



Newsletter

Bimonthly publication of the IDB-IIC Retirees Association

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EDITORIAL

In the editorial of Newsletter 138 I devoted some lines outlining the Newsletters' objectives, noting that its primary mission was to publish the up-to-date information about the situation or news regarding the Staff Retirement Plans and the Health Insurance Program. I encouraged the readers to send their messages as a way of showing their feelings of belonging to the Institution and the continuity of the friendly ties developed during the years of active life in the Bank.

I also commented that these aims, clearly with institutional and social consequences, could be further enhanced through the use of its pages, in a two-way approach, so that every member of the Association would have free access to express their views. During the July luncheon, I had the opportunity to request opinions or criticism from those present concerning better ways of producing this Newsletter. I still believe in the value of such a practice. However, and shortly thereafter, this invitation showed the magnitude of the inadvertent risk that it implied, upon the receipt of a request for disclosure of correspondence concerning complaints on administrative matters pending response or resolution by the Board of the Association that, by such circumstances and given the current fluidity that still exists both in the identification of new administrative criteria and of policies of the current Board that affected the subject matter, could not be accepted without the creation of a confrontational scenario or administrative misunderstandings, which would do little or nothing to help resolving the outstanding issue. This, of course, does not mean in any way, a criticism to the importance or dimension of the matter, especially when the content of the topic be strictly objective and always stay away from judging the performance of members or entities of the Association. It is my intention that this episode will serve to warn our readers of the circumstances described, which I hope, are only temporary and understood as a short preamble that will not affect the purpose originally mentioned for the preparation of a free newsletter with the collaboration of all members.

To avoid future misunderstandings about the rules for publication of the Newsletter, we published again, after its suspension for several years, the notice that appears on page 3 of Bulletin 139, relating to the request for publication of letters from readers, including the following warning: "The Publications Committee reserves the right to decide whether or not to accept them, as well as modify the letters in agreement with the author." This text is in accordance with a universal prerogative of the written press.

Maurice A. Thomae

BOARD DECISIONS

Board Actions Based on September and October Approved Minutes:

1. Add to the list of names to constitute the Nominating Committee for the 2010 elections a representative selected by the Chapters.
2. To send a letter to all persons who may be eligible to participate in the focus groups. This letter, regarding the study from Buck Consultants and the options to potential beneficiaries which would be sent after a scheduled meeting with Mr. Roberto Vellutini, President of the Administrative Committee of the Retirement Plan, would reflect the results of that meeting. Said letter has already been mailed.
3. Approval of the September financial reports and the revised budget for 2009.
4. To transfer some unused funds budgeted through December to cover the expenses of the Website/Database Membership.
5. To send a survey to all retirees who have their e-mails registered with the Association to obtain their views on the use and elements to improve the website.
6. To request the Coordinator of the Solidarity Program to send a note about the program for inclusion in the Newsletter and on the website of the Association.
7. To have an internal audit for 2009.
8. To send to members only death notices of retirees and their spouses.

APPOINTMENT OF SECRETARY TO THE BOARD OF THE ASSOCIATION

Marília C. Mirza has been nominated by the President and unanimously approved by the Board members to fill the position of Secretary due to the resignation of Federico G. Klein.

SEPTEMBER LUNCHEON

The luncheon was held on September 30 in “The Americas” Dining Room. The format was a “Brown Bag Luncheon.”



From left: Hugh Schwartz, Inés Cherny, Miguel Rivera, Manuel Valderrama, and Ricardo Valderrama

The speaker, Mr. Juan Eduardo Zuluaga, Chief of the Division of Finance and Risk Management of the Inter-American Investment Corporation (IIC), spoke about the main objectives of the Corporation’s business plan for 2009 and how these have been affected by the current economic crisis. During the conversation Mr. Zuluaga touched topics such as the geographic diversification of the portfolio of the IIC, the measurement system of economic impact (DIAS), the evolution of credit rating, the creation of the new area of technical assistance and the new capital investment initiative.



From left: Andrés Solórzano, Oscar Echeverría, Alvaro Chávez, María Adela García, Lily Fuentes, Fernando Jiménez, and Alvaro Rebollo

On this last topic, he discussed the implications for the future of the Corporation with the China Fund–IIC of capital investment with a value of \$75 million which will allow the Corporation to make equity investments



Juan Eduardo Zuluaga

in Pymes up to \$150 million. During the talk, both the speaker and the attendees had the opportunity to discuss current topics such as the impact of the crisis in the financial systems of developed countries and the different impact the crisis had in the region, the trend to greater regulation of the global banking system, and other topics of interest.

Mr. Zuluaga thanked the Association for maintaining the communication between active and retired personnel through this type of initiative.

OCTOBER LUNCHEON

The luncheon was held on October 30 at Alfio's Cucina D'Italia Restaurant. Saúl Hanono announced that the constitution of the Nominating Committee would be decided as soon as we received a proposal from the Chapters suggesting a candidate. After welcoming those who were attending for the first time Steve Doherty and Yolanda Gomez, who was accompanied by her parents, Saúl gave the floor to Asunción Aguilá, who covered the topics relating to "Payments in Local Currency" and "Advances in the Work of the Website."



Asunción Aguilá

Asunción began reporting that some members, who had received a communication on the formation of focus groups to investigate the interest of residents living outside the United States to receive their pensions in local currency, had unfounded concerns in the belief that the proposal was not an option but a mandatory change applicable to any retiree residing overseas. She clarified that an issue of this nature would never be obligatory. Asunción Aguilá



From left: Lily Fuentes, José Kohout, and Clemencia Urribarrí

recalled that this system was introduced in 1996 but in 2001, because there were few retirees using the option and also because there were many complaints stemming from the complications of calculation, Management decided to abandon the system, leaving it as an option. However, given the fact that now many retirees living abroad are worried by the dollar's decline vis-à-vis the local currencies of their countries of residence and the rising cost of living, they asked the Bank to reconsider that option and its reinstatement is being studied.



From left: José Gomez, Yolanda Gómez, Beatriz Gómez, Ana Virginia Cope, and Georgina Dos Santos

As a result, the Administration Committee of the Staff Retirement Plan requested that a study be made to define what might be the costs for the Plan to calculate the various alternatives that could be used. In late 2008, the Committee informed the Retirees Association that in order to know what kind of demand could exist, it was necessary to have a survey among retirees who could be affected by such action. The Association formed a working group headed by Nohra Rey de



From left: Saúl Hanono, Oscar Echeverría, Andrés Solórzano, José Kohout, and Douglas McCallum

Marulanda with Alfred Thieme and Asunción Aguilá and a letter was sent to the presidents of the Chapters emphasizing that it was important that they indicate some people who could be identified in each country, at random, to form a focus group. Moreover, we would contact individuals in countries where there are no chapters in Europe, Latin America, and the Caribbean. That resulted in several communications and very valid questions about the system which forced the Association to again contact the Administration Committee on the possibility of distributing the actuarial study, given the interest from retirees to know it. The response received last week from the Executive Secretary of the Plan and, after a meeting with Robert Veluttini, President of the Administration Committee, was to consult the Legal Department as to any objection to have the report distributed. We are awaiting the response from the Legal Department. In addition, we are waiting for the outcome of a meeting of the Administration Committee which will take place in early November with possible alternatives after which it will be decided whether or not to distribute the study. Meanwhile, we will continue with the focus groups. She also reported that we have a letter ready to be sent to all retirees residing overseas, either by email or by post, in both languages, explaining the current position so that they know that we will continue with the focus groups once we receive the information requested to the Executive Secretary of the Plan.

In regard to the Website, Asunción said that because of problems with the firewall of the Bank, up to now the Association had a very strict access to update the page, but with some personal help from ITE staff we kept doing it. Recently Rolando Castañeda has been working on this from home. She added that we have to make a change and we know that we cannot do it from the Bank, it has to be done from outside. So, Asunción and Marie Joelle, who are coordinating the Website, de-

ecided to do a survey which was sent out with the purpose of finding out how and with what frequency the website is being used. A total of 883 emails were sent and the day before the luncheon there was a total of 292 responses, which is about 33%. As for the people who frequently consult or those who do it occasionally, is 42%. Those who access it very seldom reach 25%, and the percentage of those who do not access it or who have not answered the questions amounts to 33%. This is preliminary data, since the survey has not been completed. Apparently, what most members are interested in are: the Newsletter, information previous to the elections, the minutes of the Board, and the downloading of medical insurance forms.

After Asuncion's talk there was a question and answer period that allowed an exchange among the participants to clarify both issues of the Website, the use of a blog, a Facebook, payment in local currency, focus groups related to the problem of European, Latin American and Caribbean countries as a result of the dollar devaluation. The option of pension payment in local currency on U.S. dollar equivalent would either be total or in part, depending on the interested party.



From left: Florencio Ballestero, Saúl Hanono, Oscar Echeverría, Andrés Solórzano, Alvaro Chávez, Fernando Jiménez, and Alvaro Rebollo

At the end, Saúl Hanono asked those present to encourage their friends to send their email addresses to the Association in order to contribute to a more efficient system of communication. Besides, he referred to the forthcoming elections and the need for candidates willing to cooperate. He also mentioned the resignation of Federico Klein as Secretary for personal reasons and thanked Federico for his valuable collaboration in the Board. Marília Mirza has accepted to replace him.

NOMINATIONS FOR 2009 VOLUNTEER OF THE YEAR

Following our yearly tradition, the Retirees Association is accepting nominations for the “2009 Volunteer of the Year.” The nominations must be received in the Association by January 30, 2010. For this purpose, we urge all of you to look at the volunteer work being performed by our fellow retirees and to nominate those that you believe are providing valuable volunteer work in their communities.

Any retiree can nominate another retiree residing either in the United States or any other place by sending an e-mail or a written communication to the Retirees Office, covering the points indicated in the Nomination Form. Based on the information received, the Selection Committee will choose the person who should receive the prize. The recipient will receive a plaque and a donation of \$200 to the charity of his/her choice. The award will be presented at the Retirees Association Annual Meeting in April 2010.

The nominated person eligible to receive the award must be an active member of the Association who has dedicated at least three years of volunteer service in the community or to the IDB Retirees Association. The volunteer service does not need to have been performed in the year that the award is being considered. An elected member of the Retirees Association or its Chapters would not be eligible for the award during his/her term in office.

Included with this Newsletter is the Nomination Form. For further clarification on this subject, please contact Miguel Rivera, Coordinator, 2009 Volunteer of the Year Selection Committee, by phone at (703) 893-4890 or e-mail emrivera@aol.com.

NOMINATIONS COMMITTEE

We are pleased to inform you that the Board of Directors of the Association of Retirees has appointed the following members to the Nominations Committee for the upcoming elections in April 2010:

Héctor E. Luisi, Coordinator

Renato L. Puch

Luz S. Sadak

Álvaro Juan Llosa Talavera

Hugo Villarroel, Chapters Representative

ASSOCIATION OF RETIREES OF THE INTER-AMERICAN DEVELOPMENT BANK 2009 VOLUNTEER OF THE YEAR NOMINATION FORM

Nominee: _____

Nominator: _____

Retiree Number: _____

- 1) Provide the name of organization(s) and address(es) for which the Nominee has performed volunteer service and the role or mission of the organization(s).
- 2) Describe the type(s) of volunteer service, number of years (period of activity), and average time (hours) dedicated per month that the Nominee has provided to each organization named in the previous numeral.
- 3) Describe the benefits of the volunteer’s service on the community.
- 4) Describe the leadership demonstrated by the Nominee and any innovative aspects of the service, including innovative approaches, etc.
- 5) Attach any recognitions, letters of endorsement, news clips, etc. that may be pertinent.

SOLIDARITY PROGRAM

Representing the Board, Fausto Medina and James Taylor worked with the coordinators of the Solidarity Program for the Latin American and Caribbean communities in the Washington, D.C. area, evaluating proposals of financial support with the objective of reducing poverty through cooperation with local organizations to promote development initiatives in education, health, and economic development. In their opinion, the evaluations were very professional. They emphasized the possibility that Bank retirees can give their voluntary cooperation to expand the scope of the solidarity program. For further information please consult <http://www.iadb.org/topics/csr/solidarity/?lang=en>

WORKSHOP FOR INTERNATIONAL RETIREES ASSOCIATIONS

Paula Verdun and James Taylor reported on this event, sponsored by the World Bank, which took place on September 24 with the participation of several international institutions. The main topics discussed were the governance of the retiree association's, pensions (including cost of living adjustments), health insurance, and communication with the membership.

NEW MEMBERS

We are pleased to welcome our most recent members: Arnoldo Beltrán, María René Berdecio, Freddy Castellón, Lilian Crisóstomo, Dennis E. Flannery, Félix Leyton, Héctor José López García, Rodrigo Mayen-Girón, José Roberto Nolasco, Michael O'Donnell, Ronaldo Pastor Costa, Ana Silvia Ponciano, Alvaro Rebollo, Adela Rivera, Eugenia Sejas, Cristóbal Silva y Graciela D. Testa.

VISITOR

We thank Gregorio Pokorny for his visit to our office.

PAKISTAN THE VISION OF A LATIN AMERICAN ABOUT A COUNTRY WITH GREAT CHALLENGES

By: Orlando Reos

One of the great opportunities offered by retirement is to have the time to devote to new activities, to implement neglected old plans, hobbies, reading, and in effect, enjoy new experiences. Many of my colleagues of so many years in the Bank, in their own countries and throughout the world, are also enjoying trips long delayed. So, when at a luncheon of the Retirees Association Maurice Thomae suggested that I talk about my recent visits to Pakistan, I accepted in the belief that this could be just the first of a series of stories from many members of our Association on similar travel experiences. There is, therefore, no particular interest in discussing the professional aspects of my trip, but to look at a traveler's experience in a country located in a fascinating area of the world.



In just over ten months, I've taken three trips to Pakistan as a member of a group offering technical assistance to the federal agency of fiscal revenues of the country in the context of a World Bank project. Never before had I been to that region and, therefore, everything was new. After an exhausting journey of almost 24 hours from Washington, one arrives at Islamabad and the first surprise is the number of people walking at the airport, in the parking lots and surrounding areas, even at one o'clock in the morning. Right then one realizes that this is a very populous country, the sixth in the world with respect to population (165 million), with an area slightly smaller than Venezuela, but with one of the largest densities (more than 200 inhabitant/sq km). Approximately two thirds of the population is distributed in the rural areas, some very remote and with a topography of extremely difficult access. To complete the description, I must add that there is a great cultural diversity. There are two official languages: Urdu and English, besides five others which are spoken by several million people, plus dozens of minor languages and dialects. As in other parts of the world, there is in Pakistan the need to accelerate the incorporation of large masses to the benefits of development.

Islamabad is not a major metropolis. With almost two million inhabitants, it is the tenth largest city in the country with respect to population. It was a small provincial city, a poor suburb of Rawalpindi, which became the federal capital in the 60's. As in other similar cases, the city began to grow and improve its major

avenues and public buildings. Islamabad is a beautiful city with a relatively mild climate, although with summers of relentless heat. Buildings across the capital, such as the Parliament, the Supreme Court, the Seat of the Prime Minister, and the Faisal Mosque, are impressive. Furthermore, and despite the crisis affecting this and other countries around the world, the construction sector in Islamabad is busy. New hotels, public buildings, and roads give a remarkable image of dynamism. However, as soon as one leaves the major sectors of the city, another reality appears quite different and difficult, with enormous problems in sanitation, education, and welfare.

Cities like Lahore and Karachi are huge conglomerates with all the features of overcrowded cities. Especially in Karachi, where there are about 18 million people, you recognize all the problems of mega-cities. Poverty is particularly visible in the Third World, associated with traffic congestion, violence, exclusion, and high environmental pollution. Karachi has a large port on the Indian Ocean near the mouth of the Indus River and has been, since time immemorial, the entry and exit to the world from an important place in the center of Asia. Even Alexander the Great had the center of its military operations against the Persian Empire there. Today, Karachi is the capital of the Sindh province and an industrial and financial center of international level. It has beautiful monuments like the tomb of Quaid-e Azam, the revered founder of the Islamic Republic of Pakistan. But it is, at the same time, one of the most dangerous places in the world in the fight against drug trafficking because it is the output port of opium from Afghanistan and entry of the chemicals used in its refining.

Lahore, capital of the Punjab province, is another major city in Pakistan, with over nine million inhabitants. For hundreds of years it was a cultural, religious, artistic, and political center. It became the capital of the Mughal Empire and still preserves monumental buildings, mosques, and palaces with a fascinating story. To this day, it remains a center for cultural, scientific, and educational advancement. The Punjab region is very dynamic in agriculture, but has been the center of disputes between different religious groups and politicians from India and Pakistan since the independence of both countries in 1947.

Social indicators in Pakistan are disturbing. The liter-

acy level is only about 50% and in some areas of the country, as the province of Baluchistan, 33%. There, the literacy of women is only 27%, which means that seven out of ten women are illiterate. Simply astounding. The reasons for this great educational deficiency vary. On one hand, it is not easy or inexpensive to reach such a vast population with schools, teachers, and books. On the other hand, a combination of tradition, religion, and customs is limiting the necessary change of this situation. In spite of this, it seems that in some levels of the political and social leadership, there is a lack of awareness of the urgency to solve this issue. Health and sanitation indicators are not good. 38% of children under five years are under weight and 24% of the population is undernourished. Poverty indicators are also alarming: 74% of the population live on less than \$2 a day. The financial and economic requirements to change this situation, as can be imagined, are immense.

Parallel to this reality, Pakistan has a feature different from other countries with high social needs. It is one of the few countries in the world that has a nuclear arsenal and military structure in a semi-permanent alert which is able to go into combat on short notice, as has happened three times in the last 60 years. Although since the time of independence, at the end of World War II, the country has had a complex relationship (and several wars) with its neighbor, India, lately the military situation has been complicated by another war, this time in Afghanistan, Pakistan's western neighbor.

Throughout the ten months since my first visit, the security situation has changed somewhat, and now the impact and drama of the nearby war can be seen more clearly. A new government was elected in September 2008 after a long period of political uncertainty and there was fear, but also every hope, that the situation would soon be stabilized. Unfortunately, at the same time, the outbreak of war in Afghanistan began to come dangerously close to Pakistan. There have been many casualties from terrorist activity by fundamentalists in the country and the government has decided to confront these groups. Since the army began its actions against the Taliban, in the Swat Valley, in the midst of this year, there has been displacement of hundreds of thousands of people who have temporarily taken

¹ These are indicators from the United Nations Program for Development

refuge in other parts of the country. This is a current social drama which can become a gigantic problem.

On the other hand, Taliban fighters move with great ease between the two countries because of a very porous border. Furthermore, the tribes to which they belong settle on both sides of the boundaries. State presence in many of these areas is very sporadic and sometimes nonexistent. Specifically, the social indicators mentioned earlier serve as reference to the need to improve the living conditions of large masses. Many of the residents in FATA (Federally Administered Tribal Areas) zones or parts of the Western Frontier Province (NWFP) resent the central government for not receiving the benefits (education, health, security), but suffering the rigors of the current uncertainty and conflict over issues that they do not understand. And here it is, in my humble opinion, one of the big risks facing Pakistan. It is a very dangerous combination due to the existence of large groups of people who have no income or government services to improve their human condition (health, education, etc.), exacerbated by fundamentalists religious minorities willing to undergo martyrdom to achieve their goals; and all this under one State with great military capacity, but very impotent to confront this dilemma.

Pakistan's democratic government has indicated that its strategy is to confront this dilemma. However, the coming months and years will be critical to restore normalcy and consolidate a transition to modernity and social inclusion, or enter into a spiral decline with an unpredictable future of undesirable effects not only in this country, but throughout the region and even in other far corners of the world.

HEALTH FAIR

We want to state for the record our gratitude to the following retirees and their families who gave their time and volunteer work to the Health Fair, a major activity which through the years has been monitoring the health of the IDB family: María Marta Armistead, Ana Barneond, Silvia and Carlos Alfaro, Sara Boero (Haydee Weiler's sister), María Adela García, Elsa Golden, María Lucia Muñoz, Nilcéa Muniz, Norberto Requejo, María del Carmen and Edward Toomer, Yolanda Vigil, and Lee Wieland.

OBITUARIES Mario Miglio

A Peruvian citizen, Mario passed away on September 24 in Lima, Peru. He joined the Bank in 1971 in the Personnel Section, later being promoted to Chief of the Local Personnel Unit. In 1975 he was transferred to the Office of the Chief of the Personnel Division as Coordinator for the Country Offices. In 1979 he moved to the Administrative Department as Senior Advisor, a position he held until his retirement in February 1981. Mario received a lawyer's degree from the University of San Marcos. Before joining the Bank he had held executive positions in the private sector in his native country. Condolences may be sent to his daughter Patricia Miglio, San Silvestre No. 113, Surco, Lima, Peru, phone 1-511-479-1909.

We have also been informed of the passing of our member **Yinah Araripe Barbosa**, widow of Raul Barbosa, on October 8 in Brazil. Condolences may be sent to her daughter Ailza Barbosa de Moraes, Rua José Vilar 2000, Apto. 100, Fortaleza, Ceará, Brazil.



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