

**Minutes of the Meeting No. 08/09**  
**Board of Directors of the IDB Retirees Association**  
**Wednesday, June 24, 2009**  
**Room: NW-469 - Time: 10:30 a.m.**

Present: Saúl Hanono (10), President  
Nohra Rey de Marulanda, (10) Vice-President  
Paula G. Verdun (10), Treasurer  
Fausto Medina-López (11), Deputy Treasurer  
Ira Kaylin (10), Director  
James R. Taylor (10), Director  
Alfred Thieme (10), Director  
Gabriela Sotela (10), Director

Absent: Federico Germán Klein (10), Secretary  
Marie Joelle Haas (10), Deputy Secretary  
Asunción Aguilá (11), Director  
Ciro de Falco (11), Director  
Isabel C. Larson (10), Director

1. The quorum was verified, and the meeting began at 10:45 a.m.
2. The agenda was approved without modification.
3. **President's Report.** Saúl reported on progress to date regarding the reconstitution of each of the committees of the Board. Additional appointments were proposed during the meeting. This process should be completed by the next session of the Board. It was emphasized that those who serve on committees should not necessarily be Board members.
4. **Secretary's Report.** The minutes of meeting 07/09 (May 20) were approved by short procedure. The following retirees have become members of the Association since the May 20 meeting: Lydia Pelegrín, Cecilia Gallegos, Williams P. Armstrong, Lawrence Harrington, Laura Guarnieri, Asunción Galdón and Luisa C. Rains.

Several Board members pointed out that there has been an enthusiastic response to the online publication of the minutes, especially by the Chapter presidents.

5. **Report of Country and Local Chapters Coordinator.** Gabriela Sotela reported on the conversations held with the Chapter presidents. She discussed their principal concerns and the details they provided, both verbally and in writing. The Board wishes to thank the presidents for providing this very useful information, and is unanimously committed to

working with the Administration in order to find solutions to the problems that affect our international and local members.

Several requests have been made, both verbally and in writing, for copies of the “Currency Option Study.” In this regard, the Bank Administration has indicated to us that they do not consider it appropriate to distribute documents that are discussed within the committees to a wider audience. This study includes various options for the partial or complete payment of dollar-denominated pensions in their local currency equivalence. The Board has decided to ask the Administrative Committee of the Retirement Plan to select a number of options in order that the Retirees Association, by means of a “Focus Group” approach, can discuss these options with interested parties.

Regarding the concern expressed by so many retirees, both residents in the U.S. and other countries, over the difference in the premiums paid by active and retired participants in the Medical Insurance Plan, we will persist in our efforts to convince the Administration to charge uniform premiums to both groups (see item 7, below). The Board will also continue its efforts to get CIGNA to expedite the reimbursement of medical expenses and to seek solutions to the distinct problems experienced in certain countries with regard to medical insurance.

In view of the variety of problems raised by the Chapter presidents, as well as by other members of the Association, it was agreed that an issues paper should be prepared, which prioritizes the problems and indicates the follow-up actions that are feasible for the Board to pursue. Saúl Hanono will take the lead in writing the paper, in collaboration with other Board members.

**6. Reports of representatives to the Committees of the IDB Retirement Plans.**

(a) Administrative Committee. The Association’s Representative, Nohra Rey de Marulanda, informed the Board that the committee needs to develop a new methodology for calculating cost of living adjustments for local retirees, who are paid in local currency, since the present one is no longer functional. A study is to be undertaken by consultants for this purpose. At the Committee meeting, Nohra insisted, and others on the Committee agreed, that the objectives, guidelines and methodology for the study must be defined by the Administrative Committee before the work is contracted.

(b) Investment Committee. Ira Kaylin, the Association’s Representative, spoke about three issues that were covered at the last meeting of the Committee: (1) In view of the fact that cash was accumulated in the Pension Fund during the period of financial turmoil, there is a need to begin investing it so as to rebalance the Fund’s portfolio in accordance with existing policy guidelines. (2) The Committee decided that investments in a securities lending fund made by the manager of the complementary and local staff retirement funds should be discontinued due to limitations in the liquidity of this fund. (3) The need for a study that analyzes alternate investment scenarios over the next ten years, so as to provide a basis for the Committee on to assess risk and return tradeoffs. The Committee approved the consultant’s underlying assumptions about capital markets over the coming years, which was required before the study could be undertaken. Ira also pointed out the

importance of selecting an appropriate discount rate for determining the present value of the Bank's obligations under the Retirement Plan. Too high a rate, for example, can give an overly optimistic estimation of the funding ratio (assets to obligations). He also expressed his concerns over procedures for the approval of the minutes of the Investment Committee and the need to improve the flow of information between the Investment and the Pension committees.

Saúl asked Ira to request that the Committee provide the Board with monthly reports of the financial situation of the Pension Fund, so that we can monitor it on a continual basis rather than only a few times each year.

7. **Medical Insurance.** The unification of the premium tables for active and retired participants in the Medical Insurance Program (MIP), which was mentioned in Gabriela's report, was raised again. In this regard, it was pointed out that the Association has been actively promoting this change since the mid-nineties. In 2005, the Board submitted a formal proposal for the unification of the premium tables to the HRD Manager, which he then referred to the Bank's Medical Insurance Review Committee for their recommendation. In 2007, the Review Committee endorsed this concept, along with an increase in the Bank's contribution to the costs of the MIP. To date, however, the Bank has not implemented these measures despite the expectations that existed. The HRD Manager recently informed Saúl Hanono and Nohra Marulanda that no resources had been budgeted for changes in the medical insurance premium structure in 2009.
8. **Treasurer's Report.** The report, which was distributed electronically prior to the meeting, was accepted without comments. The Treasurer, Paula Verdun, pointed out that there are two separate data bases for Association members, and that there are differences between them that need to be reconciled every time the data is to be used. Fausto Medina- Lopez proposed that a summer intern be hired to help develop a single data base, according to the specifications of the Treasurer, at a cost of approximately \$4,000. It was also suggested that a retiree could be contracted to do the work. It was decided that the Board will determine the arrangements for resolving this problem at a subsequent meeting.
9. **Other matters: Methodology for Calculating Cost-of-living Adjustments.** The Board was informed of an initiative by a member of the Association that is aimed at proposing a different methodology for calculating the annual COLA. Once the details of this proposal and its rationale have been presented to the Board, it will be considered.

The meeting was adjourned at 1:00 p.m.

Jim Taylor  
Acting Secretary