

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## **I. MESSAGE FROM THE PRESIDENTS**

### **Message from Mr. Saúl Hanono, President of the IDB Retirees Association and Mrs. Nohra Rey de Marulanda, Vice-President**

The message from the President of the Retirees Association, Mr. Miguel Rivera, at the 2009 Annual Meeting, was published in the previous Annual Report (See [www.ajbid.org-Publicaciones-Informe Anual](http://www.ajbid.org-Publicaciones-Informe Anual)).

The Board which term ends today leaves an Association with a growing membership, a strong, active and highly skilled representation in the three committees of the Retirement Plans of the IDB, a continuous line of communication with membership, a process which started from the very beginning of its functions. In addition, technological improvements that benefit our website are under way.

This past election included, for the first time, three candidates residing outside the United States, thus emphasizing the participation of all members. The Association is integrated and represents all its members without distinction of any kind. Together we can continue to protect the interests of all retirees (members or not members of the Association). In this context, we reiterate our desire for the reintegration of the Colombia Chapter into our Association.

It is traditional that there is a retiree who is not completely satisfied with the cost of living adjustment of our pensions, independently of the region of residence. Besides, an ideal fixed index fully representative does not exist. The process of devaluation of the dollar against the euro sensibly corrected this year, in particular, and the general disparities in the cost of living, generate constant complaints which sometimes make us lose sight of the real value of our retirement benefits and the medical insurance coverage.

We would like to reiterate our deep concern over the inconsistencies observed in the adjustment of pensions of participants in the Local Retirement Plan. We cannot accept the arbitrary management of the salary scales for local staff as they affect pension adjustments, particularly those of local administrative retirees.

As you know, we have concluded an exhaustive survey to obtain the reaction of participants residing abroad to the possible introduction of a system of partial or full payment of pensions in local currency. Obviously, the reactions were mixed, according to the place of residence of the participants but, in general, the alternatives offered by the Administrative Committee of the Retirement Plan did not receive acceptance by the majority of the respondents. However, we will communicate to the Committees of the Retirement Plans the concerns raised by the participants residing both in the United States and abroad.

The policy for adjustment of pensions contained in the Retirement Plan for international staff is very clear and all actuarial projections are tied to a set of assumptions that are reviewed every five or six years. While we understand the problem faced by participants

residing abroad, the parameters of behavior of this Board have been directed to the maintenance of a strong financial position of the pension plans and of the Medical Insurance Program for the benefit of all retirees. Fortunately, the market performance in 2009 has contributed positively to the financial position of the plans which had deteriorated significantly in 2008. In addition, the Bank has responded to the weakening of the retirement funds caused by the financial crisis of 2008, by significantly increasing its contributions.

The new Board will continue to intensify its work to the benefit of participants in the International Plan and Local Retirement Plan.

**Remarks from Mr. Luis Alberto Moreno,  
President of the Inter-American Development Bank**

I am pleased to greet Mr Saul Hanono, President of the Bank's Retirees Association; Mrs Nohra Rey de Marulanda, Vice-President; directors and members of the Association. To all Bank employees, retired or active, it is a privilege to be part of the history of this institution which did so much for the progress and development of our region.

The relevance of the Retirees Association is increasing every day, not only due to the number of its members, which now surpasses 1200, spread in different countries and continents, but also due to the various activities of retirees who support their local communities. This extends, in a way, the mission of the Bank.

During the Annual Meeting in Medellin last year we celebrated an important landmark in the history of the Bank, namely, its 50th anniversary as the main partner in the development of our region. In the past weeks we reached another important milestone – the Governors approved the Bank's 9<sup>th</sup> General Capital Replenishment. This agreement is set out in the so-called Cancun Declaration, which identifies three clear objectives: first, it increases the capital of the Bank from US\$100 billion to US\$170 billion; second, it defines the parameters for increased financial support to Haiti; and third, it defines a set of reforms to strengthen the performance of the Bank.

As many of you know and witnessed, each replenishment is a major step in the life of this Institution. As before, a capital replenishment creates an opportunity for us to evaluate the past and to establish goals to meet new challenges.

One clear message that emerges from the Governors at the Annual Meeting in Cancun is the enormous change that is taking place in Latin America and Caribbean. Therefore, the capital increase is a vote of confidence from the Governors that will allow us to continue supporting these countries and their governments in times of great opportunities for the region.

I would like to make some brief comments on the Bank's actions in 2009. The economies of Latin America and the Caribbean passed a hard test of maturity and fortitude. By the end of 2009, GDP contracted on average by 1.8%, with reductions in investment and consumption levels, strong decline of exports, diminishing remittances and tourism and, consequently, increased levels of unemployment and poverty.

However, in marked contrast with previous periods of international economic turmoil, our region showed unprecedented macroeconomic strength. Efforts geared to establish sound macroeconomic policies in the past produced positive results. Most countries in the region improved their fiscal situation, significantly increased their international reserves, and reduced and improved the level and conditions of their debt.

It is true that in social areas poverty indexes showed a moderate increase and there was a higher level of unemployment. But in spite of the deterioration in poverty indicators that

beg for concrete actions, the damage is much less serious than previously expected. This should not give way to self-complacency, but rather to renewed efforts to regain lost ground and to attain growth rates that eliminate once and for all the rejection and exclusion of some elements of our societies.

Since we learnt of their tragedies, we have been working with Haiti and Chile, two countries that are an integral part of our family. In the case of Haiti we have assigned US\$250 million of non reimbursable funds in 2010. In Chile, the Bank has a lending program of US\$460 million.

In this time of change a renewed path of sustainable development, it is essential once again, to focus the on structural considerations. The region still faces important challenges, like the persistently large levels of poverty and the informality in many productive activities, inadequate delivery of public goods, loss of competitiveness in the manufacturing sector, the need to develop new spaces of comparative advantage, low productivity, dependence on exports of basic products, and the reform of fiscal institutions.

2010 is also a turning point for the Bank. We are in the process of consolidating our efforts to ensure that we continue to be a relevant institution, efficient in its organization and effective in its response to the needs and demands of the countries of the region.

## II. BOARD ACTIVITIES

### A. ORGANIZATION

As a result of the April 2009 Board elections, the elected Vice- President, Saúl Hanono became the Association's President for a one-year period to complete the term left vacant by the resignation of José R. Santaballa. To fill other vacant positions, and in accordance with the By-Laws, the Board appointed active members to complete the period and new members to the various committees. (see Annexes 2 and 3).

### B. OPERATION

1. The Association's internal and external committees continued to work normally according to the objectives identified in its 2009-2010 work plan. The details of these activities are described under **C. Basic Activities**.
2. An analysis was carried out comparing the cost of living adjustment granted by the IDB, the U.S. Social Security Administration, the World Bank and the IMF.
3. Because many retirees living abroad are concerned with the dollar decline vis-a-vis their local currencies and the cost of living increase in their countries of residence, a committee was appointed to form focus groups to investigate the interest of those residing outside the United States to receive part of their pensions in the local currency of their country of residence.
4. There were eight lunches during which we covered presentations of topics of interest to retirees such as pensions, investment policy for pensions, health insurance, pension adjustment for retirees who reside abroad, and evolution of the financial markets.
5. Members of the Association received the *Report on the Board's Activities During the Past Three Months* (Reflexiones) and on the *Investment Pension Investment Policy Review*.
6. It was decided that the 2009 Association's audit but would be carried out by internal auditors.
7. Board members participated at a Workshop for International Retirees Association, organized by the World Bank, on September 24.
8. The Association accompanied the election process for representatives of the retirees in the Review Committee of Life and Medical Insurance.

## **C. BASIC ACTIVITIES**

### **1. RETIREMENT PLANS**

Representation of the Association in the Committees of the Plan:

#### **a. Pension Plan**

During 2009 our representatives actively participated in the meetings of the Pension Committee. In the first semester actuarial valuations of the International and Local Retirement Plans as of December 31, 2008 were reviewed. Both valuations noted the deteriorated financial position of the Plans, reflecting the global financial crisis during the second half of 2008. These reports anticipated the need for future increases of the Bank's annual contribution to both plans. This advance was confirmed at the meeting of the Committee in October 2009. As a matter of fact, the Bank's budgeted contribution to the International Plan for 2010 was increased to 24.5% for the payroll of international employees from 17% in 2009. For the Local Plan of the payroll for local employees, the Bank's budgeted contribution was increased to 22.5% from 19% in 2009.

The Actuary of the retirement plans predicted a sensible improvement in the funding rate for both plans, a rate that measures the relationship between financial assets, measured at market prices and projected liabilities of the Plans, both as of December 31, 2009, as a result of better returns on the investment portfolio due to the market recovery observed since the second quarter of 2009.

#### **b. Investment Committee**

During 2009 the Bank began a review of its Staff Retirement Plan Pension Investment Policy. The goal of the Policy Review is to incorporate the lessons learned from the financial turmoil that occurred in 2007/08 and whose full impact spilled into 2009. Specifically, the Bank is seeking to balance its desire to reduce volatility in Pension funding requirements while maintaining the best possible return on assets. These objectives are governed by the overarching goal of operating within acceptable/conservative risk parameters.

The Policy was close to completion by the end of 2009 when it became clear that significant market corrections would be taking place requiring an updated analysis to reflect these changes. Recent stock market movements have demonstrated the wisdom of that decision. Currently the Investment Committee is looking toward completion by the end of the second quarter of 2010, barring further expectations of significant market movements.

**c. Administrative Committee**  
National Employees Pension

In June 2009 the Secretariat of the Pension Plan requested the approval of the Administration Committee to undertake a study to determine what changes if any should be introduced in the method used to calculate the Final Average Pension Remuneration (FAPR) and the Cost of Living Adjustment (COLA) of the Local Retirement Plan. This is needed as a result of Bank changes in its compensation strategy for national employees. This change in policy has given way to some anomalies. One anomaly is that large increases in salary scales result in a FAPR larger than the participant's salary at any time of his career. Regarding COLA the present compensation strategy has resulted in large disparities for retirees in the same country who held different grades at the time of termination. The Bank's Policy to determine salaries for national employees no longer takes into account the comparison with other international organizations and local inflation; it is rather based on an analysis of the labor market. The Administration Committee of the Plan decided that more information on concerns, types of distortions and guiding principles of the study were needed prior to making a decision.

In a meeting held in November 2009 the documentation requested was submitted to the Administration Committee and the Secretariat of the Plan was authorized to undertake the study. As of April 2009 the study has not yet been submitted to the consideration of the Administration Committee.

FARP and COLA were presented to the Administrative Committee of the Plan, which in turn authorized the Secretariat to carry it out. At this point in time the study has not been presented for the consideration of the Administrative Committee.

Consultation on payment of pension in local currency

Upon taking office in early 2009, the new Board of Directors of the Retiree's Association initiated action to fulfill the obligation which the Association had agreed to with the Administrative Committee of the Staff Retirement Plan in 2008. This obligation was that the Association would undertake consultation with the international staff retirees resident outside the United States to determine what interest there might be among these retirees for the Plan to reestablish an option where these retirees, if they so desired, could receive part or all of their pension in the local currency of the country where they reside. Initially, the plan was to conduct focus groups in each country, where there are international retirees to determine their interest, but for reasons to be covered later, in the end we opted to conduct a survey among all international retirees resident outside the United States.

To explore the theme and to have potential alternative scenarios of the cost of such an option, the Administrative Committee of the Staff Retirement Plan contracted a financial cost study which analyzed several potential options, taking into account the number of international retirees which might choose an option of this type, and the

volume and value of the pensions that might be paid in local currency. This study was completed in October 2008. From the middle of 2009, the Retiree Association worked, first on structuring the focus groups, with a later substitution to the survey of the eligible retirees and later in preparation of the documentation which would be used in the survey.

In December 2009, the Administrative Committee of the Plan instructed the Secretariat of the Plan to prepare a short document of the alternatives of payment of the pension in local currency, which the Committee was willing to consider, in the event that there was sufficient interest by the eligible retirees. On December 17, 2009, the Association organized a videoconference between the Washington, D.C. office (Retiree Association) and the local chapters of the international retirees to explain the alternatives and to respond to questions contained in the document prepared by the Secretariat and as contemplated for consideration by the Administrative Committee. Mr. Robert Deal, Chief of the Pension Administration Unit, was in charge of making the presentation for the Executive Secretariat of the Plan. Unfortunately, there was not an active feedback and involvement of the international retirees in the videoconference, even though the dialogue with the leaders of the local chapters was important. On December 29, 2009, the Association sent the subject document, in English and Spanish, to all international retirees resident outside the United States: by email to retirees who have provided the Association their email address, and by mail to those who have not.

As was indicated earlier, since the middle of 2009, the Association through a group of Directors (Nohra Rey de Marulanda, Asuncion Aguilá, and Alfred Thieme) has been attempting to explore the interest of eligible retirees to participate in focus groups to determine their interest in a new local currency option. For this they solicited the support of the Presidents of the local chapters, to help identify a sufficiently large number of retirees who indicated interest to participate in the focus group in order to randomly select and structure, in each country, focus groups which would be statistically representative. The directors in charge of this theme of the focus groups encountered two important difficulties. First, there a large number of retirees that live in countries where there is no Retiree Association Chapter, which would require contacting individually each retiree, and which would be inconsistent with conducting valid focus groups. Second, even in the countries where there are local chapters, there was an insufficient number of retirees who indicated interest to participate in a focus group.

In light of this reality, the Association proposed to the Administrative Committee of the Staff Retirement Plan, that instead of conducting the focus groups, we would send a short survey to all retirees living outside the United States in order, thereby, to obtain their interest in receiving a part or all of their pension in local currency. The Committee approved this alternative and on January 20, 2010 the survey was sent by email to all retirees living outside the United States to those for whom we have an email address and by mail to all international retirees resident outside the United States.

The closing date for the survey was February 28, 2010, and the results of the survey have been processed and shared with all the participating retirees. Likewise, the Retirees Association has presented the survey results to the Secretariat of the Plan so that the Administrative Committee can decide on the proposal to re-introduce an option of partial or full payment of a pension in local currency.

## 2. MEDICAL INSURANCE

During the year 2009 we followed the limited activities of the Review Committee of the Life and Medical Insurance Programs taking into account the interest of the retirees. No major changes from previous years took place.

## 3. CHAPTERS

Contacts with the Chapters were intensified in 2009 and major effort was devoted to address the concerns of the retirees living outside the United States. Dialogue with the Administration focused on finding solutions to the main issues affecting local and international retirees. Main issues covered were the loss of purchasing power of retirees living outside the United States, the need to unify the Medical Insurance premium tables of active and retired employees, the need to expedite claims processed by CIGNA and other medical insurance problems in some countries. These issues still remain and will continue to be the focus of our activities. Also contacts were made with the Colombia Chapter in order to reintegrate it into the IDB Retirees Association, following its temporary separation.

The Presidents of the Bolivia and Peru Chapters paid visits to the IDB Retirees Association in 2009.

## 4. PUBLICATIONS

Newsletter. The Association maintains since 1992 a newsletter that covers news and comments on the major issues related to the fundamental interests of retirees, members and no members, especially in all matters affecting their pension or insurance. Its usefulness has been confirmed and it continues to be evident given the fact that retirees live in over thirty different countries. Because of a request to the Board of the Association during its last Annual Meeting, the Newsletter was again published in two languages, Spanish and English, proving with this petition the interest that exists for its content. However, and due to budgetary limitations, its distribution has had to be restricted to an electronic edition that must undoubtedly affect all those who do not have the appropriate means to receive it in that form or are not fond of reading texts on an electronic screen.

## Association's Website

This past year, one of the Board's priority was to initiate the revamping and refurbishing the Retirees' Association website. In line with this effort, the Association sent an electronic survey to all its members on October 21<sup>st</sup>, 2009. The purpose of said survey was to gather information on current website usage, on suggestions for improvement, additional functionality, and overall enhancement options for the website.

The survey was sent to 883 retirees. Three hundred and thirty (330) responded, which amounts to a 37.4% response rate. The surveyed members were asked what particular information they consulted when accessing the website. The *Bimonthly Newsletters* received the highest number of responses, followed by the information pertaining to the *Elections of Board Members* and the *Minutes of the Board Meetings*. This particular result would seem to indicate that the recent decision of the Board to place such Minutes on the website has been well received by the members.

The survey asked what additional information the retirees would want to see on the website. "A Link to the IDB Phone Directory" and "A link to the Retirees Directory" were on top of the list, followed by "An option to contact the Retirees Association Office" directly and having "Links to other websites of interest", such as Health, Medical Insurance, Nutrition, Long Term Care Insurance, Life Insurance. Other information of interest resulted as follows: information on current events, an option to contact members of the Retirees Board of Directors, FAQ (Frequently Asked Questions), current Board of Directors and Terms, cultural events in DC or Latin America, an option to chat or blog with other retirees, information on volunteer opportunities, and steps to be followed at retirement. In addition 31% of respondents offered a variety of suggestions, ranging from having a link to "Chasqui", access to other Bank forms (such as Repatriation, Tax Forms, etc.), posting the provisions of the Bank's Health Insurance Plan and Retirement Plan, having additional information on Health Insurance in general, including the steps to follow when switching over to Medicare as prime insurer, having up to date information on Cost of Living Adjustment, Bank regulations on repatriation and taxes; direct link to staff responsible for insurance and pensions. A suggestion was made to have a combination of open website with some pages accessible only to members.

The survey results not only confirmed the need to refurbish and revamp the retirees' website, as well as ensure its flawless maintenance, but they also provide the type of information necessary to better tailor this undertaking to meet the specific needs of the members. As a result, the Directors responsible for this project wrote an RFP to hire a consulting company. Three companies were invited to submit proposals, which have since then been received and reviewed. The Board is now in the process of hiring the consulting firm selected to redesign the website and increase its functionality, establish a database of its members, and to ensure that the site is properly maintained and up to date.

## 5. OTHER ACTIVITIES

Solidarity Program. Fausto Medina and James Taylor, as representatives of the Board in this program, worked with those responsible for the Solidarity Program for the Latin American and Caribbean communities in the Washington, D.C. area, evaluating proposals to decide where financial support should be concentrated. The purpose of this support aims to reduce poverty through partnerships with local organizations to promote development initiatives for communities in areas such as education, health, and economic development. In their opinion, the evaluations of the Advisory Committee of the Solidarity Fund were made in a very professional manner. A review is expected to promote a greater contribution from retirees to the program. For additional information on the Solidarity Program, see <http://www.iadb.org/topics/csr/solidarity/?lang=es>

6. NEW MEMBERS. During 2009, 78 retirees joined the Association, thus totaling a number of 1275 members by the end of the year.
7. IN MEMORIAM. We are sad to report that during 2009, 27 members passed away. (See Addendum).

In January of the current year, in particular, we were informed of the death of our colleague Julio Luna, former President of the Retirees Association.

### III. TREASURY REPORT

We are pleased to inform you that the financial situation of our Retirees Association remains sound. The Financial Reports as of December 31, 2009 show a surplus of \$27,631, mainly due to an increase in the number of international members and to effective actions adopted by the Board to reduce expenditures during the year. Some examples of the measures adopted included a wider use of electronic means for the distribution to the members of the Association's bi-monthly newsletter and for more frequent contacts with members that provided their electronic addresses to the Association's office. The Association continued working in 2009 in improving its website to reduce communications costs and better serve its membership and plans to complete the upgrade of the site during 2010 with the use of carryover resources from 2009. In addition, some of the resources allocated to assist local Chapters in funding their activities were not fully spent, in part because some of those Chapters were just getting organized, starting up their activities or were engaged in activities that did not require significant funding.

During 2009 the Board approved the simplification of the Association's payment procedures, increasing more delegation for payment approval to the Treasurer and Deputy Treasurer.

In short, improvements in financial management and operational efficiency were the factors behind the Association's surplus in 2009 and reflect the implementation of Board policies adopted several years before to maintain an adequate level of its reserves.

Throughout the year, Treasury maintained an effective level of financial control over the Association's resources and periodically generated financial statements and budget execution reports for consideration of the Board and as indicator of the implementation of the Board decisions. The 2009 budget included funds to cover costs of services previously provided by the Bank without any cost to the Association, but which our Association is now required to finance. These costs mainly refer to communication and postage expenses, audio-visual services, use of copying machines, replacement of computer equipment, etc. Treasury also prepared the Association's request for Bank's contribution for 2010, which after being accepted by the Board was submitted to the Bank for approval.

The Association acknowledges the valuable assistance provided by Cecil Hornbaker and Lydia Almon, President and Member of the Association's Audit Committee, respectively, in performing the Association's audit for 2009. Their dedication and thorough work is very much appreciated. Reports and documentation pertaining to this Audit are available for inspection at the Association's office.

Ira Kaylin  
Treasurer

Fausto Medina-López  
Deputy Treasurer

1/This report was prepared with the valuable support provided by Paula Verdun, who was the Association's Treasurer until January 2010.

**IDB RETIREES ASSOCIATION**  
**BALANCE SHEET**  
As of December 31, 2009 (US\$)

	<b>Dec 31, 2009</b>	<b>Dec 31, 2008</b>
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
Revolving Fund – Banks		
BOLIVIA	50.05	50.17
PARAGUAY	50.86	82.25
ECUADOR	51.31	102.66
COSTA RICA	212.95	160.23
URUGUAY	233.20	476.19
FLORIDA	252.65	363.95
CHILE	346.01	191.49
COLOMBIA	411.47	50.33
PERU	537.87	266.12
ARGENTINA	1,002.42	998.61
Total Revolving Fund – Banks	3,148.79	2,742.00
Operating Capital – Banks		
IDBFCU – Checking	5,365.36	-1,264.60
IDBFCU Savings	12,740.14	24,972.79
Virginia Commerce Bank-Checking	14,797.17	0.00
Total Operating Capital – Banks	32,902.67	23,708.19
Reserves - Saving Accounts		
Virginia Commerce Bank- Savings	37,226.63	0.00
Total Reserves - Saving Accounts	37,226.63	0.00
Total Checking/Savings	73,278.09	26,450.19
Other Current Assets		
Petty Cash	100.00	100.00
Revolving Fund Advances		
CHILE	0.00	-3.26
BOLIVIA	0.00	-0.50
URUGUAY	341.00	0.00
Total Revolving Fund Advances	341.00	-3.76
Emblems (PINS)	930.80	930.80
Reserves - CD Investments		
PROVIDENT BANK CD	0.00	38,944.09
Citibank CD	334.30	320.97
Virginia Commerce Bank CD	39,877.40	0.00
IDB/IIC FCU – CDs	98,395.43	106,766.18
Total Reserves - CD Investments	138,607.13	146,031.24
Total Other Current Assets	139,978.93	147,058.28
Total Current Assets	213,257.02	173,508.47
Fixed Assets		
A/D - FIXED ASSETS	-311.52	-194.70
FIXED ASSETS	353.99	353.99
Total Fixed Assets	42.47	159.29
<b>TOTAL ASSETS</b>	<b>213,299.49</b>	<b>173,667.76</b>
<b>LIABILITIES &amp; EQUITY</b>		
Equity		
Net Income	39,631.73	8,782.55
UNRESTRICTED NET ASSETS	173,667.76	164,885.21
Total Equity	213,299.49	173,667.76
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>213,299.49</b>	<b>173,667.76</b>

IDB RETIREES ASSOCIATION  
INCOME AND EXPENSE REPORT  
January-December 2009 (IN US\$)

	<u>Jan - Dec 2009</u>	<u>Jan - Dec 2008</u>
<b>ORDINARY INCOME/EXPENSES</b>		
<b>INCOME</b>		
IDB Contribution	<b>70,000.00</b>	<b>37,600.00</b>
Membership Dues		
Cash Memberships	794.00	0.00
Payroll Deductions	40,986.10	39,660.00
<b>Total Membership Dues</b>	<b>41,780.10</b>	<b>39,660.00</b>
Reserves - Interest Earned		
Citibank. CD	13.33	12.80
Credit Union CD	4,068.50	4,402.60
GMAC Demand Notes	0.00	186.31
Other Interest (Bank Accounts)	530.67	348.22
Provident Bank CD	522.42	1,306.44
Virginia Commerce Bank CD	412.00	0.00
<b>Total Reserves - Interest Earned</b>	<b>5,546.92</b>	<b>6,256.37</b>
<b>TOTAL INCOME</b>	<b>117,327.02</b>	<b>83,516.37</b>
<b>EXPENSES</b>		
Administrative Expenses		
Administrative Salaries	17,681.40	15,690.06
Audit Expenses	5,208.97	11.22
Bank Fees & Other Charges	0.73	0.00
Communications & Postage	2,244.51	0.00
Consulting Support Services	480.00	180.00
DC Licence	75.00	75.00
Depreciation	116.82	194.70
Office Supplies	1,954.35	2,312.95
Payroll Taxes	2,640.75	3,233.66
<b>Total Administrative Expenses</b>	<b>30,402.53</b>	<b>21,697.59</b>
Advocacy Programs		
Annual Meeting	7,408.70	6,999.66
Board Parking	4,263.00	8,130.00
Consultants & Legal Expenses	0.00	5,758.00
Mission to Chapters	0.00	2,866.36
Other Board Expenses	82.50	0.00
Taxi & Transportation	42.00	42.00
<b>Total Advocacy Programs</b>	<b>11,796.20</b>	<b>23,796.02</b>
Member Activities		
Chapter Expenses		
.PREVIOUS YEAR EXPENSES	0.00	1,455.87
BOLIVIA	307.60	305.00
CHILE	336.03	576.90
COLOMBIA	0.00	360.00
ECUADOR	180.00	0.00
FLORIDA	1,689.89	1,807.07
PARAGUAY	144.00	100.00
<b>Total Chapter Expenses</b>	<b>2,657.52</b>	<b>4,604.84</b>
Headquarter Functions	293.28	2,501.30
<b>Total Member Activities</b>	<b>2,950.80</b>	<b>7,106.14</b>
Publication Expenses		
Publication - Design Services	3,800.00	3,327.50
Publication - Labor Costs	15,073.05	18,279.05
Publication - Postage	9,998.83	27.52
Publication - Supplies&Printing	1,665.86	0.00
Webpage	1,297.53	500.00
<b>Total Publication Expenses</b>	<b>31,835.27</b>	<b>22,134.07</b>
Reconciliation Discrepancies	710.49	0.00
<b>TOTAL EXPENSES</b>	<b>77,695.29</b>	<b>74,733.82</b>
<b>NET ORDINARY INCOME</b>	<b>39,631.73</b>	<b>8,782.55</b>
<b>NET INCOME</b>	<b>39,631.73</b>	<b>8,782.55</b>

**ACTIVE MEMBERS OF THE ASSOCIATION OF RETIREES OF THE IDB  
AS OF DECEMBER 31, 2009**

	<b>INTERNATIONALS</b>	<b>LOCALS</b>	<b>HONORARY</b>	<b>SUSPENDED</b>	<b>ASSOCIATE</b>	<b>TOTAL</b>	<b>%</b>
<b>North America</b>	<b>876</b>	<b>2</b>	<b>--</b>	<b>3</b>	<b>1</b>	<b>882</b>	<b>69.2</b>
United States of America	<b>868</b>	<b>2</b>	<b>--</b>	<b>3</b>	<b>1</b>	<b>874</b>	<b>68.5</b>
Washington D.C. Area	<b>672</b>	<b>--</b>	<b>--</b>	<b>3</b>	<b>1</b>	<b>676</b>	53.0
Florida	104	1	--	--	--	105	8.2
Other States	92	1	--	--	--	93	7.3
Canada	<b>8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8</b>	<b>0.6</b>
<b><u>Latin America and Caribbean</u></b>	<b>270</b>	<b>82</b>	<b>1</b>	<b>4</b>	<b>--</b>	<b>357</b>	<b>28.0</b>
Argentina	38	12	--	--	--	50	3.9
Barbados	2	--	--	--	--	2	0.2
Bolivia	21	9	--	--	--	30	2.4
Brazil	31	--	--	--	--	31	2.4
Chile	33	7	1	--	--	41	3.2
Colombia	21	--	--	1	--	22	1.7
Costa Rica	9	--	--	--	--	9	0.7
Dominican Republic	2	5	--	--	--	7	0.5
Ecuador	11	4	--	--	--	15	1.2
El Salvador	8	8	--	--	--	16	1.3
Guatemala	11	6	--	1	--	18	1.4
Guyana	--	2	--	--	--	2	0.2
Haiti	--	5	--	--	--	5	0.4
Honduras	5	--	--	--	--	5	0.4
Jamaica	2	--	--	--	--	2	0.2
Mexico	3	5	--	--	--	8	0.6
Nicaragua	3	--	--	--	--	3	0.2
Panama	8	5	--	1	--	14	1.1
Paraguay	7	3	--	--	--	10	0.8
Peru	25	3	--	--	--	28	2.2
Trinidad and Tobago	--	--	--	--	--	--	--
Uruguay	27	<b>3</b>	<b>--</b>	<b>1</b>	<b>--</b>	<b>31</b>	<b>2.4</b>
Venezuela	3	5	--	--	--	8	0.6
	<b>36</b>					<b>36</b>	<b>2.8</b>
<b><u>Other Regions</u></b>	<b>2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2</b>	<b>0.2</b>
Austria	1	--	--	--	--	1	0.1
Belgium	1	--	--	--	--	1	0.1
Finland	6	--	--	--	--	6	0.5
France	3	--	--	--	--	3	0.2
Germany	3	--	--	--	--	3	0.2
Israel	1	--	--	--	--	1	0.1
Italy	1	--	--	--	--	1	0.1
Libya	1	--	--	--	--	1	0.1
Monaco	1	--	--	--	--	1	0.1
Slovenia	10	--	--	--	--	10	0.8
Spain	1	--	--	--	--	1	0.1
Sweden	5	--	--	--	--	5	0.4
United Kingdom							
<b>GRAND TOTAL</b>	<b><u>1182</u></b>	<b><u>84</u></b>	<b><u>1</u></b>	<b><u>7</u></b>	<b><u>1</u></b>	<b><u>1275</u></b>	<b><u>100.0</u></b>
<b>PERCENTAGE</b>	<b><u>92.7</u></b>	<b><u>6.6</u></b>	<b><u>0.1</u></b>	<b><u>0.5</u></b>	<b><u>0.1</u></b>		<b><u>100.0</u></b>

## ADDENDUM

### IN MEMORIAM

**We regret to inform that the following members passed away in 2009:**

José Pedro Algorta  
James F. Armistead  
Adela S. Ayala  
Nelly Bajana  
Oscar Baños Pacheco  
Yinah Araripe Barbosa  
Allan V. Beers  
Ricardo M. Brevé  
Felicia F. G. Bustamante  
John S. Debeers  
Laura Elena Dey  
Durval Martins Duprat  
Celia Epelbaum  
Ismael Escobar  
Fernando Gaitán De Narvaez  
María Teresa Gallegos  
Carlos M. González  
Vanderlei D.C. Marques  
Mario Miglio  
Oscar D. Murillo  
Pablo Clemente Pera V.  
Alberto Rionegro  
Manuel J. Ríos  
Francisco R. Sáenz  
Harold F. Schulthess  
Julio R. Schwarzenenberg  
Ann Nash Upton

# **ATTACHMENTS**

**BOARD OF DIRECTORS**

**EXECUTIVES**

President: Saúl Hanono  
Vice-Presidente: Nohra Rey de Marulanda  
Secretary: Federico Klein/Marília Mirza  
Treasurer: Paula Verdun  
Deputy Secretary: Marie-Joelle Haas  
Deputy Treasurer: Fausto Medina

**DIRECTORS**

Asunción Aguilá, Ciro De Falco,  
Ira Kaylin, Isabel Larson,  
James R. Taylor, Alfred Thieme, Jr.

**DIRECTORS EMERITI**

Norman M. Jones, Julio Luna, José R. Santaballa

**HONORARY MEMBER**

Enrique V. Iglesias

**CHAPTERS**

<b>Country</b>	<b>Presidents</b>
Argentina	Félix Alvarez Gamarra
Bolivia	José Antonio Navia
Chile	Alvaro Beca Infante
Colombia	Silvio G. Andrade
Costa Rica	Luis Fernando Prada
Ecuador	Juan Francisco Reyes
Florida	Horacio Jarquín
Guatemala	Concha Montenegro
Paraguay	Pedro D. Musso Vieira
Perú	Vacante
Uruguay	Martín Stabile

**REPRESENTATIVES AT IDB COMMITTEES**

**Staff Retirement Plan**

**Pension Plan Committee**

Saúl Hanono, (Titular) and Marie-Joelle Haas (Alternate)

**Administrative Committee**

Nohra Rey de Marulanda (Titular) and Asunción Aguilá (Alternate)

**Investment Committee**

Ciro De Falco (Titular) and Ira Kaylin (Alternate)

**Retirees' Life Insurance Program**

Isabel Larson (Titular) and Maurice A. Thomae (Alternate)

**Consultative Committee for the IDB's Community Relations Program for Washington,  
D.C.**

James R. Taylor (Titular) and Fausto Medina-López (Alternate)

**Ortiz Mena Award**

Ciro De Falco (Titular) and Asunción Aguilá (Alternate)

**REPRESENTATIVES ELECTED BY THE RETIREES TO THE REVIEW  
COMMITTEE FOR LIFE AND HEALTH INSURANCE**

Isabel Larson, Roberto López Porras/Helmuth Carl

**COMPOSITION OF THE INTERNAL COMMITTEES**

**Chapters**

Gabriela Sotela (Coordinador), Oscar Echeverría, Ana Gergely

**Cultural and Social Activities**

Nohra Rey de Marulanda (Coordinador)

**Finance**

Paula Verdun (Coordinador), Fausto Medina-López y Alvaro Ramírez

**Legal and Regulations**

Nívea N. Ayala, Manuel Valderrama Jorge Zelaya

**Internal Audit**

Cecil Hornbaker, Lydia Almond, German Paraud

**Medical Insurance**

Helmuth Carl (Coordinador), Isabel Larson, James Taylor

**Pension Fund**

Saúl Hanono (Coordinador), Asunción Aguilá, Ciro De Falco, Marie-Joelle Haas,  
Ira Kaylin, Nohra Rey de Marulanda

**Publications**

Maurice A. Thomae (Coordinador), Nívea N. Ayala, Oscar Echeverría, Eva Kaibni, Isabel  
Larson, Ximena Morey, Nilcéa Muniz, James R. Taylor

**Volunteer of the Year Award**

Miguel Rivera (Coordinador), James R. Taylor, María Adela García, Elizabeth Tremaine,  
Ronald Brousseau, Marília Mirza

**Web Page**

Asunción Aguilá (Coordinador), Marie-Joelle Haas, Rolando Castañeda

- The President is member ex-officio of all the Internal Committees.