

2024

ADMINISTRATIVE AND CAPITAL BUDGET PUBLIC VERSION



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ACRONYMS AND ABBREVIATIONS

2024 BPU	2024 Business Plan Update
AKI	Analytic & Knowledge Information Division
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AUG	Office of Executive Auditor
BOARD	Board of Executive Directors
CAN	Country Department Andean Group
CCAC	Composite Cost Adjustment Component
CCB	Country Department Caribbean Group
CID	Country Department Central America, Haiti, Mexico, Panama & Dominican Republic
CLF	Credit Limit Management Framework
COF	Country Offices
COVID-19	Corona Virus Disease 2019
CPI	Consumer Price Index
CRM	Customer Relationship Management
CRS	Compensation and Rewards Recommendations
CSC	Country Department Southern Cone
DELTA	Development Effectiveness Learning, Tracking and Assessment
DRA	Development Related Asset
GDI	Gender, Diversity & Inclusion
IT	Information Technology
KW	Knowledge Week
LAC	Latin America and the Caribbean
LIBOR	London Inter-Bank Offered Rate
MBSI	Market-Based Salary Increase
MGM	Management Grievance Mechanism
MICI	Independent Consultation & Investigation Mechanism
MOOC	Massive Open Online Course
NPS	Net Promoter Score
NSG	Non-Sovereign Guaranteed
OCI	Oracle Cloud Infrastructure
OII	Office of Institutional Integrity
OVE	Office of Supervision and Evaluation
PEC	Product and External Services Consultant
RTO	Return-to-Office
S&I	Small & Island Countries
SBE	Sustainable Budget Envelope
SLA	Service Level Agreements
SOFR	Secured Overnight Financing Rate
SRP	Staff and Retirement Plans
TFFP	Trade Finance Facilitation Program
TSCF	Trade Supply Chain Finance
WTW	Willis Towers Watson

Executive Summary

In 2023, the private sector in Latin America and the Caribbean (LAC) continued a difficult and slow recovery from the COVID-19 pandemic while still facing considerable global macroeconomic headwinds. While productive investment is increasing in many countries and sectors, the repercussions from the Russian war in Ukraine, high inflation, rising long-term interest rates, and a potential resurgence of COVID-19 all threaten further economy recovery¹. IDB Invest continues to play an important role to address the Region's challenges.

During 2023, IDB Invest Management (Management) and the Board of Executive Directors (the Board) continued the process of co-creation started in 2022 to fulfill the Board of Governors' mandate² to develop a New Vision and Business Model for IDB Invest. Management is already piloting some key aspects of the New Vision and Business Model. For example, Management has significantly enhanced its focus on mobilization, selling portions of assets, and further developing advisory services capabilities.

The scale of these efforts is limited, however, by IDB Invest's existing balance sheet. Its Total Capital level available for deployment -which include capital savings obtained in 2022 and 2023 in line with CAF G20 recommendations- will remain the operational constraint for 2024. The resulting indicative Operational Targets of US\$4.8 billion in commitments and US\$3.0 in mobilization are the basis for the Budget Proposal that follows.

As presented in the 2024 Business Plan (2024 BPU) entering 2024, IDB Invest will focus on four pillars: **first**, *reinforcement of its impact model*, **second**, *continued strengthening of its operational processes and systems*, **third**, *continued work on its organization model and commitment to workforce engagement*, and **fourth**, *active participation in the development and implementation of the IDB Group's institutional strategy*.

The 2024 Administrative Budget request addresses the incremental needs for the first and the second pillars by allocating additional resources to initiatives such as Gender, Diversity and Inclusion (GDI), Social and Climate agenda, Communications, Backbone, and Operational Systems, and Processes.

The third pillar, focused on attraction and retention of talent and improvement in the engagement levels may well be the most significant challenge facing the organization at time of potential transition and change. As presented recently to the Board this challenge includes career opportunities **and** compensation. Ample evidence can be found in exit interviews, retention actions undertaken since 2022 and engagement surveys, where rewards and compensation consistently rank as the weakest elements among employees. Moreover, the fact that IDB Invest's competitiveness is under stress is supported by market analysis. In 2021, the organization Willis Towers Watson (WTW)³ conducted a comprehensive compensation analysis, revealing a notable lack of competitiveness compared to peer organizations and the private sector. This deficiency has persisted and over the years, as salary increases have failed to bridge the gap with industry peers. Addressing this systemic concern is imperative in the near and medium term to ensure the

¹ "World Economic Outlook Update - Near-Term Resilience, Persistent Challenges." International Monetary Fund, July 2023. ISBN: 979-8-40024-321-9.

² CII/GN-504-11, Proposed Resolution. New Vision and Business Model for the Inter-American Investment Corporation. Revised version.

³ Document CII/XR-16-1, Staff Remuneration Study, Audiovisual Presentation.

successful attraction and retention of talent and ultimately support the organization's excellence going forward.

That is not to say that Institutional mission, goal-setting alignment, environment, and management support are not equally important as they were also highly valued by employees in the engagement survey that took place in mid-2023. The IDB Invest leadership recognizes that focusing and investing in these qualitative factors is also crucial to engage and retain talent, and therefore remains committed to strengthening all components of the Employee Value Proposition.

A. Administrative Budget proposal:

As in previous proposals, the 2023 Approved Budget serves as the baseline for the 2024 Administrative proposal that follows, and it does not include any resources required under a potential capital increase. As stated, the proposed Administrative Budget is Management's best estimate of the resources necessary to (1) execute the proposed plan of operations for 2024, and start the implementation of New Vision components that are independent of a capital increase, (2) address imminent needs related to the MICI action plans, and (3) fund two elements included in the Compensation and Rewards Strategy (CRS) approved by the Board in 2022 including resources to address competitiveness gaps in the field.

In consequence, the 2024 Administrative Budget proposal request is for **US\$153.4 million**, it represents a **11.1% nominal increase**, and is equivalent to a **4.9% increase in real terms** over the 2023 approved Budget.

The Table Below summarizes the relative weight of the three components mentioned above.

Components	Nominal Increase US\$	Nominal Increase %	Real Increase %
Business Plan Execution and Impact Model	12,814,830	9.3%	3.1%
Funding project related oversight (MICI)	1,000,000	0.7%	3.8%
Retention and field competitiveness gap⁴	1,500,000	1.1%	4.9%
Total	15,314,830	11.1%	4.9%

The 2024 Administrative Budget three components can be summarized as follows:

1. To meet the plan of operations for 2024 and advance on the implementation of the new impact model, the incremental request is for US\$12.8 million which represents a 9.3% nominal increase over 2023 and is equivalent to a 3.1% real increase. The breakdown of this proposed increase into its four sub-components follows:

(i) Organization model and commitment to workforce engagement (US\$9.2 million – 71.5%): Workforce increase to fund projected salary increases at MBSI levels, including variable pay and recognition, the full cost of hirings made throughout 2023 and the cost of five new positions directed at managing growth in the portfolio.

(ii) Operational process and systems backbone (US\$0.8 million – 6.2%): a proposed increase to fund expected system maintenance and implementation related to growth and complexity of IDB Invest's portfolio, continue addressing financial and non-financial risk and improving transaction processes.

⁴ Final gap will be established through a compensation survey to be executed in 2024.

(iii) Impact Model (US\$0.97 million – 7.5%): a proposed increase to fund GDI, Social and Climate Agenda, Knowledge activities, Edge certification a to start the implementation of a revamped impact model for IDB Invest.

(iv) Non-discretionary expenses (US\$1.9 million – 14.8%): To fund an increase in the cost of Service Level Agreements (SLAs) with the IDB. Main components include the increase in funding for the Internal Audit function as mandated by the Audit and Risk Oversight Committee of the Board, and an increase in services from the Human Resources Department and the Information Technology Department associated with the growth of the organization.

2. To fund project supervision-related costs, the incremental request is for US\$1 million which represents a 0.7% nominal increase over 2023 and brings the total real increased proposed to 3.8%. allocated for the implementation of the **Independent Consultation & Investigation Mechanism (MICI)**⁵ action plans for projects such as Ituango⁶.

3. To fund two components of Compensation and Rewards Strategy (CRS)⁷ update, approved in 2022 that were not funded in 2023, the incremental request is for US\$1.5 million which represents a 1.1% nominal increase over 2023 and brings the total real increased proposed to 4.9%. The breakdown of this proposed increase into its two sub-components follows:

(i) Market alignment in compensation for National Staff positions (US\$0.9 million – 60%)

(ii) Rewards and retention Special Pool (US\$0.6 million – 40%)

With committed support from the Human Resources Department of the IDB, Management will conduct a full compensation survey in 2024, which will include a tailored assessment of International and National Staff compensation. This analysis will be specifically designed to realign compensation with market standards and will be the deciding step towards retention and establish a more solid foundation for growth.

B. Capital Budget Proposal

The Capital Budget request for 2024 is US\$12.9 million. It allocates US\$12.4 million for priority information technology projects and US\$0.5 million for building and infrastructure investments aimed at improving IDB Invest's facilities for a more robust hybrid working environment.

These resources will enable IDB Invest to continue building an organization capable of delivering business operations in a more complex environment, bringing opportunities for greater development impact while proactively managing operational quality and improving portfolio oversight.

⁵ MICI formulates structured strategies designed to address and resolve issues or concerns identified during the investigation of projects or initiatives.

⁶ CII/MI-15-11, CII/PR-812-19, PR-4409-12

⁷ Document CII/GN-307-3, Compensation and Rewards Strategy Update and Roadmap for Further Revision

I. ADMINISTRATIVE BUDGET PROPOSAL

A. Context

- 1.1 As nations in Latin America and the Caribbean (LAC) struggle with a decline in growth from 3.9% in 2022 to 1.9% in 2023⁸, there is a great deal of uncertainty surrounding the outlook of the private sector. This decline is due to the recent deceleration in growth, following the pandemic reopening, as well as lower commodity prices and potential negative repercussions stemming from the uncertainty surrounding China's growth forecast. Additionally, the ongoing conflict and geopolitical instability in the Russian war in Ukraine have also heightened global economic uncertainties, possibly impacting foreign investment and trade dynamics in the LAC region.
- 1.2 Inflationary pressure remains a significant obstacle, with core inflation remaining well above the targets of most central banks in the region. In response to persistently high inflation, major central banks have emphasized the need for additional monetary policy tightening.
- 1.3 The situation is compounded by a confluence of factors, including a tight labor market and productivity constraints. All these elements contribute to a complex environment for the private sector in LAC, which needs cautious navigation and thoughtful strategic planning. IDB Invest plays an essential role in providing support and solutions during this challenging recovery period.
- 1.4 In this context, IDB Invest continues to play an important role to address the region's challenges.
- 1.5 Management's 2024 Administrative and Capital Budget proposal⁹ reflects its commitment to ensuring responsible and effective use of budgetary resources to meet operational and corporate needs.

B. 2024 Administrative Budget Proposal

- 1.6 As presented in Figure 1, the proposed Administrative Budget for the year 2024 is US\$153.4 million, an increase of US\$15.3 million from 2023, which represents a 11.1% nominal increase and 4.9% in real terms.
- 1.7 The 2024 Administrative Budget Proposal presents the results of a meticulously drafted Workforce budget request for 2024. Its purpose is to address IDB Invest's pressing needs while gradually progressing towards an optimal organizational design structure.
- 1.8 Following convention, the 2024 Administrative Budget is subdivided into Discretionary and non-Discretionary expenses. Discretionary expenses, which includes workforce, consulting and administrative categories, amount to US\$131.4 million while non-Discretionary expenses total US\$21.9 million.

⁸ "World Economic Outlook Update - Near-Term Resilience, Persistent Challenges." International Monetary Fund, July 2023. ISBN: 979-8-40024-321-9.

⁹ The sums in all tables within this document may not add up due to rounding.

Figure 1. 2024 Administrative Budget Proposal

	2023 Approved Budget	2024 Proposed Budget	Increase (decrease) Over 2023 Approved US\$ %		Real Increase %
Workforce					
Salaries & Bonuses	59,274,879	69,098,885	9,824,006	16.6%	
Staff Benefits	20,957,933	23,628,076	2,670,143	12.7%	
Complementary Workforce	7,178,877	5,346,450	(1,832,427)	-25.5%	
Total	87,411,689	98,073,411	10,661,722	12.2%	6.0%
Consulting					
Project Consulting	3,333,277	5,004,277	1,671,000	50.1%	
IT Consulting	3,359,873	4,044,780	684,907	20.4%	
Other Corporate Consulting	2,574,048	3,204,288	630,240	24.5%	
Outsourced Support	2,160,000	2,320,000	160,000	7.4%	
Litigation	1,200,000	1,350,000	150,000	12.5%	
Total	12,627,198	15,923,345	3,296,147	26.1%	19.9%
Administrative					
External Relations & Annual Reporting	770,000	770,000	-	0.0%	
Business Meetings	291,121	291,121	-	0.0%	
Translations	327,500	327,500	-	0.0%	
External Auditing	450,000	462,150	12,150	2.7%	
Funding - Capital Markets	1,187,200	1,227,200	40,000	3.4%	
Business Development & Travel	3,452,349	3,931,783	479,434	13.9%	
Sponsorships, Conferences & Events	822,058	822,058	-	0.0%	
Communications	1,036,850	1,300,850	264,000	25.5%	
Sustainability & Environmental Outreach*	-	350,000	350,000	0.0%	
General Maintenance	355,535	355,535	-	0.0%	
IT Software & System Maintenance	5,261,511	5,261,511	-	0.0%	
Subscriptions & Memberships	942,825	1,072,825	130,000	13.8%	
Staff Development**	3,062,417	1,262,417	(1,800,000)	-58.8%	
Total	17,959,366	17,434,950	(524,416)	-2.9%	-9.1%
Discretionary Expenses Total	117,998,253	131,431,706	13,433,453	11.4%	5.2%
IDB Services and Others					
Office Occupancy	6,096,825	6,473,328	376,503	6.2%	
Service Level Agreement	12,745,972	14,176,972	1,431,000	11.2%	
Total	18,842,797	20,650,299	1,807,503	9.6%	3.4%
Board of Governors/Executive Directors					
Salaries & Benefits	630,495	669,547	39,052	6.2%	
Representation, Training & Travel	180,000	191,000	11,000	6.2%	
Annual Meeting	385,770	409,593	23,823	6.2%	
Total	1,196,265	1,270,139	73,874	6.2%	0.0%
Non-Discretionary Expenses Total	20,039,062	21,920,438	1,881,377	9.4%	3.2%
Administrative Budget GRAND TOTAL	138,037,315	153,352,144	15,314,830	11.1%	4.9%

* Note that the Sustainability & Environmental Outreach event takes place every other year.

Discretionary Expenses

- 1.9 The discretionary component of the Administrative Budget Proposal for 2024 is US\$131.4 million. This budget category is divided into the following sub-categories: (i) workforce, (ii) consulting, and (iii) administrative costs. Figure 2 below, shows the breakdown for the discretionary items by sub-category with their respective changes from the 2023 Approved Budget.

Figure 2. Discretionary Expenses

US\$ million	2023	2024	Increase (decrease)		Real
	Approved Budget	Proposed Budget	Over 2023 Approved US\$	%	Increase %
Workforce	87.4	98.1	10.7	12.2%	
Consulting	12.6	15.9	3.3	26.1%	
Administrative	18.0	17.4	-0.6	-2.9%	
Total	118.0	131.4	13.3	11.4%	5.2%

Workforce Budget Proposal

- 1.10 **Workforce Cost – US\$98.1 million:** (nominal increase of 12.2%, 6.0% in real terms).
- 1.11 The workforce budget plays a key role in IDB Invest's administrative budget, accounting for 64% of the total budget. Recognizing its importance, Management is committed to diligently managing the budget request and accurately overseeing the execution, persistently dedicated to gradually achieving an optimal organizational design structure.
- 1.12 The Workforce Budget proposal outlines IDB Invest's financial requirements to cover recurring personnel expenses for 2024 and underlines the strategic allocation of additional resources for a comprehensive alignment of compensation for national Staff positions.
- 1.13 The proposed budget increases will enable IDB Invest to continue building an organization capable of delivering business operations in a complex environment, bringing opportunities for greater development impact while proactively managing operational quality and improving portfolio oversight.

Consulting and Administrative

- 1.14 The approved Administrative Budget for 2023, which is the baseline for 2024, retained the significant reduction in consulting and administrative expenses introduced in 2021. Details of the historical approved budgets since 2020 are presented in Annex III.

- 1.15 It is important to note that unspent budget allocations don't automatically translate into savings. However, management continues its commitment to identifying synergies and sustainable cost-saving measures that allow the organization to achieve more with the same resources or the same with less, therefore ensuring these initiatives result in ongoing savings.
- 1.16 The incremental budget proposed are divided into two categories: (i) operational process and systems backbone increase to fund expected system maintenance and implementation related to growth and complexity of IDB Invest's portfolio, continue addressing financial and non-financial risk and improving transaction processes., and (ii) a proposed increase to fund GDI, Social and Climate Agenda, Knowledge activities, Edge certification a to start the implementation of a revamped impact model for IDB Invest.
- 1.17 As presented in the table below, the estimated 2024 Consulting and Administrative budget is US\$33.4 million, an increase of US\$2.7 million from 2023, which represents a 9.1% nominal and 2.9% increase in real terms.

Figure 3. 2023 Administrative and Consulting Budget Proposal

US\$ million	2023 Approved Budget	2024 Proposed Budget	Increase (decrease) Over 2023 Approved US\$ %		Real Increase %
Consulting	12.6	15.9	3.3	26.1%	
Administrative	18.0	17.4	-0.6	-2.9%	
Total	30.6	33.4	2.7	9.1%	2.9%

Non-Discretionary

- 1.18 The Non-Discretionary component estimate totals US\$21.9 million representing a 9.4% nominal increase and 3.2% real increase. This budget category is composed of the following sub-categories: (i) IDB Services and Others including rent and Service Level Agreements (SLAs), (ii) Board of Governors and Board of Executive Directors¹⁰.

¹⁰ IDB Invest will work with the IDB to optimize these procedures.

II. CAPITAL BUDGET PROPOSAL

- 2.1 This section provides an overview of IDB Invest's multi-year Capital Budget Plan, which includes three key components: **(i)** the annual Capital Budget Call process and criteria, **(ii)** the 2023 Capital Budget execution summary and project implementation highlights, and **(iii)** the 2024 Capital Budget Proposal, US\$12.9 million, a reduction of 18% from the 2023 request of US\$15.8 million, to fund new projects in 2024. IDB Invest's multi-year Capital Budget Plan underscores the organization's commitment to the efficient and effective allocation of corporate capital resources. These resources are strategically directed towards projects that align with the organization's current strategies, focusing on the automation, modernization, and transformation of processes, tools, and the post-pandemic work environment. Our overarching objective is to minimize operational risks and processing times while maximizing the allocation of time and resources to innovation and problem-solving. By keeping up with cutting-edge technological advancements and providing our organization and staff with essential system functionalities and facilities, we aim to enhance productivity, drive efficiencies, and consistently deliver results.

A. Capital Budget Call Process and Criteria

- 2.2 The annual Capital Budget planning process begins with a thorough review of the execution of current projects followed by a Capital Budget Call. This process allows the organization to assess the estimated completion timeline of ongoing projects, collect new business needs from various stakeholders and align prioritization of efforts.
- 2.3 IDB Invest's Capital Budget plan remains closely aligned with the organization's key initiatives outlined in the 2024 BPU. This plan continues to invest in major programs to serve internal and external clients, provide scalable solutions in business growth, ensure that compliance and controls adhere to the organization's policies and best practices, and continue to invest in our future state infrastructure needs, including additions and decommissioning of legacy infrastructure.

B. 2023 Capital Budget Execution Summary and Project Implementation Highlights

- 2.4 The projected Capital Budget execution for 2023 is about 71%. However, as stated in the previous section, Capital Projects often extend over more than one year therefore the implementation of some projects approved in 2023 is expected to continue in 2024.
- 2.5 This past year, the **Information Technology (IT)** and **Process Improvement** Capital Budgets have funded major programs that have added to IDB Invest's future state technology stack for scalability, expansion, operational efficiencies, and controls. Example include: a fixed income solution for our liquidity and borrowing's portfolios with reconciliation, pricing, risk, and sub-ledger account postings; new

product offerings in local currencies, including inflationary currencies in Colombia and Chile; an Asset Liability Management (ALM) solution. These new platforms will help the organization to scale its operations, expand into new markets, improve operational efficiency, and manage risk.

- 2.6 In the area of **Compliance**, the organization continue to devote efforts to enhancing its value by completing the Libor Transition¹¹, Data Privacy and Anti-Money Laundering Projects.
- 2.7 In **facilities**, resources are being used to repurpose and retrofit office space as IDB Invest continues to adapt to a post-pandemic environment. All office changes and adaptations continue to evolve in line with the organization's Return to the Office (RTO) Framework. Below is a detailed updated of the changes made to the conference rooms to make them Microsoft Teams ready.

C. 2024 Capital Budget Proposal

- 2.8 Through a comprehensive review of the ongoing capital execution and prioritization of upcoming implementations, Management has determined the additional resources necessary to effectively execute the plan, along with new initiatives in 2024. This year's request to execute the portfolio of programs is US\$12.9 million a reduction of 18% from 2023 request of US\$15.8 million.
- 2.9 As seen in Figure 4, the Capital Budget proposal for 2024 supports the key initiatives outlined in the previous section. The total Capital Budget request for 2024 includes: US\$10.7 million for ongoing and priority projects, and US\$2.2 million for non-discretionary projects, which will supplement existing resources from carryover.
- 2.10 New initiatives in 2024 have been identified in areas of new product enablement, compliance and controls from Action Plans, and upgrades that are required to ensure scale and stability in our core technology infrastructure.

¹¹ The Secured Overnight Financing Rate (SOFR) is intended to replace the US dollar London Interbank Rate (US LIBOR) in future financial contracts. SOFR was selected by the Alternative Reference Rates Committee (ARRC) chaired by the New York Federal Reserve in 2017.

Figure 4. Capital Budget Proposal

(US\$ million)	Strategy	US\$
STRENGTHEN BACKBONE	Future State Strategies	0.6
	Operational Efficiencies	1.5
	Product Enablement	2.0
	Proprietary Models	0.1
	Treasury	0.5
	Subtotal	4.7
DIGITAL INTEGRATION	Client	2.0
	Knowledge Management	0.2
	Platform	0.4
	Standardization	1.1
	Subtotal	3.7
DIGITAL ASSETS	Advanced Analytics	0.3
	Data as Service	1.2
	Digital Literacy	0.3
	Subtotal	1.8
FACILITIES/ BUILDINGS	Basic Needs	0.5
	Subtotal	0.5
NON-DISCRECIONARY / COMPLIANCE	Compliance & Controls	2.2
	Subtotal	2.2
Total		12.9

ANNEX I – 2023 Budget Execution

Administrative Budget: The preliminary projected execution for 2023 amounts to US\$136.5 million of the approved budget of US\$138.0 million that will result in an under execution of US\$1.5 million or 1.1%. Table below shows the estimated execution by category and group.

	2023 Approved Budget	2023 Projected Execution	Over (Under) Execution Over 2023 Approved	
			US\$	%
Workforce				
Salaries & Bonuses	59,274,879	58,682,130	(592,749)	
Staff Benefits	20,957,933	20,748,353	(209,579)	
Complementary Workforce	7,178,877	7,107,088	(71,789)	
Total	87,411,689	86,537,572	(874,117)	-1.0%
Consulting				
Project Consulting	3,333,277	3,333,277	-	
IT Consulting	3,359,873	3,359,873	-	
Other Corporate Consulting	2,574,048	2,574,048	-	
Outsourced Support	2,160,000	2,160,000	-	
Litigation	1,200,000	1,200,000	-	
Total	12,627,198	12,627,198	-	0.0%
Administrative				
External Relations & Annual Reporting	770,000	616,000	(154,000)	
Business Meetings	291,121	218,341	(72,780)	
Translations	327,500	245,625	(81,875)	
External Auditing	450,000	450,000	-	
Funding - Capital Markets	1,187,200	1,187,200	-	
Business Development & Travel	3,452,349	3,452,349	-	
Sponsorships, Conferences & Events	822,058	616,544	(205,515)	
Communications	1,036,850	1,036,850	-	
Sustainability & Environmental Outreach*	-	-	-	
General Maintenance	355,535	266,651	(88,884)	
IT Software & System Maintenance	5,261,511	5,261,511	-	
Subscriptions & Memberships	942,825	942,825	-	
Staff Development**	3,062,417	3,001,169	(61,248)	
Total	17,959,366	17,295,064	(664,302)	-3.7%
Discretionary Expenses Total	117,998,253	116,459,834	(1,538,419)	-1.3%
IDB Services and Others				
Office Occupancy	6,096,825	6,096,825	-	
Service Level Agreement	12,745,972	12,745,972	-	
Total	18,842,797	18,842,797	-	0.0%
Board of Governors/Executive Directors				
BOG/Executive Directors	1,196,265	1,196,265	-	
Total	1,196,265	1,196,265	-	0.0%
Non-Discretionary Expenses Total	20,039,062	20,039,062	-	0.0%
Administrative Budget GRAND TOTAL	138,037,315	136,498,896	(1,538,419)	-1.1%

Capital Budget: The organization is projected to use US\$11.2 million (or 71.0% projected budget under execution) of the US\$15.8 million approved budget. In contrast to the Administrative budget, the Capital Budget can be used over multiple years. However, as recommended by the IDB’s AUG following an internal audit of the budget function, the organization reports the usage of the Capital Budget accordingly from year to year.

(US\$ million)	2023	2023	Variance	
	Approved Budget US\$	Projected Execution US\$	Exec - Approved US\$	%
Computer Hardware & Software and Conference Room:	0.5	0.4	-0.1	-14.0%
Systems Development & Process Imporvement	15.3	10.8	-4.5	-29.5%
GRAND TOTAL	15.8	11.2	-4.6	-29.0%