To: The Board of Executive Directors

From: The Secretary


Inquiries to: Director Luis Hernando Larrazábal (extension 1168)

Remarks: The changes in this revised version are marked with a line on the right margin.

Supersedes: GN-2570-1(5/10)
Reference: GN-2570(5/10)
At its 24 May 2010 meeting, the Programming Committee considered the document "Country Strategy Updates,” GN-2570.

Management gave a brief presentation on the country strategy updates document, produced pursuant to the Country Strategy Guidelines (document GN-2468-6), the purpose of which was to extend the effective period of the last country strategies approved by the Board of Executive Directors and to update the Bank’s areas of intervention for Argentina, Brazil, Dominican Republic, Jamaica, Mexico, Trinidad and Tobago, Uruguay, and Venezuela.

The Committee members expressed support for the proposal in principle. Nonetheless, they expressed some concerns with respect to issues such as the criteria for setting the effective periods of the updates; the update of strategies that expired long ago during this transition period and their extended effective period; consideration of country systems, with the matter of procurement still pending; evaluability of the updates; and due consideration of risk areas as well as significant changes that may have occurred during the period that had elapsed since the expiration of the previous strategies. Mention was also made of the fact that the 2008 and 2009 programming exercises with the countries had been complex, due to the impact of the global financial crisis and the Bank’s resource limitations.

Management indicated that basically all the updates were concentrated in 2010, with one exception, following the political cycle of the respective countries. In the context of this transition, these updates were what provided the context for new operations approved by the Board for those countries. In terms of evaluability, the updates did not change the status of the strategy being updated in this regard. OVE indicated that it had been duly informed, that the updates as such were not evaluable, and that it would be necessary to determine whether the original strategy and update taken together would be.

Based on the institution's financial capacity, resources would be even tighter in 2010 and 2011, with limited space for disbursements and new approvals, in view of which the current policy on the "buffer" could be reviewed or approvals could be fine-tuned in terms of their disbursement profile.

Lastly, in the specific case of the Dominican Republic, Management indicated that the effective date of the strategy would extend to June 2010. The Committee members took note of the fact that, with this document, a gap related to the transition period was being closed and that, by the end of June 2010, the Committee would receive the new country programming document (Operational Program Report—OPR), in the context of the updated strategies.

In my capacity as Chairperson of the Programming Committee, I recommend that the Board of Executive Directors approve the "Country Strategy Updates” as contained in document GN-2570.