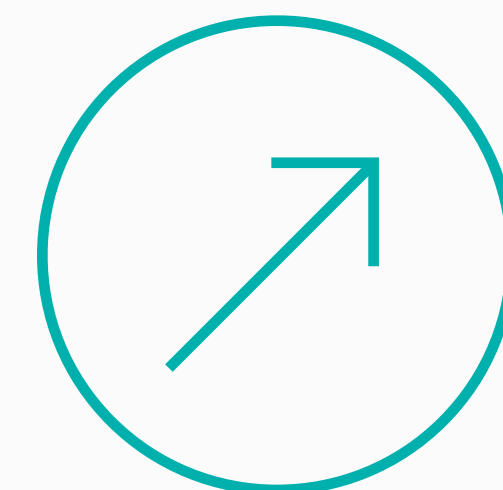




Sustainability
Report
2022



Sustainability Report 2022

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Published in 2023 by CAF -development bank of Latin America and the Caribbean- CORPORACION ANDINA DE FOMENTO- Av. Luis Roche, Torre CAF Urb. Altamira, Caracas (Chacao) Miranda 1060, Venezuela. RIF: G200015470

Editorial Coordination: Direction of Operations and Green Financing-Climate Action and Positive Biodiversity Management with the support of CAF's Editorial Management-Strategic Communication Department.

Cover photography: CAF environmental campaign in Panama 2022
Interior photography: CAF image database

Graphic design: Creo Consultores SAS Colombia

Digital artwork without printing. CAF committed to the regional and global green agenda #CAFesVerde



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01



Message to society

In a global and regional context constantly evolving, where economies that are resilient, equitable and fair with respect to the environment and society are increasingly a priority, at CAF we continue to identify opportunities to make Latin America and the Caribbean a prosperous, productive, sustainable, and competitive region for local and international markets.



For more than 50 years our purpose has been to promote a comprehensive vision of development which provides value and prioritizes people, the communities in which they live, the natural capital that we have as a region, and the social needs to integrate with the global production chains that drive the economy.

With a strategic agenda that we have renewed in past years to address the current needs of the region, we have traced a road map with specific support actions for countries and the private sector, aimed at establishing ourselves as the **green bank and the bank of sustainable and inclusive growth of Latin America and the Caribbean**.

In first place, this means to maintain and strengthen the cross-cutting elements that will continue to promote our value proposal: a strong **orientation towards results and impacts** that enables us to specify our contributions to the global agendas of sustainable development; our **Corporate Governance** practices that ensure integrity, transparency, and ethics in all of our decisions; and the decisive efforts to **generate and share useful knowledge for society and decision-makers**.

In second place, it means to focus our actions towards the promotion of **strategic agendas** to favor the sustainable development of the region:

- Promote the **transition of the energy sector**, allowing countries to keep their sovereignty, increase their competitiveness in global energy markets, and comply with their commitment to decarbonize and use renewable energies.
- Protect **biodiversity, its ecosystem services and the climate action**, taking advantage of the opportunities of the natural capital of our countries to promote green and resilient economies facing climate change.
- Consolidate **resilient and sustainable territories** that satisfy the needs of people in an efficient, inclusive, and creative manner, adding value to the cultural attributes of the communities in our region.
- Step up efforts for **sustainable productivity, internationalization, and sustainable finances**, recognizing the importance of the private sector and companies of all sizes and sectors as key instruments for sustainable economic development.
- Continue the **physical and digital infrastructure development** that enables the integration of countries, facilitates the effectiveness of productive value chains, and allows regional development.
- Promote **social wellbeing with equality, inclusion, and diversity**, prioritizing the basic needs of people and communities.

These elements constitute the commitment that we have as an institution, to generate value in society and strengthen the intrinsic value of the countries of the region. To achieve the goals that we have established, we will continue to strengthen the capabilities of our staff, consolidating alliances to mobilize resources and expand the impact of our actions, as well as making decisions on actions based on evidence and contributions to development.

It is a commitment that integrates into the current debate scenarios with specific actions that promote environmental responsibility by strengthening greener operations, as well as a social approach to value inclusion, diversity, and gender equality. The purpose is to generate real opportunities for sustainable development and regional integration.

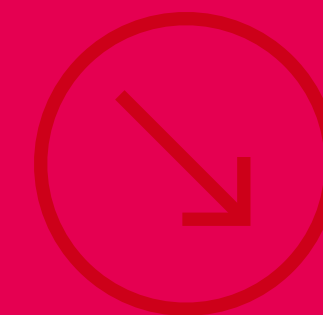
As always, this Sustainability Report is a joint effort that we present to show the detailed road map that we have traced, and the impacts that we consolidate along its path.

Thank you very much.



Sergio Díaz-Granados
Executive President

02



About our sustainability report

- Our groups of interest
- Our allies for sustainable development
- Materiality analysis

→ Our groups of interest

GRI 2-29

Permanent channels of communication with groups of interest



Shareholders

- Shareholders' Assembly
- Board Meeting
- Audit Committee Meeting



Clients

- Web page
- Digital media and social networks
- Communications media
- Electronic mail
- Forums
- Conferences



Strategic allies

- Observer in annual meetings of multilateral organizations
- Framework collaboration agreements
- Coordination and public debate forums
- Joint work programs
- Meetings at the request of the parties

Staff



- Lo + Tudei Publication
- Electronic mails
- Tudei (intranet)
- Internal communication strategies by project
- Human Capital Management Committee
- Internal structures to evaluate positions, promotions, and performance



Suppliers

- Requests for proposals
- Requests for information
- Private contests
- Satisfaction survey



Society

- Web page and other digital media (social networks)
- Electronic bulletins aimed at segmented data bases
- Communications media

We maintain close and permanent relationships with our groups of interest, promoting our Comprehensive Agenda for Sustainable Development, while creating synergies and collaboration networks that strengthen the impact of our actions and mobilize our strategy.

→ Our allies for sustainable development

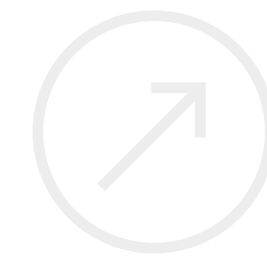
GRI 2-28

We are aware that joining efforts and working together with other relevant actors in the region is essential to maximize the scope of our actions and to mobilize our development vision for Latin America and the Caribbean.

Thus, we maintain relationships of trust and shared work with the countries of the region and with different organizations that mobilize their financial, human, technical or knowledge resources to achieve common objectives. In so doing, we create synergies to identify opportunities for action and to leverage sustainable development.

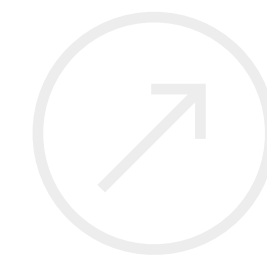


→ Our main allies



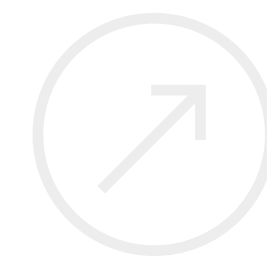
International organizations

- United Nations Organization (UN)
- Organization of American States (OAS)
- Organization for Economic Cooperation and Development (OECD)
- Latin American and Caribbean Economic System (SELA, in Spanish)
- Asia Pacific Economic Cooperation Forum (APEC)
- Amazon Cooperation Treaty Organization (ACTO)



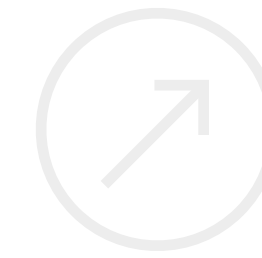
Financial Organizations and development banking

- KfW Development Bank
- AFD - Agence Française de Développement
- International Development Finance Club (IDFC)
- Climate Change Adaptation Fund (AF)
- Global Environment Facility (GEF)
- Green Climate Fund (GCF)



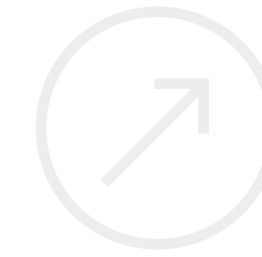
Academia

- Center for Latin American Monetary Studies (CEMLA, in Spanish)
- Enterprise Institute
- Royal Elcano Institute
- UDUAL (Union of Universities of LAC) - LAC-China Academic Network



Think Tanks

- Chatham House - The Royal Institute of International Affairs
- Interamerican Dialogue
- Institute of the Americas
- Canning House



Non-governmental organizations

- Association of Certified Anti-Money Laundering Specialists (ACAMS)
- Canning House - Hispanic and Luso Brazilian Council
- House of America
- Euroamerica Foundation
- Fundación Iberoamericana Empresarial (FIE)
- Instituto para a Promoção da América Latina e Caraíbas (IPDAL)
- Korean Council on Latin America & the Caribbean (KCLAC)
- Carolina Foundation
- Italian American International Organization (IIA, in Italian)



Other strategic allies

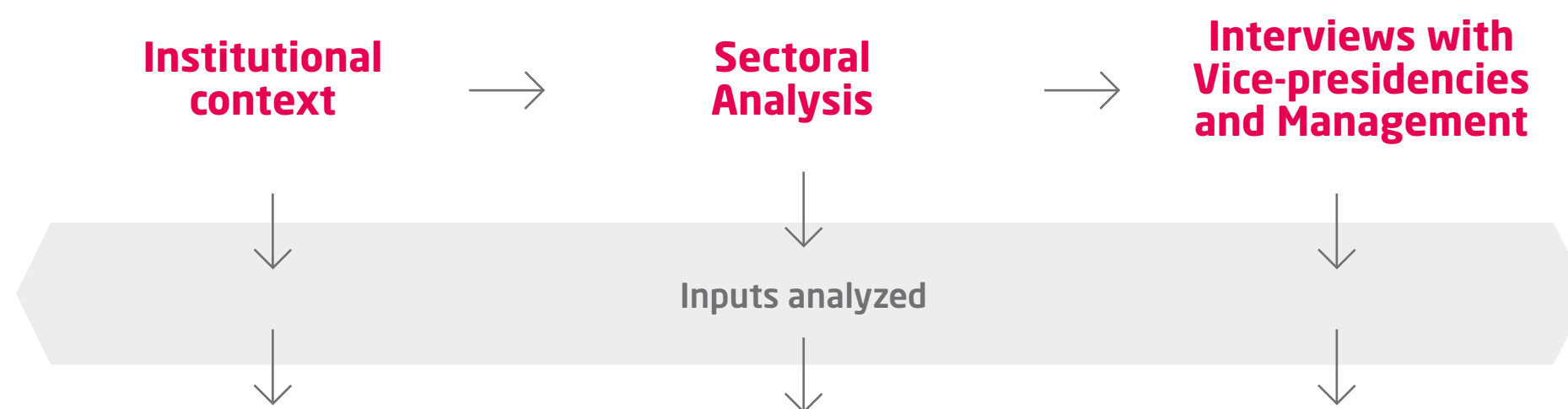
- Association of Financial Institutions for Development (ALIDE, in Spanish)
- Latin American Banking Federation (FELABAN, in Spanish)
- Institute of International Finance (IIF)

Materiality Analysis

GRI 3-1, 3-2

In compliance with the requirements of the GRI Standard (2021 version), we are carrying out a structured process of materiality analysis addressing, in a comprehensive manner, the changes at the organizational level and in the strategic agenda, aligning the contents of the report according to the impacts that we have on the development of the region.

Stages of the materiality analysis



Vision: be The green green bank and the bank of sustainable and inclusive growth of Latin America and the Caribbean.

- Strategic agendas of the year
- Strategic planning (PAP 2022 and 2023)
- 2022 Sustainability Report

Sustainability strategies and material issues of the multilateral banking sector, considering six far-reaching institutions in the analysis.

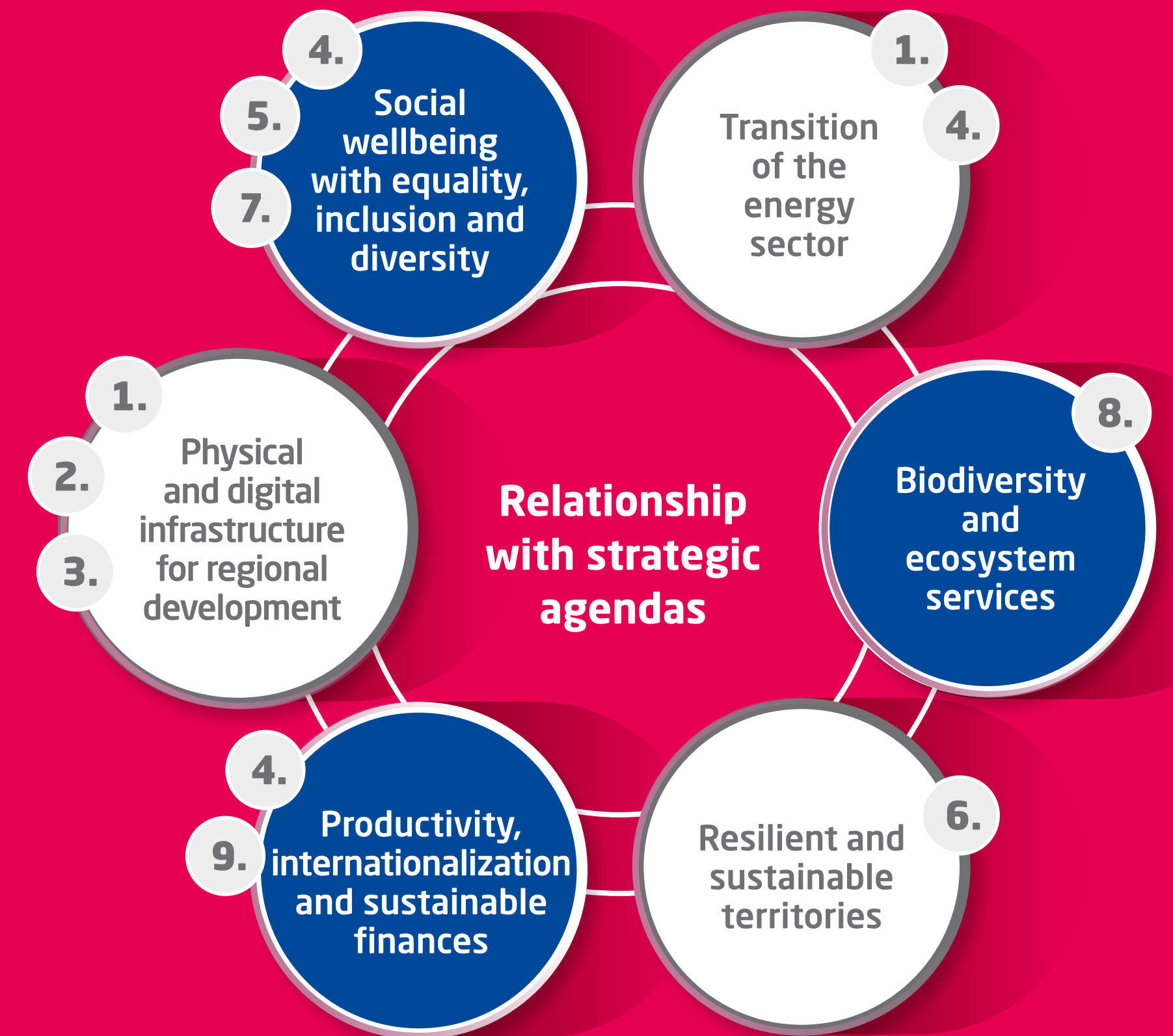
12 meetings with CAF's Vice-presidencies and management to examine CAF's approach regarding its agendas:

- Organizational changes
- Strategies and promoted sectors
- Relevant events of the agendas during 2022

As a result, we identified 9 material topics with their respective thematic contents. The Sustainability Report is structured as of the strategic agendas and thematic topics, in order to present a detail of the management integrated to our vision.

Material Themes

1. Infrastructure development
2. Regional integration
3. Digital transformation and public innovation
4. Private sector as instrument for sustainable economic development
5. Social and human development
6. Resilient and sustainable territories
7. Gender, inclusion, and diversity
8. Transition to an economy that is fair, low in carbon, and resilient to climate change
9. Economic and financial sustainability



→ Methodological note

GRI 2-3

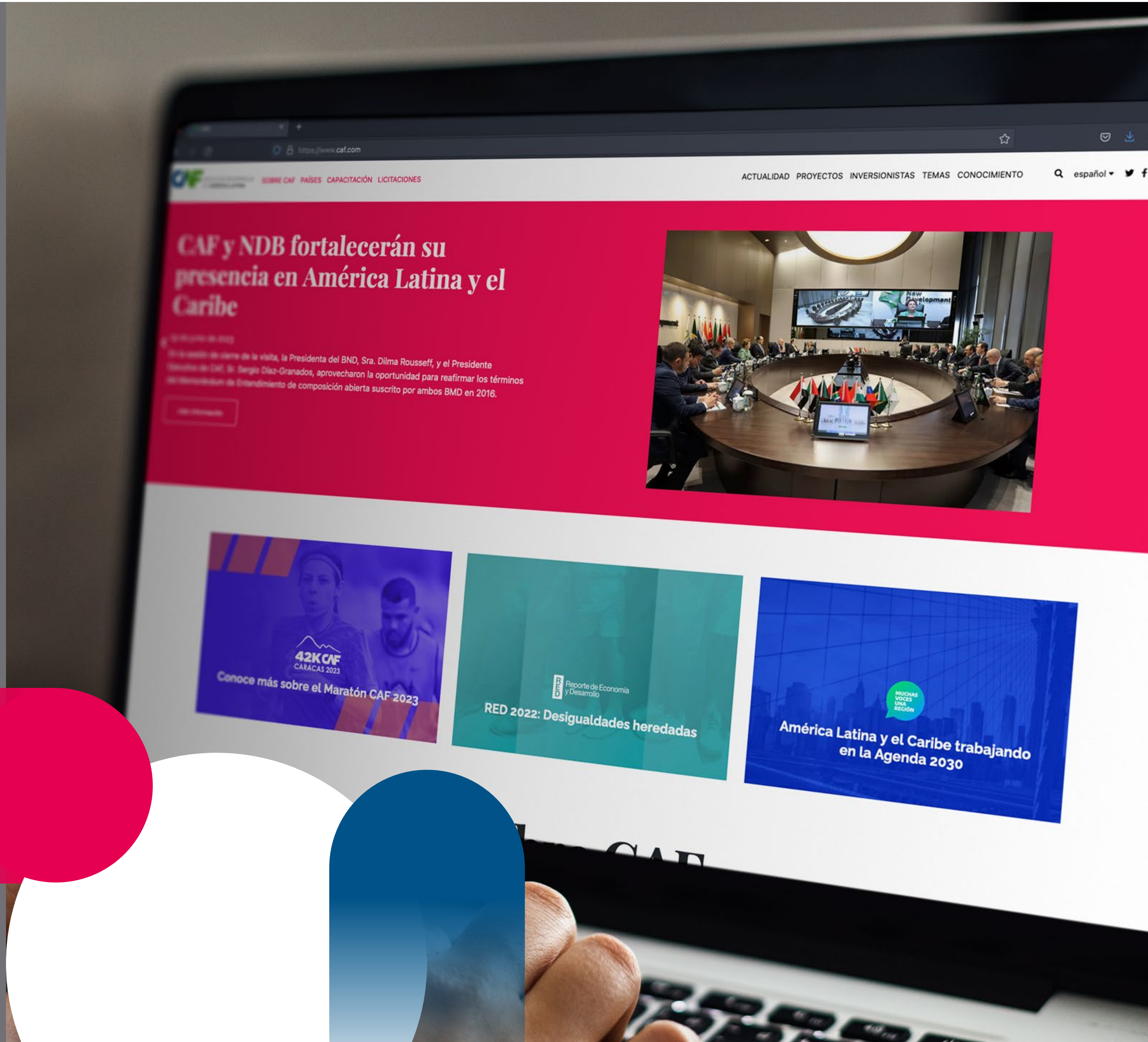
CAF, development bank of Latin America and the Caribbean, has reported in agreement with the GRI Standards for the period between January 1 and December 31 of 2022. The Sustainability Report is a practice of accountability that we carry out on an annual basis. The last report corresponds to the 2021 period, and may be consulted in our [web page](#).

In chapter 4: "The green bank and the bank of sustainable and inclusive growth of Latin America and the Caribbean", we present the development of the strategic agendas in detail, in addition to the material themes as mentioned above.

Results are presented in terms of financing (credit operations and technical cooperations operations approved during the year) and relevant events in the management of the agendas. These results show the approvals with the institution's own resources considering the elements developed for each material theme, so it is possible that there are operations that are addressed from a perspective of more than one result, considering elements that impact different agendas.

More details of the operating results of the year may be consulted in CAF's 2022 Annual Report.

Additional questions and information requests regarding the contents of this report may be sent to the following electronic mail: nbastos@caf.com

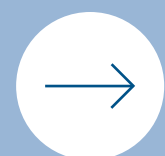


03



SOMOS CAF

- A bank of Latin America and the Caribbean for Latin America and the Caribbean
- Good governance and corporate transparency
- CAF talent, key for a successful management
- Responsible and sustainable sourcing
- Impact measurement and contributions to development
- Beyond environmental safeguards
- Internal sustainability



A bank of Latin America and the Caribbean for Latin America and the Caribbean

We are the allied bank for sustainable, equitable, green, and fair development of Latin America and the Caribbean. Since 1970 we promote a model for sustainable development in the region, which is currently based on actions for integration and sustainable growth of the countries of Latin America and the Caribbean.

































Our impact is focused on sectors that are strategic for the development and integration of the region through credit lines, non-reimbursable resources, and support for the technical and financial structuring of projects in the public and private sectors.

We currently have 20 shareholder countries - 18 from Latin America and the Caribbean, in addition to Spain and Portugal, and 13 private banks of the region.



We have country offices in 17 countries of the region.

Shareholder countries 
Country offices 

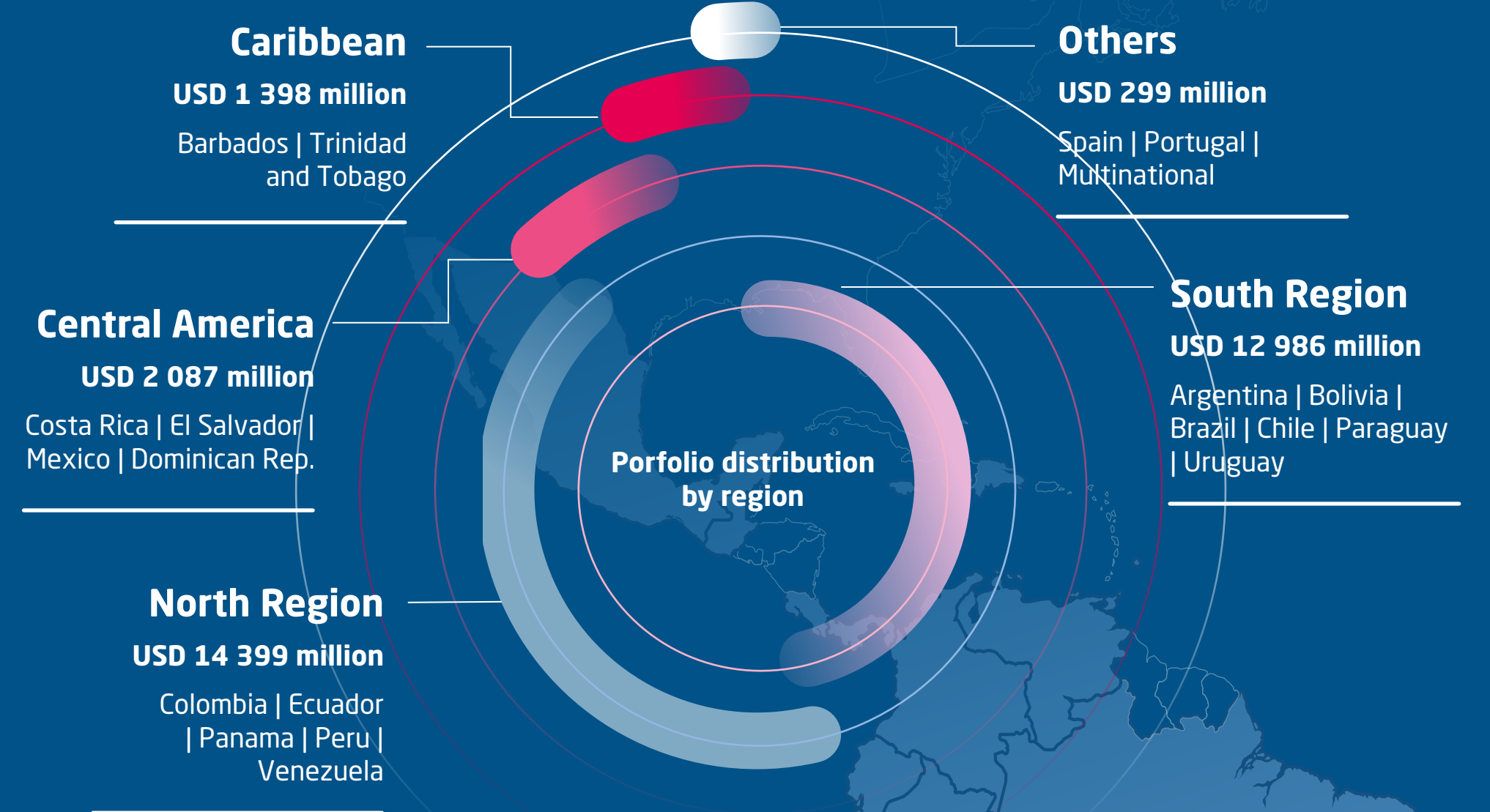
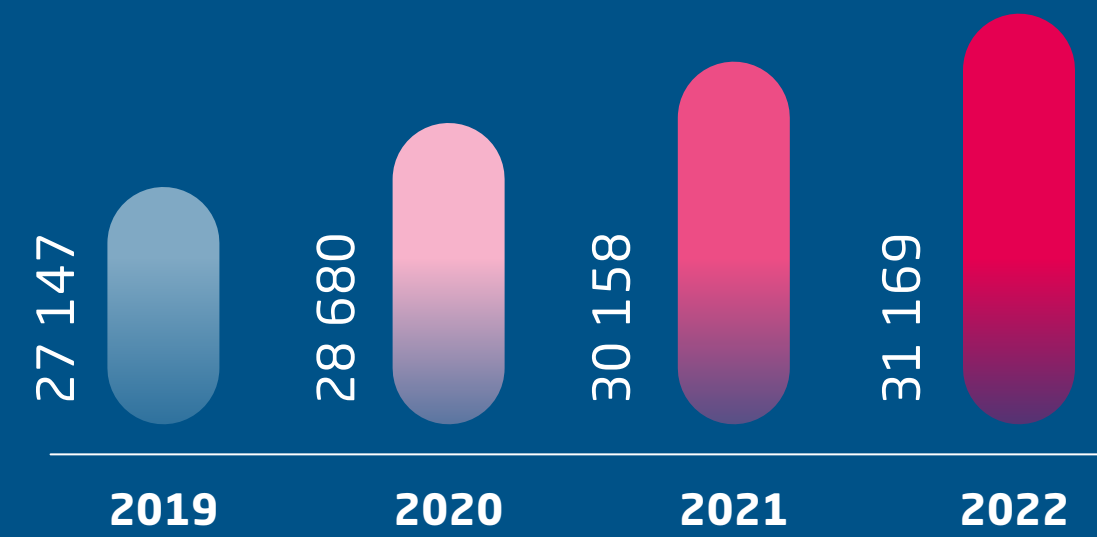
-  Argentina 
-  Barbados 
-  Bolivia 
-  Brazil 
-  Chile 
-  Colombia 
-  Costa Rica 
-  Ecuador 
-  Spain 
-  Jamaica 
-  Mexico 
-  Panama 
-  Paraguay 
-  Peru 
-  Portugal 
-  Dominican Republic 
-  Trinidad & Tobago 
-  Uruguay 
-  Venezuela 
-  El Salvador 

For more information on CAF, what we do and our impact, visit the [web page](#).

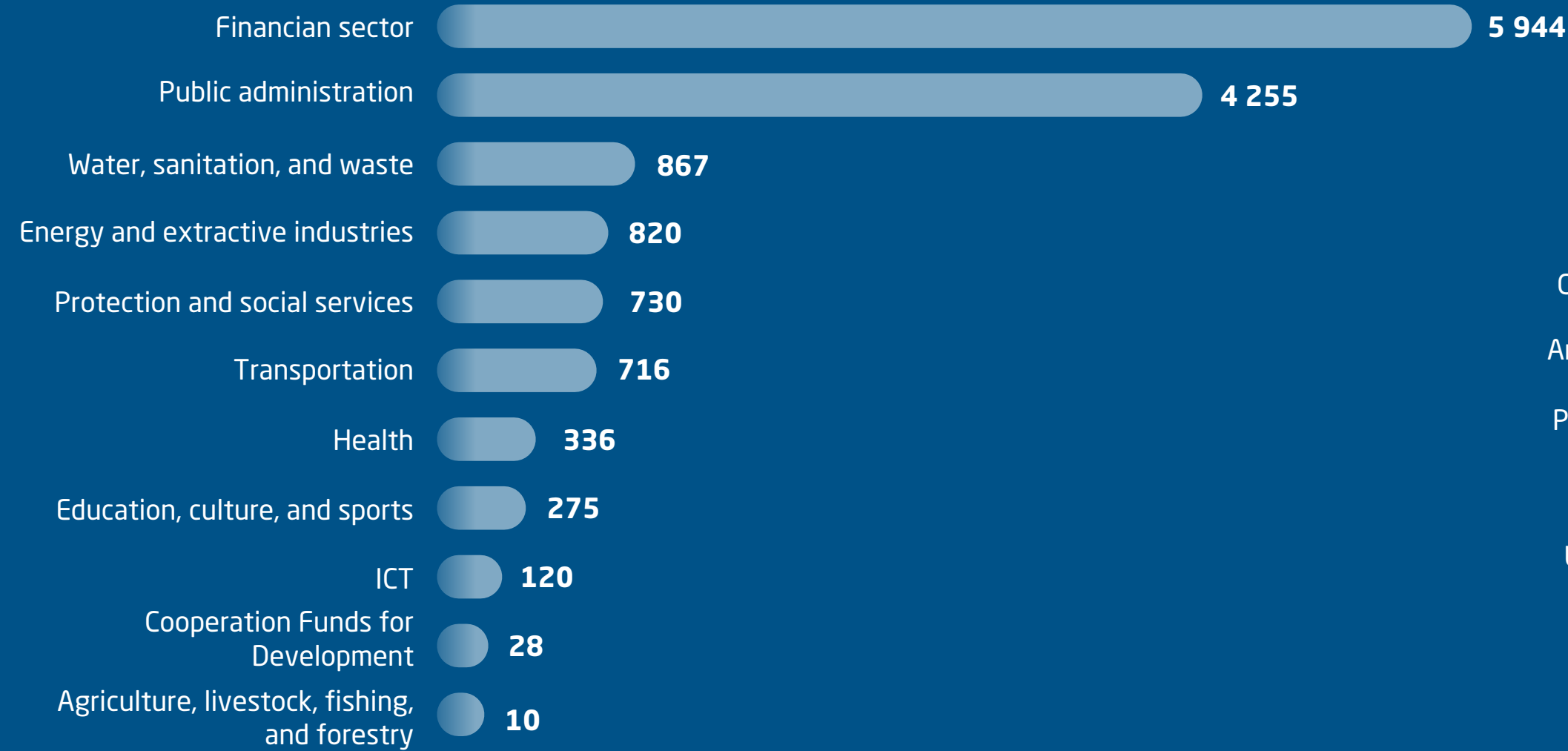
Approvals and portfolio



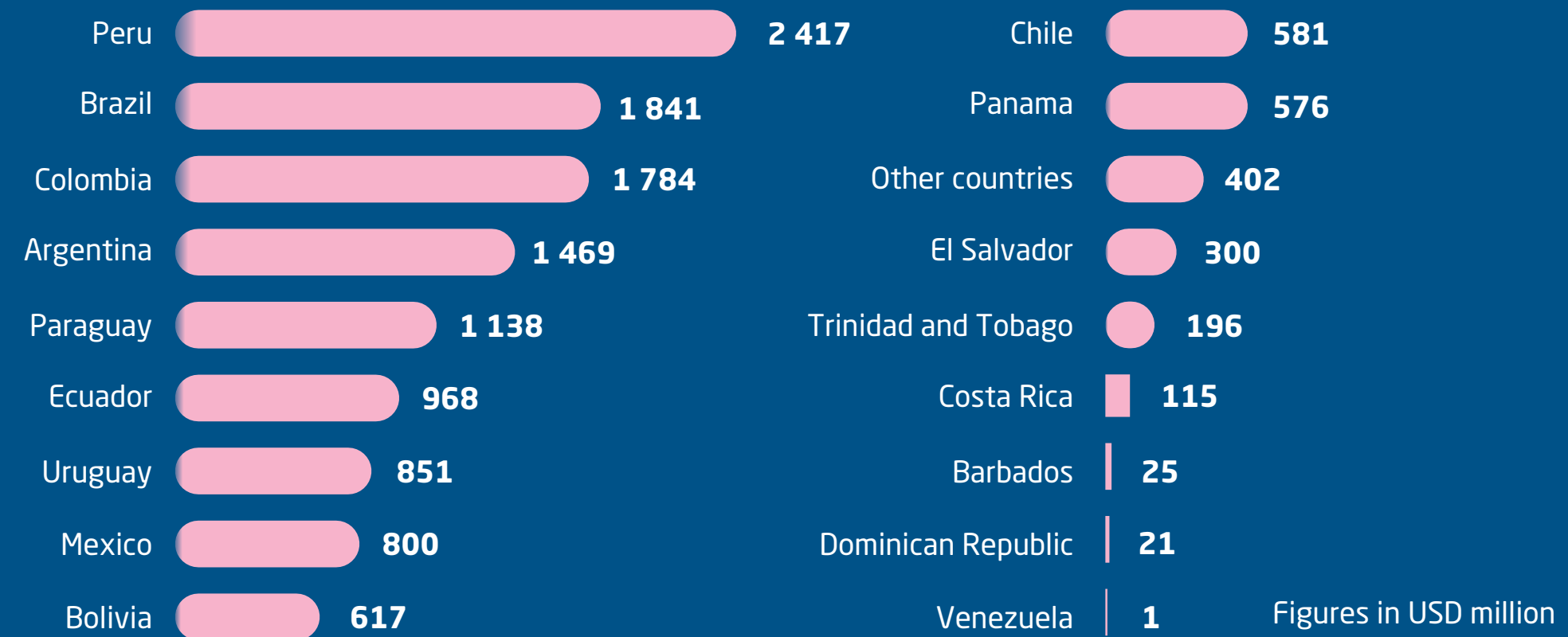
consolidated portfolio **USD 31 169 million**



Distribution of approvals by economic sector

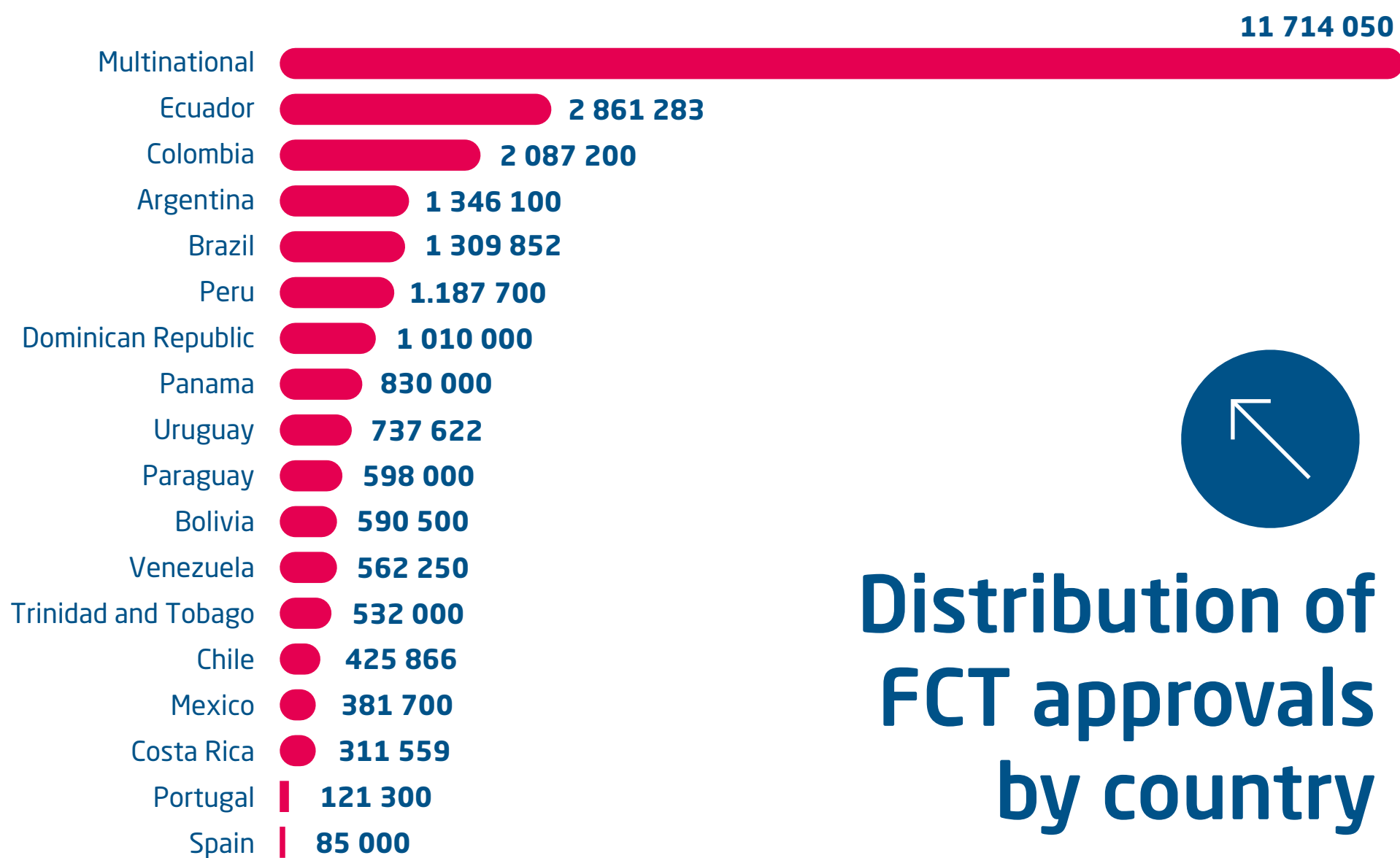
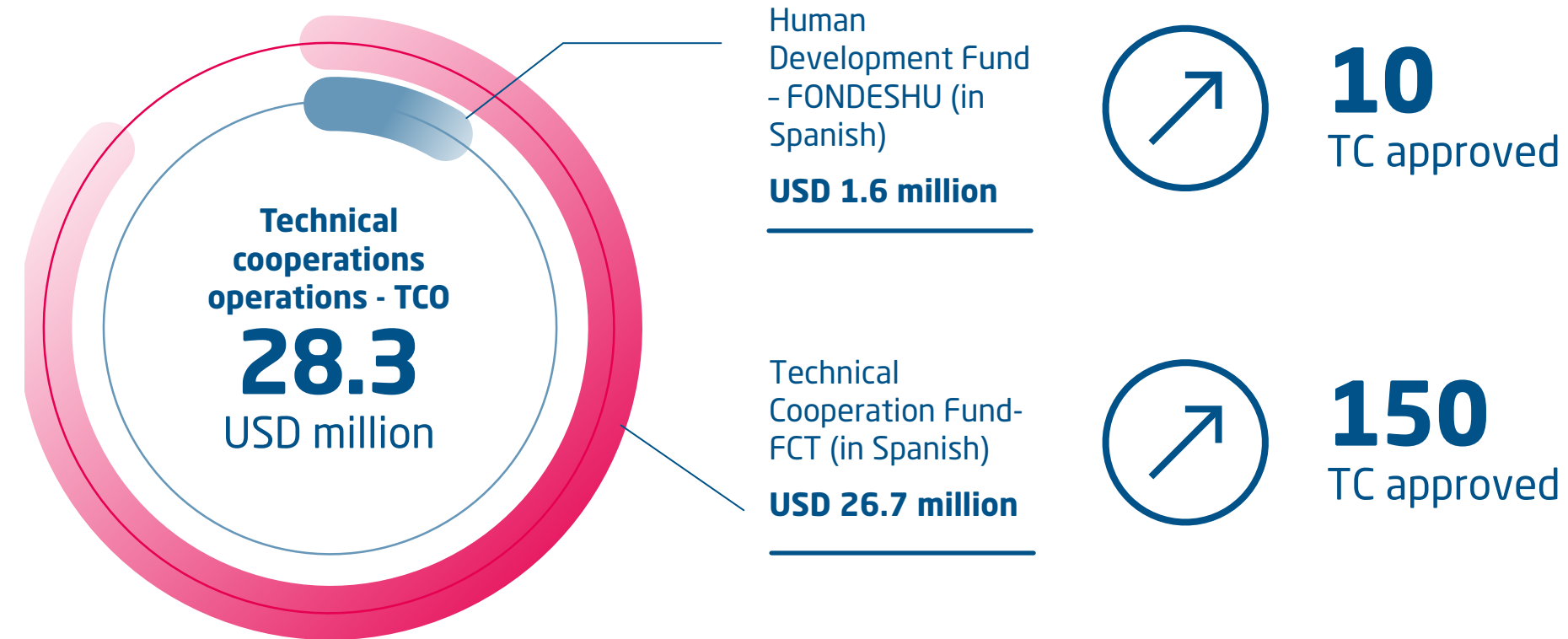


Distribution of approvals by country



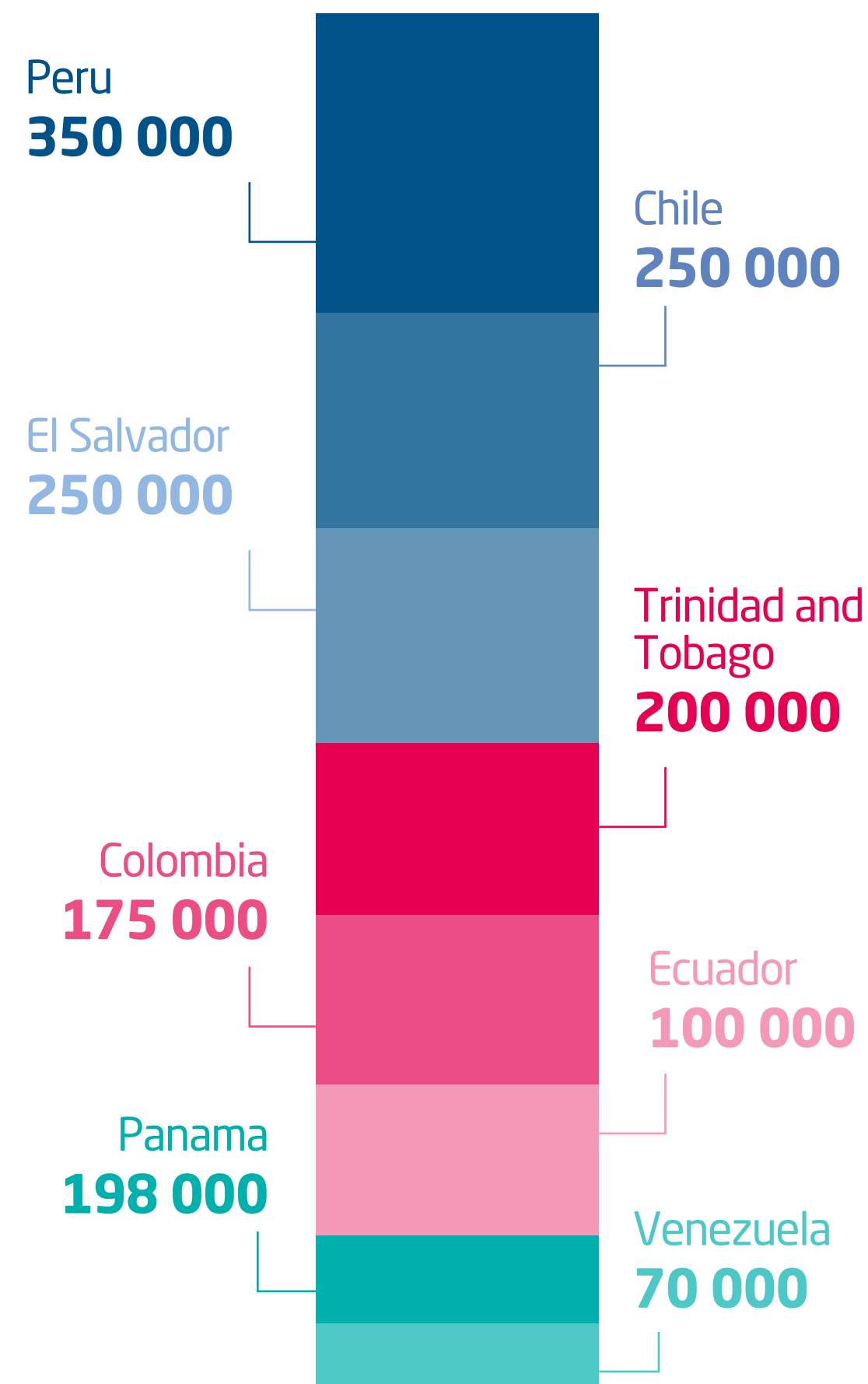
To learn detailed information regarding approvals and portfolio, consult the [2022 Annual Report](#).

Cooperation funds for development



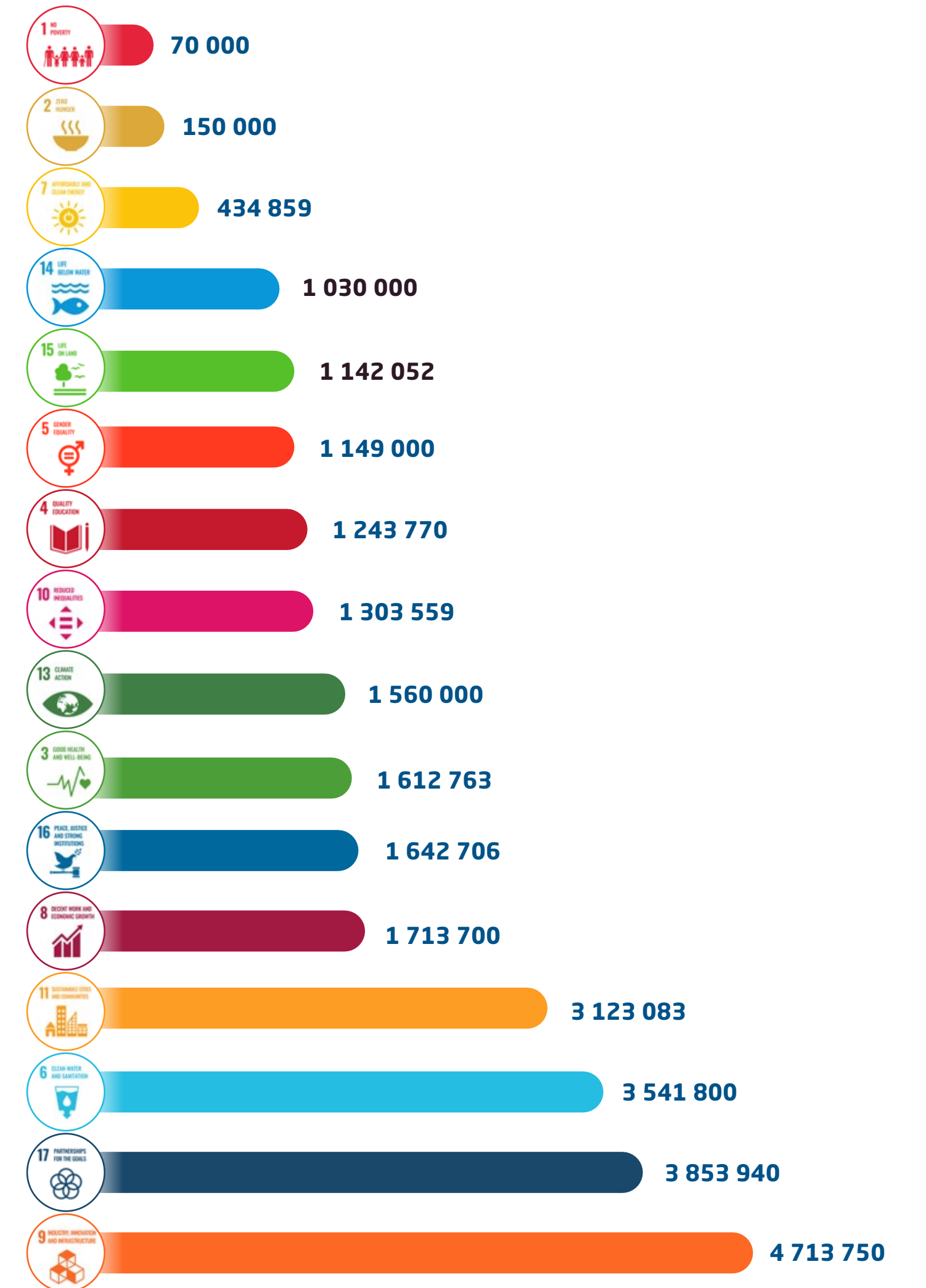
Distribution of FCT approvals by country

Distribution of FONDESHU approvals by country



For detailed information on the management of the Development Cooperation Funds, please refer to the 2022 Annual Report

Distribution of approved TCO by SDG

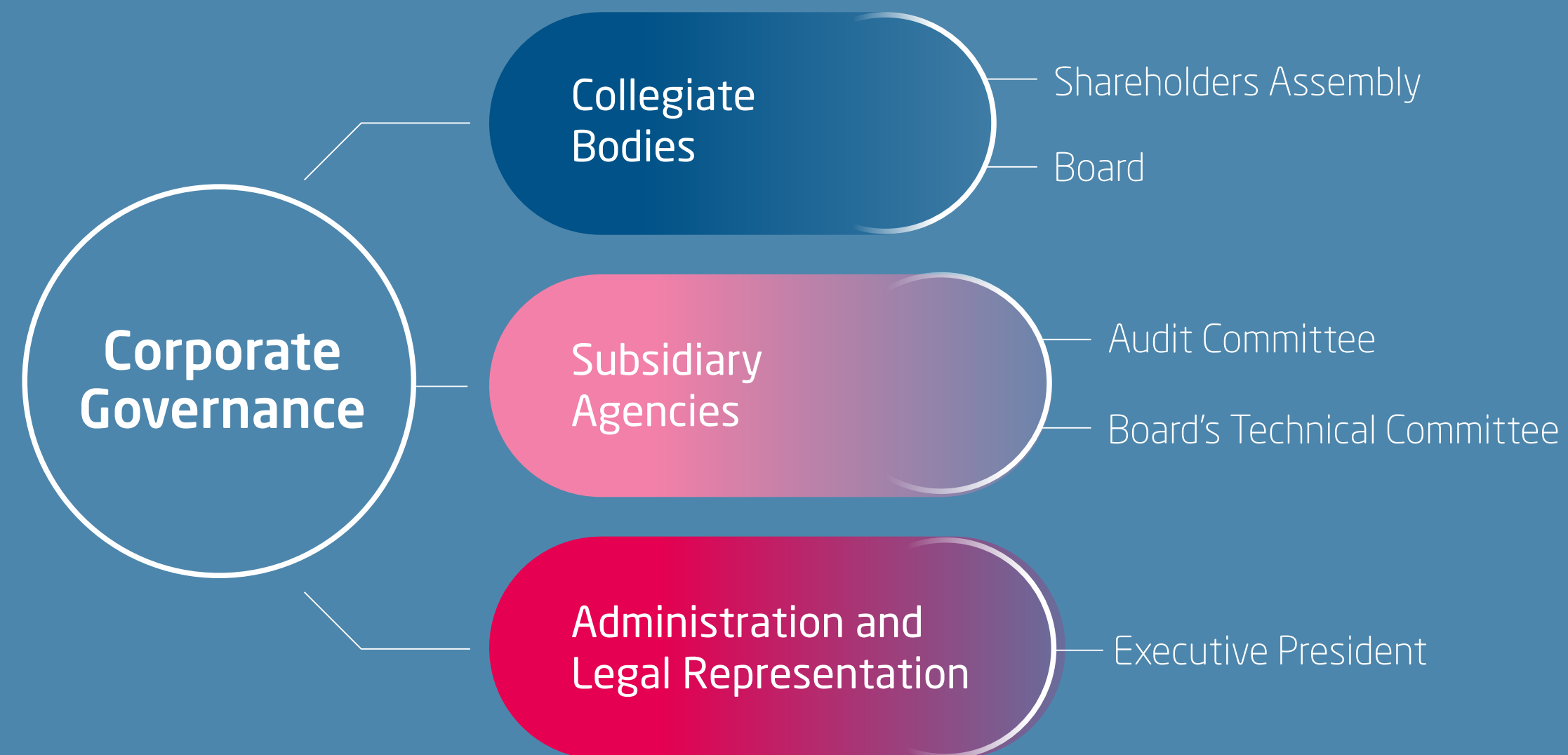


→ Good Governance and Corporate Transparency

→ Corporate governance

GRI 2-9

We are established as an international financial organization and legal entity of public international right, constituted under the [Agreement Establishing](#) subscribed in 1968 with a last amendment added in 2022. We have a corporate government integrated by Collegiate and Subsidiary Bodies as shown below:



Links of interest regarding our Corporate Governance:

- [Shareholders Assembly](#)
- [Board](#)
- [Management team](#)
- [Organizational chart and general structure](#)

Functions, responsibilities, and characteristics of our governing bodies

GRI 2-12, 2-19



Shareholders assembly

Considers the Board's annual report, the general balance, and the statement of losses and earnings following a report from external auditors, and determines the destination of the profits, including their allocation to special funds for specific purposes, among other attributions.

Its functions and characteristics are detailed in:

- [Agreement Establishing](#), art. 11 al 22
- [General Regulation](#), art. 12 al 19



Board

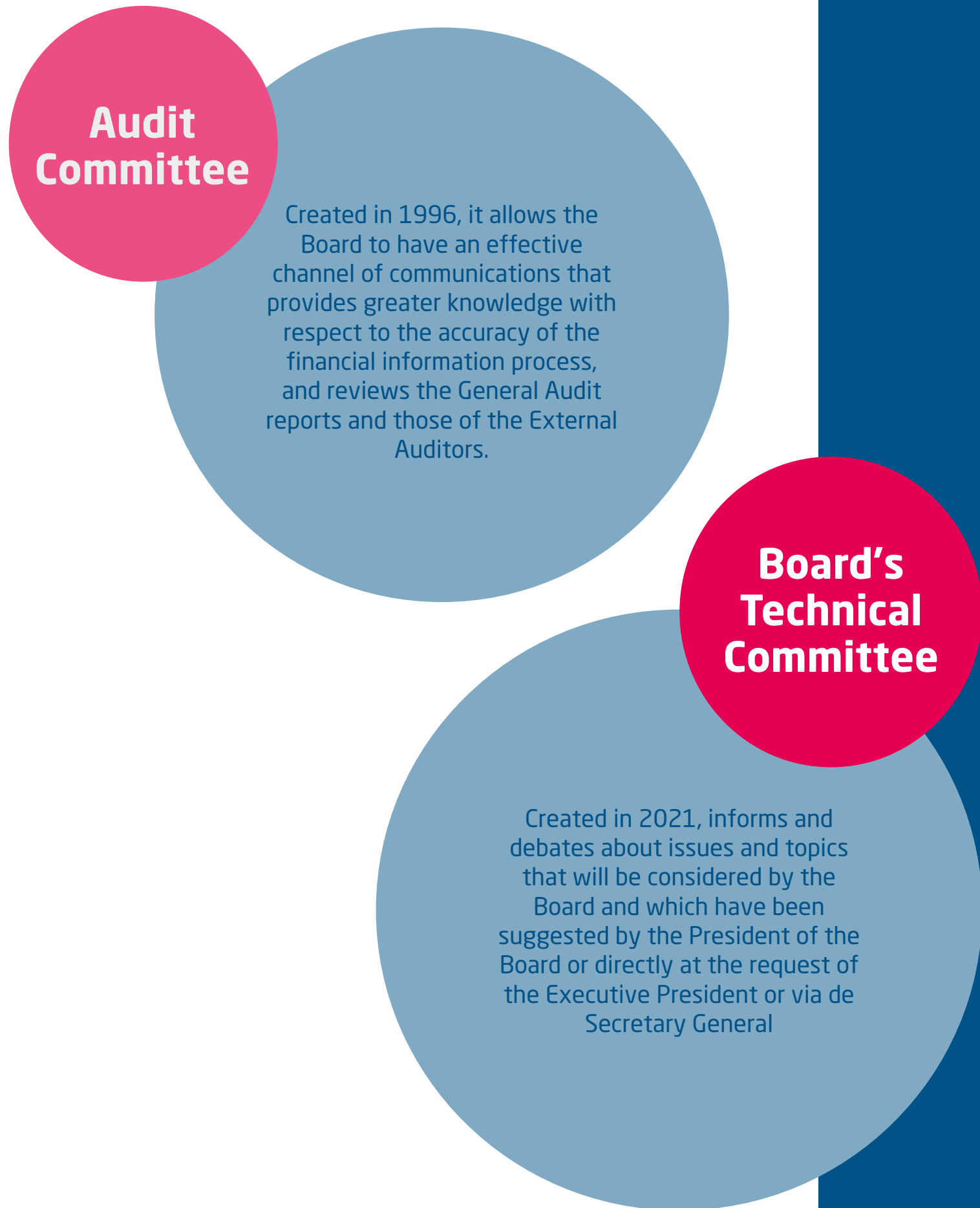
Establishes and directs CAF's financial, credit, and economic policies. Approves the annual expenditures budget, active and passive credit operations, investments, or any other operation that falls within CAF's objectives and has been proposed by the Executive President. It establishes bond issues or other financial obligations and determines their conditions; grants underwriting guarantees for the subscription of shares and values in general; operates in participation certificates; authorizes trust operations, among other attributions.

Members of the Board do not have any kind of remuneration. An allowance is provided for assistance to the meetings.

Its functions and characteristics are detailed in:

- [Agreement Establishing](#), art. 23 al 30
- [General Regulation](#), art. 20 al 43

Subsidiary Committees that support the Board



Members of our Corporate Governance

GRI 2-10

Shareholders Assembly

- Each shareholder country and institution delegates its representative through the General Secretariat.
- Know the current **composition of the Shareholders Assembly**.

Board

- The Members of the Board are elected by the Shareholders Assembly according to the dispositions in articles 13, 23, and 24 of the **Agreement Establishing** and article 21 of the **General Regulation**.
- Know the composition of the **Board for the period 2020-2023**.

Audit Committee

- Full and Alternate members of the Audit Committee are appointed by the Board for a period of one year according to the dispositions in article 27 of the Constitutive **Agreement Establishing**.

Board's Technical Committee

- Members are appointed by each Full Director of the Board (series A shareholders), in agreement with Resolution 2418/2021.

Supervision of management

GRI 2-13, 2-16, 2-17

The Administration conducts periodic reports in the meetings of the Shareholders Assembly, Board, Audit Committee, and Board's Technical Committee, informing the Collegiate Bodies about the state of the finances and institutional affairs, amongst them, human capital. This is done through the staff of the Senior Management in charge of each area: Finances, Climate Action, Human Capital, Private Sector, and Operations.

- The Collegiate Bodies periodically review the financial reports in the meetings.
- Operations whose amounts must be submitted to the Board are reviewed (greater than USD 75 million for the sovereign sector, and USD 50 million for the non-sovereign sector), including environmental and social aspects of these operations.
- In 2022, the role of the Ombudsperson was created as an independent and neutral figure which provides confidential assistance to all staff, for an informal resolution of difficulties related to working at CAF. The Ombudsperson offers a confidential space to listen impartially to those who voluntarily seek this type of assistance, developing options to informally solve problems, including mediation, and provides counselling.
- The Executive Presidency relies on the Labor Integrity Committee and the Prohibited Practices Committee to manage the norms of conduct and integrity of CAF's actions.
- During 2022, Management conducted face to face meetings and also through the digital platforms to disclose the results achieved in the Board meetings and regarding CAF's Corporate Strategy to all the staff.

→ Three-line model

We have a Three Line Model to define the roles and responsibilities in risk management, in order to implement an effective governance and address all the possible risks to which we are or could be exposed.

The three lines are independent of each other and participate in a differentiated and coordinated manner for an effective management of the risks to which the institution is exposed. The model is based on the creation of value and a prospective management of the risks.

01

First line

Business Units and Support Units

- Owners of the risks that are inherent to their processes and activities.
- They are the first ones to identify, evaluate, manage, and notify the exposures to risk continuously, considering the risk appetite, policies, procedures, and CAF controls.
- They are responsible for conducting corrective actions that are necessary to mitigate the impact of these risks and safeguard CAF from these exposures.

02

Second line

Risk management

- Supervises and controls the comprehensive management of risks at CAF.
- Responsible for proposing policies, norms, and procedures for an adequate comprehensive management of risks.
- Supervises and issues independent opinions regarding the risks to which CAF is or could be exposed, the necessary mitigations and corrective actions to be implemented, as well as independently reporting its management to Senior Management.

Ethics, Integrity, and Compliance Office

- Prevention, detection, evaluation, monitoring, and management of the risks associated to subjects related to Ethics, Forbidden Practices, Prevention of Asset Laundering, and Financing of Terrorism at CAF, according with international standards, through programs that establish the regulatory framework for the management of risks associated, promoting, and developing the prevention culture at CAF.

Internal Audit

- Responsible for objectively and independently verifying the efficacy and efficiency of CAF's comprehensive management of risks, control, governance, and compliance, through the execution of the Audit Annual Plan.
- Identifies improvement areas in the evaluated processes (business, control, and support), which result in follow-up action plans that address the highlighted observations.
- Advices on relevant issues required by the Executive Presidency or CAF's Audit Committee.
- At CAF it is constituted by the General Audit (GA).

03

Third line

Office of Internal Control

- Supervises the implementation, execution, and follow-up of the Integrated Internal Control System (SICI, in Spanish).
- Coordinates and articulates preventive control activities, both planned or on demand, that allows to identify improvements in the processes and measure the effectiveness of the controls in each area of the corporation.
- Executes a second line integrated working framework, that allows a review of the design of the controls, the effectiveness in the mitigation of the causes that materialize the risks over financial, operating, technological, and business processes, so they may be used as a base for the working plan to be executed in consultancies and annual reviews related with the SICI.



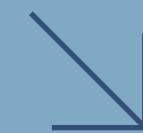
During 2022, we made changes to CAF's organizational structure, aimed at strengthening the comprehensive management of risks and, particularly, segregate the functions and responsibilities of the second line. Thus, in March 2022, we created two new offices whose roles and responsibilities were previously assigned to the Vice-presidency of Risks and which now report directly to the Executive Presidency: **Office of Ethics, Integrity and Compliance, and Office of Internal Control.**





Comprehensive Management of Risks

As second line, the Comprehensive Management of Risks (GIR, in Spanish) is a process that allows us to have a global vision of the risks, aimed at detecting, evaluating, reporting, and mitigating the risks to which we are exposed in a timely manner, allowing us to provide a reasonable security in complying with our strategic objectives and sustainability.



Significant events in the Comprehensive Management of Risks

- We follow-up on the implementation of mitigating factors to reduce the risks associated to the cessation of the Libor rate in the framework of the management of financial assets and liabilities.
- We developed a model to classify operations with sovereign risk, which methodologically supports the new portfolio review process.
- We formalized the methodology for the evaluation of portfolios with SME's underlying risk, as well as reformulated the risk rating models for Equity Investments.
- We designed and implemented the methodological guide to determine the provisions and contingencies generated by legal risks.
- We developed a framework of norms and tools to strengthen the operational risk management processes in their different stages.
- We developed the methodology for an independent review of the non-sovereign risk portfolio regarding disbursements.
- Given the recent incorporation of El Salvador and Costa Rica as full members of CAF, we conducted a detailed analysis that includes economic metrics, analysis of the country context, detail of the norms associated to the financial sector, review of the financial system's performance, and analysis of its participants and main risks and mitigating factors.

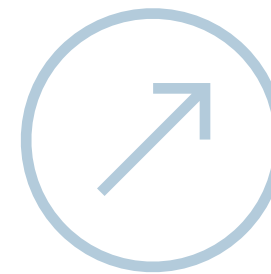
Business Continuity Management System (SGCN, in Spanish)

With the implementation of our SGCN, we minimize the risks of interruption of the critical processes of the business, while at the same time, we guarantee the continuity of the activities when faced to incidents that may interrupt the operations.

For the seventh consecutive year we obtained the re-certification of the SGCN under the ISO 22301 norm Security and Resilience, which guarantees the continuity of our critical processes under any interruption scenario.

SGCN Indicators

SGCN Activities	2020	2021	2022
Audits carried out	2	1	2
Interruption risks managed	22	24	0
Materialized interruption incidents	1	1	0
Exercises and tests carried out	1	1	2
Staff which are part of SGCN	150	150	150
Staff trained on SGCN	144	159	737
New staff trained on SGCN	50	72	118



In 2022

- We carried out a risk analysis related to the event **Staff Meeting at Headquarters**, by means of specific and contingent strategies that allowed to guarantee the operation of the critical processes taking into consideration that all the staff would be in only one country.
- We expanded the Awareness Program through the **development and implementation of an interactive on-line course**. This strategy is available at the UVCAF platform for 100% of the staff, in order to strengthen the risk culture in this discipline.
- We executed the **Exercises and Tests Program** which enables us to measure the organizational capacity to manage a crisis in a comprehensive manner.
- **Business Impact Analysis (BIA)**. Beginning of the project to update the BIA, on the basis of the internal changes of our organizational structure, aligned with the external context that affects us.

Information security

We have control mechanisms that guarantee the security of personal, private, and commercial data of any natural or legal person with whom we have any kind of relationship.

Our Information Security Systems

- **Protects data and information**
- **Prevents inappropriate use of information**
- **Guarantees confidentiality, integrity, availability, and other CAF strategic interests**

In 2022, we developed the **Policy to Access Information and Institutional Transparency (PAITI, in Spanish)**, which describes the criteria and principles needed to identify CAF's public and reserved information, strengthening the regulatory framework associated to the rating process of information assets at a corporate level. In addition, we updated the **2022-2023 Security Program**, defining the mitigation strategy and the implementation of mechanisms for information protection and security at CAF.

Highlights of the year

- In the framework of compliance with the activities of the Security Program related to the transfer services of SWIFT funds, we executed the **2022 Swift Security Attestation**, concluding with an independent external review that validates the **satisfactory compliance of 100% of the mandatory security objectives** and 88% of the additional recommendations.
- For the execution of the **Regulatory Assurance**, we carried out a consultancy which **optimized the process with a review and categorization of 48 verifications** and, additionally, the execution of 7 Controls at an Entity Level (CNE, in Spanish), 2 Transactional and 24 regulatory verifications.
- With respect to the review of the **Technology Risk Requirements and Information Security, 24 projects and IT initiatives were included**, associated to the information classification, design of roles and profiles, IT risk analysis, and compliance of the security program.

Ethics, integrity, and compliance

To strengthen the actions in the second line, in 2022 we created the **Ethics, Integrity, and Compliance Office** which reports directly to the Executive Presidency, and whose objectives are aimed at continuously developing, implementing, monitoring, and improving the policies, procedures, and mechanisms for an adequate management of Asset Laundering risks and Financing of Terrorism, as well as promoting ethical conduct and compliance in all of CAF's activities.

- We updated the **Manual for the Prevention of Prohibited Practices**
- We created the **Instructions for the Application of the Prohibited Lists Regarding Prohibited Practices**, in order to standardize this type of risk management with other multilateral organizations.
- We modified the Integrity and Ethics Committee (now Labor Integrity), giving the staff members the possibility of participating through an open and transparent election process.
- We designed and implemented the new Statement System for the staff, which is more efficient and simpler to use.

In addition, throughout the year we carried out **490 actions for the prevention of asset laundering and financing of terrorism risks**, as shown below:

	2021	2022
Analysis of operations	96	124
Consideration of counterpart requirements	88	101
Advice on client's due diligence	83	98
Advice on credit process	40	15
Management of internal requirements	84	56
Advice on fund raising	32	39
Application of improved due diligence	34	20
Other activities	5	37



	2020	2021	2022
Activities carried out regarding Prevention and Detection of Money Laundering and Financing of Terrorism (PDLAFT in Spanish)	470	462	490

With respect to conflicts of interest:

GRI 2-15

- We implemented the new **Statement System on Investments and Senior Positions in Other Companies**, which facilitates the statement process for CAF staff members, allowing for an early and continuous identification and prevention of possible conflicts of interest.
- **8 consultations and case analysis were addressed** with respect to possible conflicts of interest.

With respect to Ethical Conduct Guidelines

The **Ethical Conduct Guidelines** are based on ethical standards of general acceptance that guide and direct the behavior of our staff, collaborators, and suppliers of services in their daily activities.

To promote its knowledge and compliance

Staff and interns

- Corporate induction at the start of their work at CAF, and reinforcement through workshops

- We deliver copies of the Ethical Conduct Guidelines and we demand compliance through the signature of the Statement

Suppliers

Reporting channels

- Electronic mailbox
- Voice mailbox
- Postal mail

In 2022, we carried out 23 training sessions regarding the ethical conduct guidelines for CAF staff, and we also carried out 2 workshops addressing practical ethics cases aimed at CAF's senior management and managers, favoring compliance with the ethical standards at a global level.

The main objective of the **Labor Integrity Committee** is to promote the culture of the ethical standards, as well as learn about the situations that could be considered violations to the code of ethics, in order to establish measures based on internal norms.

With respect to the prevention of prohibited practices

We have a **Prohibited Practices Committee** that acts as an independent entity in charge of learning about and channeling complaints related to possible prohibited practices in the operations financed by CAF, in those where funds are provided, or in its financial activities.

Based on international standards, the following are considered prohibited practices:

Corrupt practices

Fraudulent practices

Coercitive practices

Collusive practices

Obstructive practices

Improper use of funds

Elements of the prohibited practices prevention program

- 01 Prohibited Practices Prevention Committee
- 02 Whistleblowing and channels of complaints
- 03 Investigation of complaints
- 04 Sanctions
- 05 Independence
- 06 Protection and confidentiality
- 07 Obligations of entities receiving funds
- 08 Lists of prohibitions regarding prohibited practices
- 09 Culture of prevention of prohibited practices

PROHIBITED PRACTICES PREVENTION

We have the following reporting channels through which suspicions concerning prohibited practices are received, which are managed through the Prohibited Practices Committee:

- Electronic mailbox
- voice mail
- postal mail
- personally, requesting an appointment with the Secretary of the Prohibited Practices Committee

To learn in detail what these practices are, as well as the channels for reporting, [consult our web page](#).

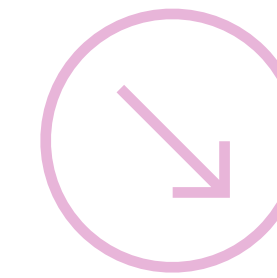
The management of the Ethics, Prohibited Practices and Prevention of Asset Laundering and Financing of Terrorism programs are regularly reviewed by the General Audit, contributing to a continuous improvement. The last review took place in 2022.

General Audit

As third line, the General Audit supports CAF in the achievement of its strategic objectives, contributing with a systematic, disciplined, and independent approach with assurance and consultancy activities to evaluate and improve the effectiveness of the risk management, control, and governance processes.

In 2022, the areas that are part of the three lines at CAF worked to implement a synchronization and feedback process regarding risk assessment including the audit results, and which facilitates the wide-ranging knowledge of the Corporation's processes and risks.

In addition, we held regular working tables to address interest or risks issues for the organization, enabling the strengthening of CAF's Internal Control System. It should be noted that this work does not interfere between the functions and responsibilities defined in each area, or in the level of independence and objectivity of the General Audit.



General Audit Indicators

Description	2020	2021	2022
Audit processes carried out	26	24	21
Compliance of the annual audit plan	144%	135%	105%
Planned audit processes	18	17	20

Highlights of the year

- With respect to the **Audit Planning Process**, we finished the first phase of the alignment process with the control areas, with the purpose of considering CAF's risks assessments, process maps, and value chain as inputs, to prioritize the reviews of the Annual Audit Plan.
- We strengthened **communications with Senior Management** when starting the audits, holding meetings with those authorized and responsible for the processes under review and incorporating considerations for its execution.
- We started the project **Findings Rating Methodology**, aimed at strengthening the criteria and impact levels of the findings that must be reported to Senior Management and those responsible for the audited process.
- We participated in the process for the **SAP Project Data Migration**, in order to provide advice and a timely support in the implementation transition of the new system.

→ CAF talent, key for a successful management

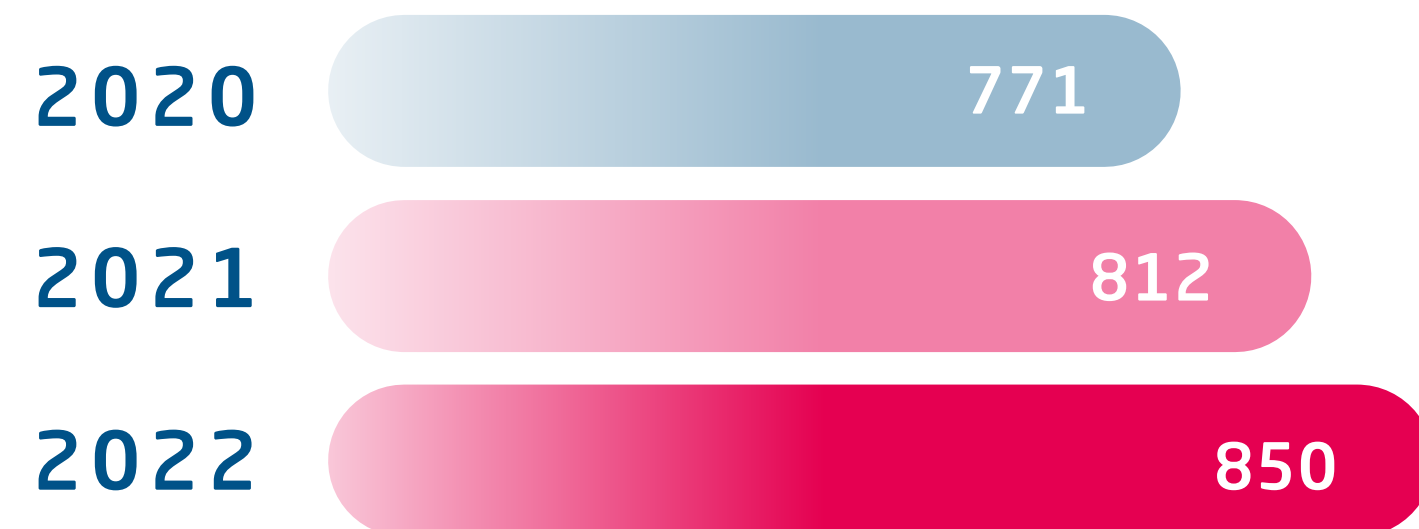
Our work team is key to achieve a successful management in the different agendas promoting sustainable development in the region. Thus, we make efforts to provide work environments that are diverse, equitable, inclusive, where each person may develop his/her talents and capabilities as best as they can.

→ Our human talent

GRI 2-8

In 2022 we reached a team of 850 workers, 5% more than the previous year.

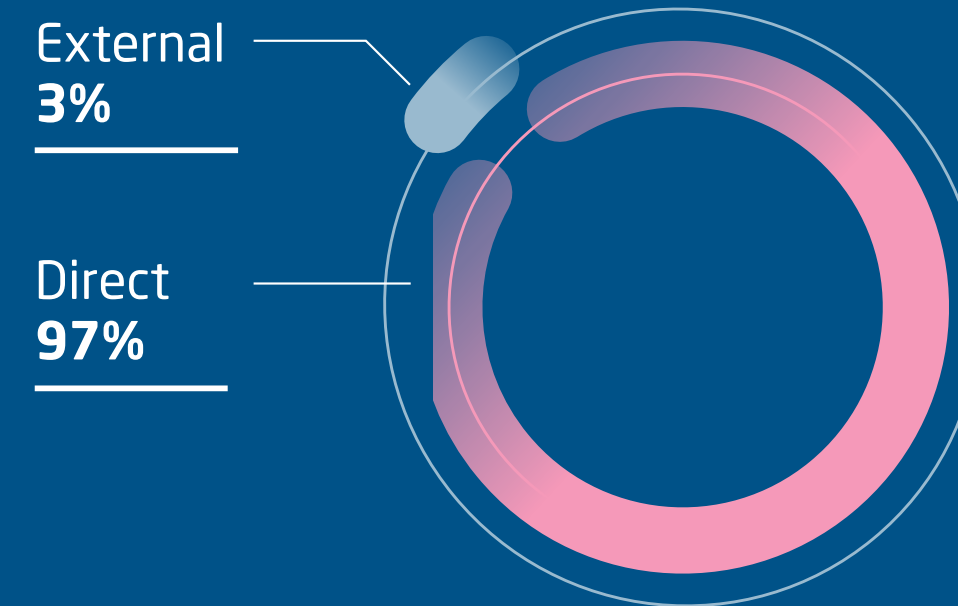
Total CAF workers



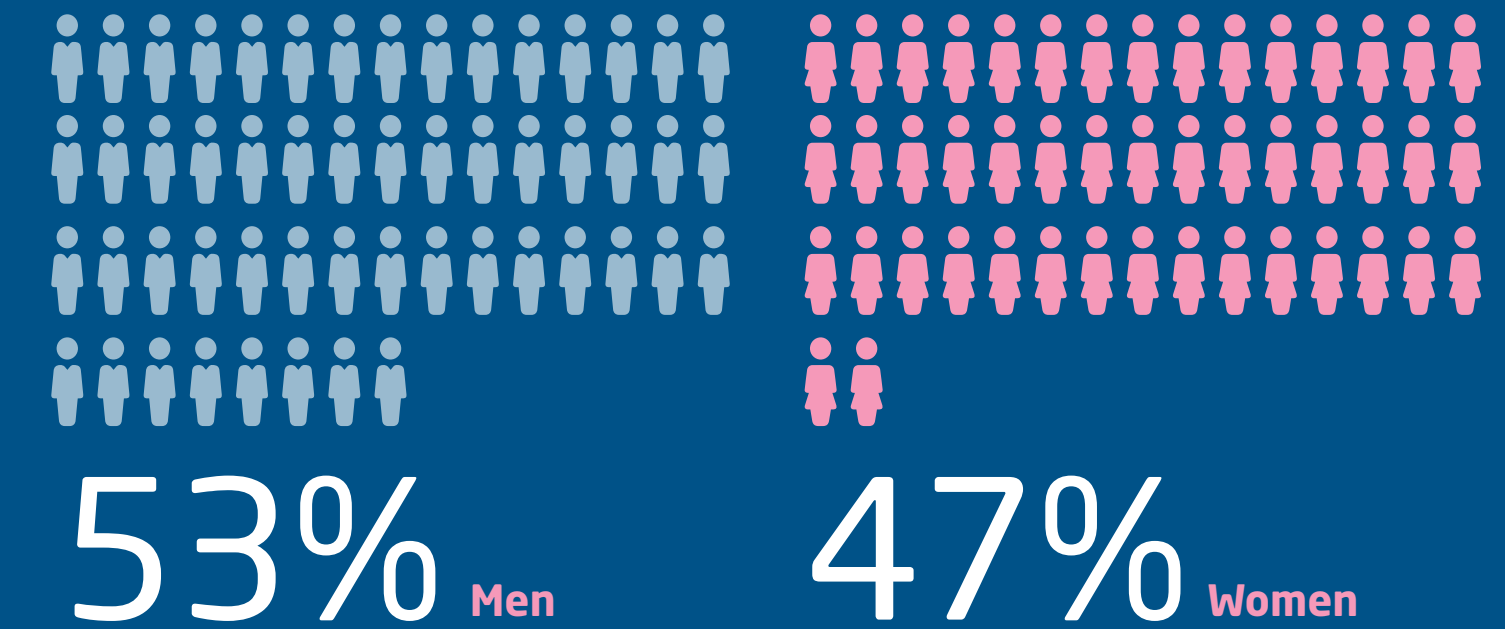
Distribution by type of contract and gender

97% of our employees are part of our direct staffing with permanent and indefinite-term contracts and indefinite-term contracts, and only 3% (26 employees) are externally associated. In terms of gender, the participation of women remained at 47%.

Type of association



Gender

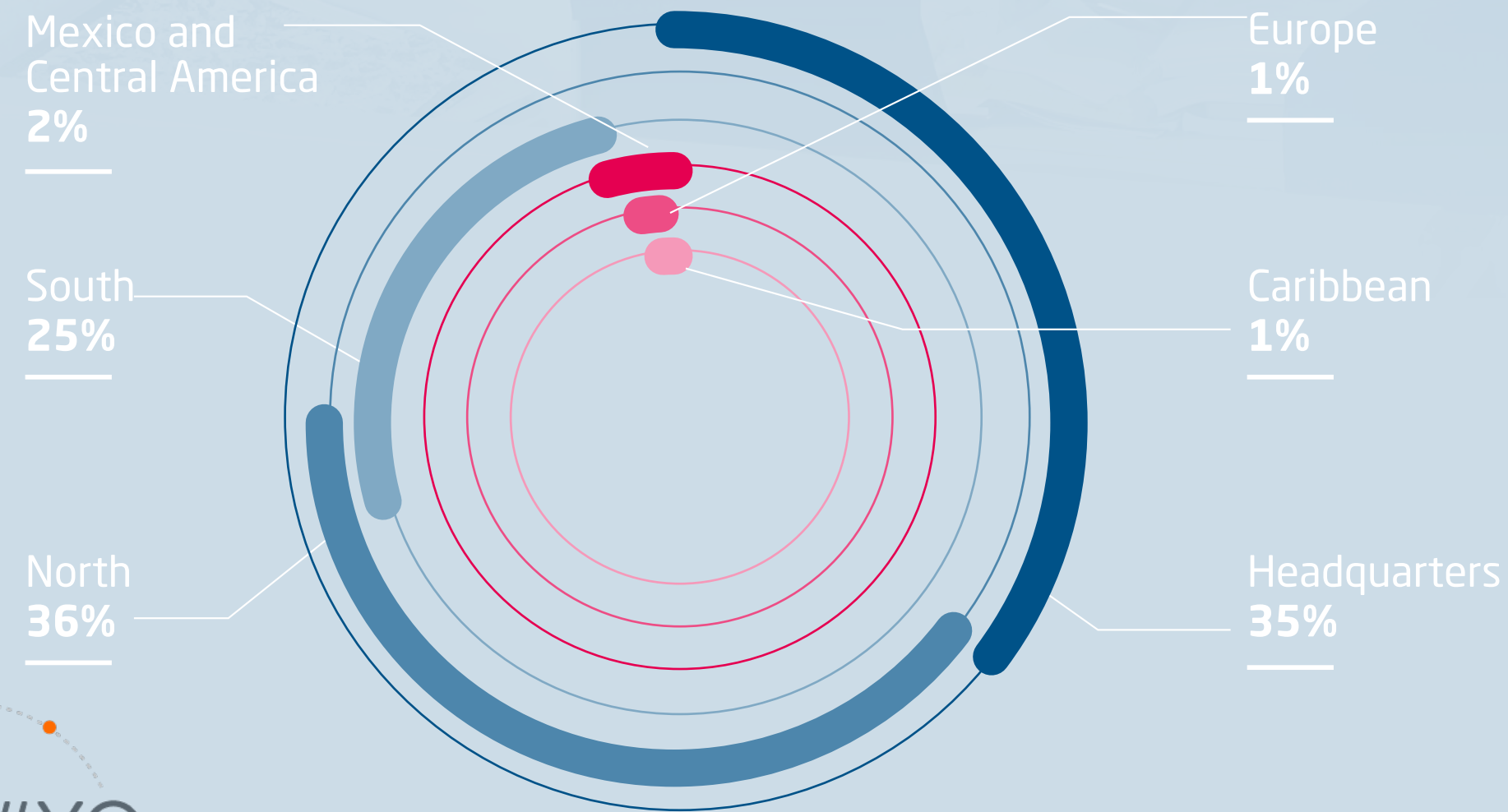


Type of contract	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Direct collaborators with indefinite term contract	399	332	422	352	432	367
Direct collaborators with fixed term contract	10	7	2	13	10	15
External collaborators with indefinite and fixed term contract	7	16	8	15	8	18
Total	416	355	432	380	450	400

Distribution by region and type of contract

The largest concentration of personnel is located in the Northern Region, followed by the Headquarters. With respect to the contract modality, 97% of the payroll has indefinite contracts.

Distribution by region



Region	2020		2021		2022	
	Indefinite	Fixed	Indefinite	Fixed	Indefinite	Fixed
Headquarters	301	8	282	6	280	8
North	264	3	307	5	286	7
South	166	6	185	7	201	9
Mexico and Central America	--	--	--	--	13	1
Europe	--	--	--	--	12	0
Caribbean	--	--	--	--	7	0
Total	731	17	774	18	799	25

Distribution by work category, gender, and age range

GRI 405-1

Most of our work force holds professional positions (81%) who, in general terms, contribute individually to the execution of the different cross-cutting and business processes of the organization.

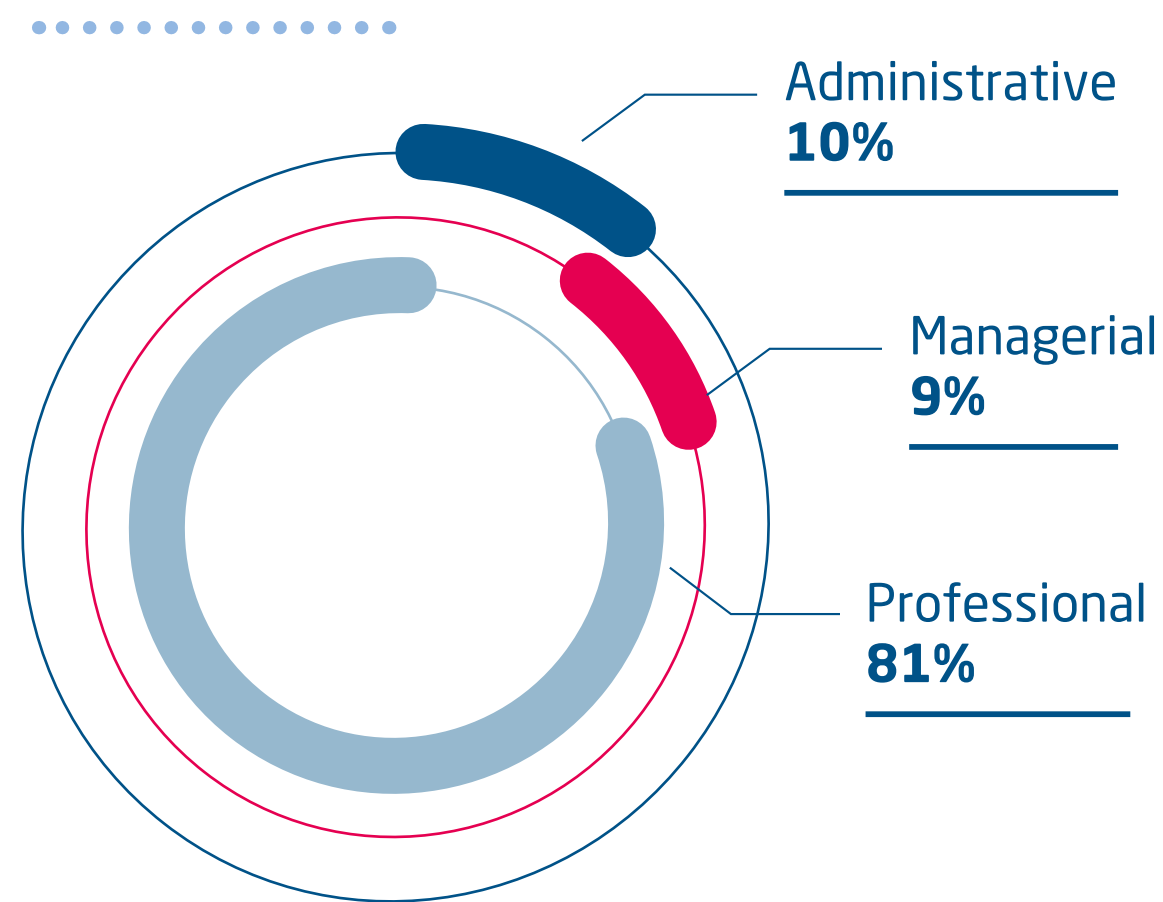
In terms of diversity, women represent 34% of management positions, 46% of professional positions, and 58% of administrative positions.

Distribution by gender and type of position

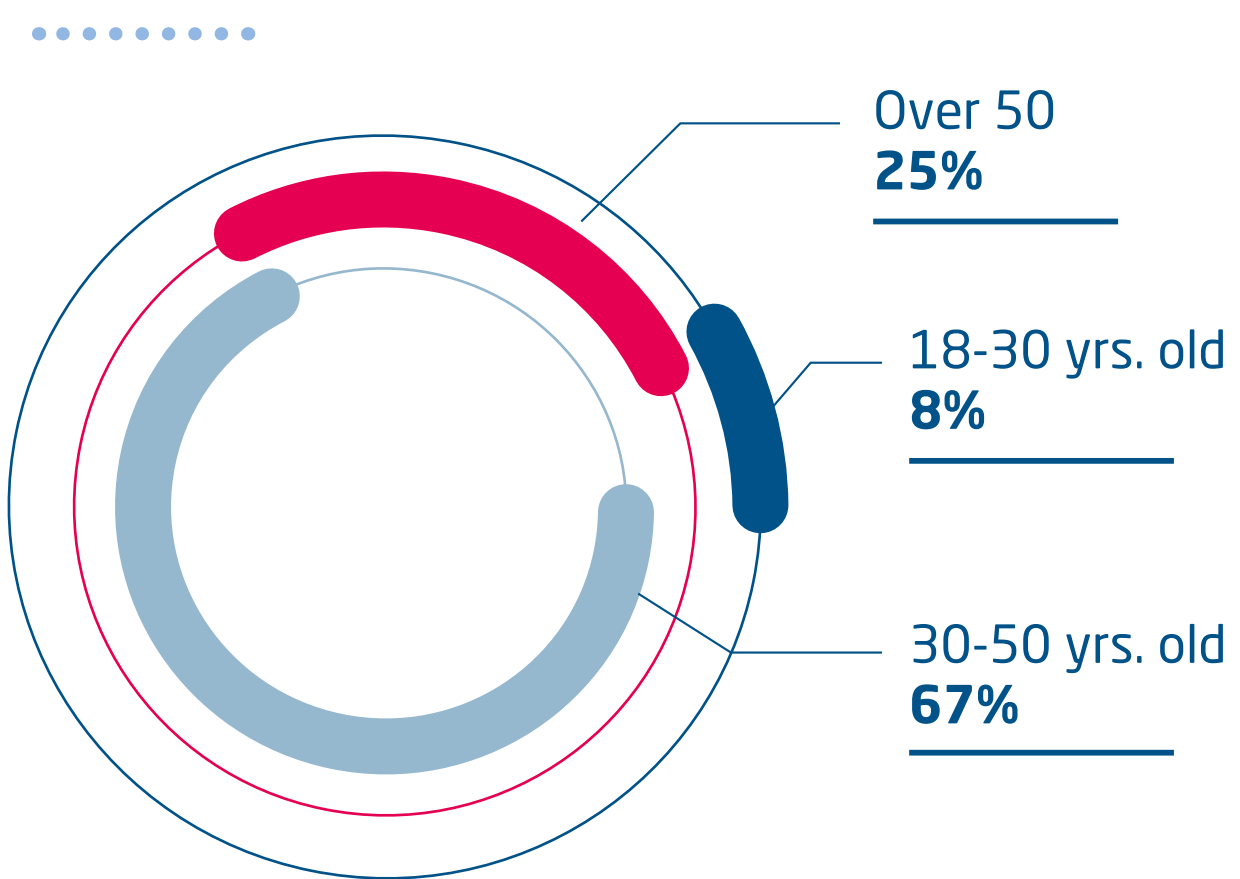




Type of position



Age range



New contracts

GRI 401-1

In total, we had 75 new contracts during the year. The greatest number of new contracts took place for the offices of the Northern region followed by the Southern region.

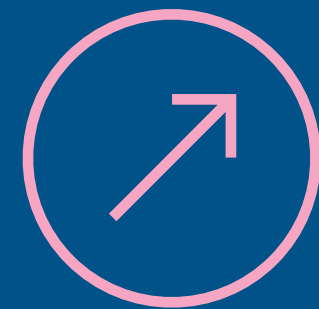
Distribution of new contracts in 2022

Region	Between 18 and 30 yrs. old		Between 30 and 50 yrs. old		Over 50	
	Men	Women	Men	Women	Men	Women
Headquarters	1	2	3	3	-	-
North	1	4	13	9	4	2
South	2	3	8	9	3	1
Mexico and Central America	-	-	1	1	3	-
Europe	-	-	1	-	-	-
Caribbean	-	-	-	1	-	-
Total	4	9	26	23	10	3

Annual comparison of new contracts

	2019	2020	2021	2022
Total new contracts	91	36	90	75
Rate of new contracts	1%	0.4%	1%	0.8%

CAF has a selection process that allows to evaluate the qualification of the applicants. This process prioritizes internal talent, through the program CAFPOSTULATE, the channel used by the staff to apply for vacant positions.



Rotation

With respect to staff retirement, 67 individuals retired during the year, with a rotation rate of 8.8%. It is important to highlight that most retirements were due to reaching the retirement age.

2022 distribution of retirements

Region	Between 18 and 30 yrs. old		Between 30 and 50		Over 50	
	Men	Women	Men	Women	Men	Women
Headquarters	1	-	4	4	6	8
North	1	-	5	7	8	7
South	1	-	4	3	3	3
Europe	-	-	1	-	1	-
Total	3	0	14	14	18	18

Annual comparison of retirements and rotation rate

	2019	2020	2021	2022
Total retirements	46	34	46	67
Rotation rate	9.4%	4.7%	8.9%	8.8%

→ Remuneration and well-being of our worker

GRI 401-2, 405-2











Our salary policy allows us to offer our employees competitive salaries, above the minimum wage in each of the countries in which we operate, and based on salary scales that take into account the experience, responsibility, and position held within the institution.

There are no gender-based differences between base salary and total remuneration, meaning that monetary benefits are equal for women and men. The salary differences reflected in the following table are mainly due to factors such as length of service and the number of employees of each gender per level:

Working category	2021	2022		
	Ratio of base salary between men and women	Ratio of remuneration between men and women	Ratio of base salary between men and women	Ratio of remuneration between men and women
Senior Management	-23,2%	-23,2%	-3,9%	-3,9%
Managers	0,6%	0,6%	0,9%	0,9%
Senior Professionals	-4,2%	-4,2%	-3,9%	-3,9%
Intermediate professionals	-0,6%	-0,6%	-2,4%	-2,4%
Professionals	-5,4%	-5,4%	-6,6%	-6,6%
Administrative	36,2%	36,2%	37,1%	37,1%

Note: For this report, the way of presenting the data has been adjusted for a better understanding.

Benefit coverage for collaborators

Benefits	Fixed Term	Indefinite Term
 Life Insurance	✗	✗
 Medical Insurance	✗	✗
 Disability and/or Invalidity Insurance	✗	✗
 Maternity or Paternity Leave	✗	✗
 Pension Fund		✗
 Vacation Bonus	✗	✗
 Family Allowance		✗
 Educational Subsidy for Dependents		✗
 Seniority benefits	✗	✗
 Profits	✗	✗

Benefits:

- **Insurances:** CAF provides its employees with health, life, and accident policies.
- **Maternity leave:** Eighteen (18) weeks for maternity leave, which can start before the delivery date. Depending on the particulars of each location or special circumstances, this leave may be extended for a longer period of time.
- **Paternity leave:** Fourteen (14) continuous days counted from the baby's delivery date.
- **Pension fund:** made up of two contributions, one made by the staff member, corresponding to 7% of the basic monthly salary, and one assumed by CAF. This allows workers to receive a pension when they retire, and/or in cases of permanent disability.
- **Vacation bonus:** a bonus is granted, equivalent to fifteen (15) days of salary on the first year of service, plus one (1) extra day for each additional year starting on the second year.
- **Family allowance:** the staff member has the right to an annual allowance for each dependent recognized by CAF.
- **Educational subsidy for dependents:** the staff member has the right to receive an educational subsidy that contributes to cover the financial obligations for the education of dependent children.
- **Seniority benefits:** equivalent to five days of remunerations for each month of work. In addition, after the first year of service, CAF pays the employee two salary days for each year of service, up to 30 additional days of remuneration.
- **Profits:** Bonus derived from the participation of the employees in the net profits of the Corporation, which cannot be less than the equivalent of one (1) month of base salary or exceed the equivalent of four (4) monthly base salaries.

→ Talent training and performance

GRI 404-1

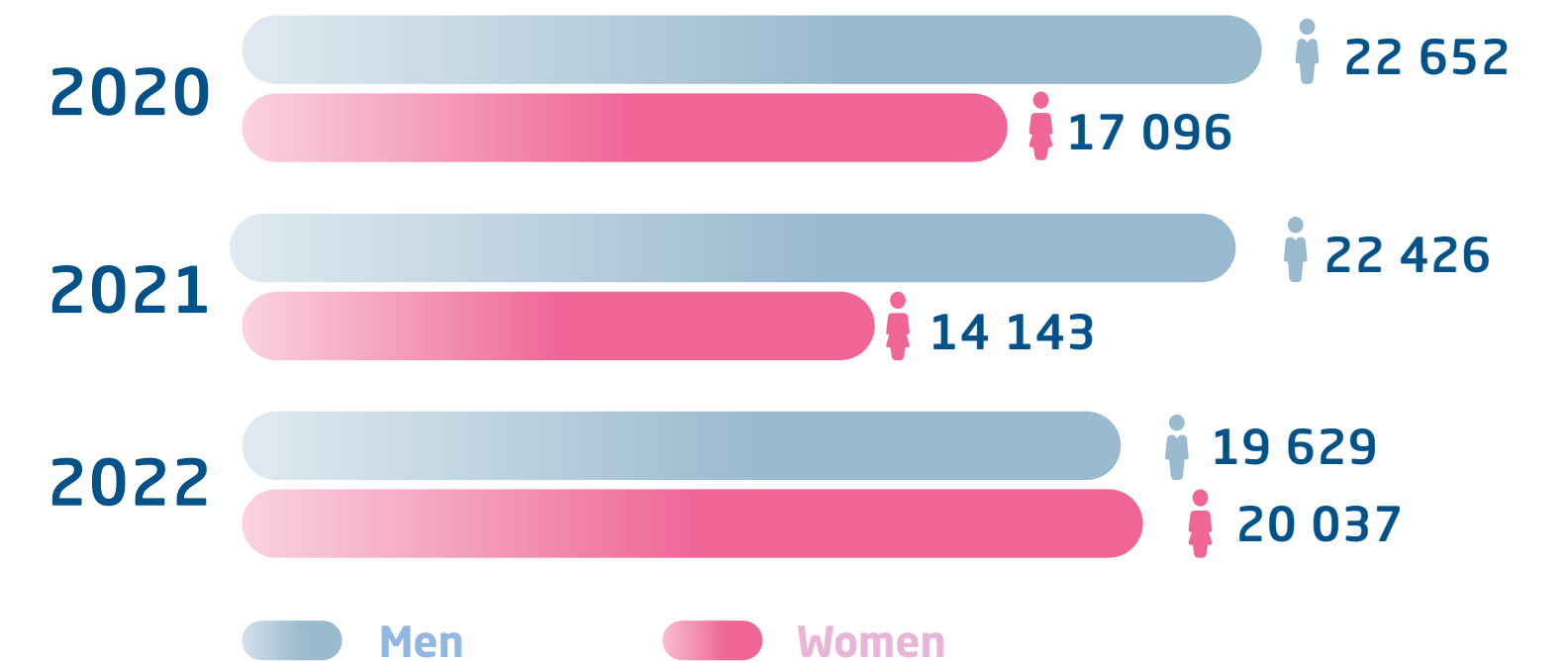
To achieve its mission, CAF needs highly qualified talent, with very demanding ethical standards, a goal that is accomplished applying personal development programs through educational and training activities aligned to the corporate strategies, available to the staff and trainees in an on-line platform such as CAF's on-line university and other external platforms with which the organization has agreements. These programs include an annual planning and agreements with universities and institutes that are well known in the region, with an educational offer that responds to the needs of the institution.

The staff training requiring specialized knowledge is addressed through professional development programs including specialized courses, on-site or on-line.

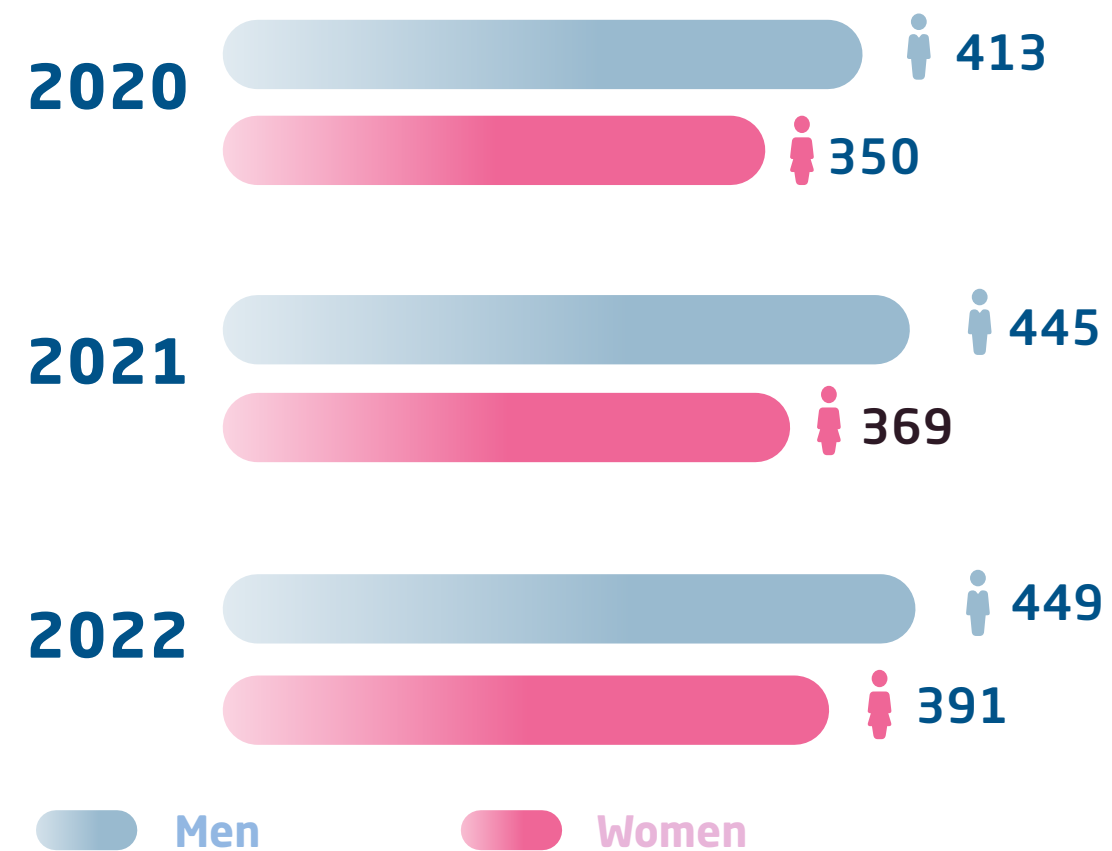
In addition, CAF has an annual leadership training program that includes workshops, courses, and individual management coaching sessions aimed at strengthening management skills and management of human resources, specially designed for those that play a role in managing teams, and have coordination and management functions.

In 2022 we developed training activities that promote a continuous improvement of our human talent, completing 39 666 hours of training, 8% more than in 2021. On average, we provided 47 hours of training per collaborator.

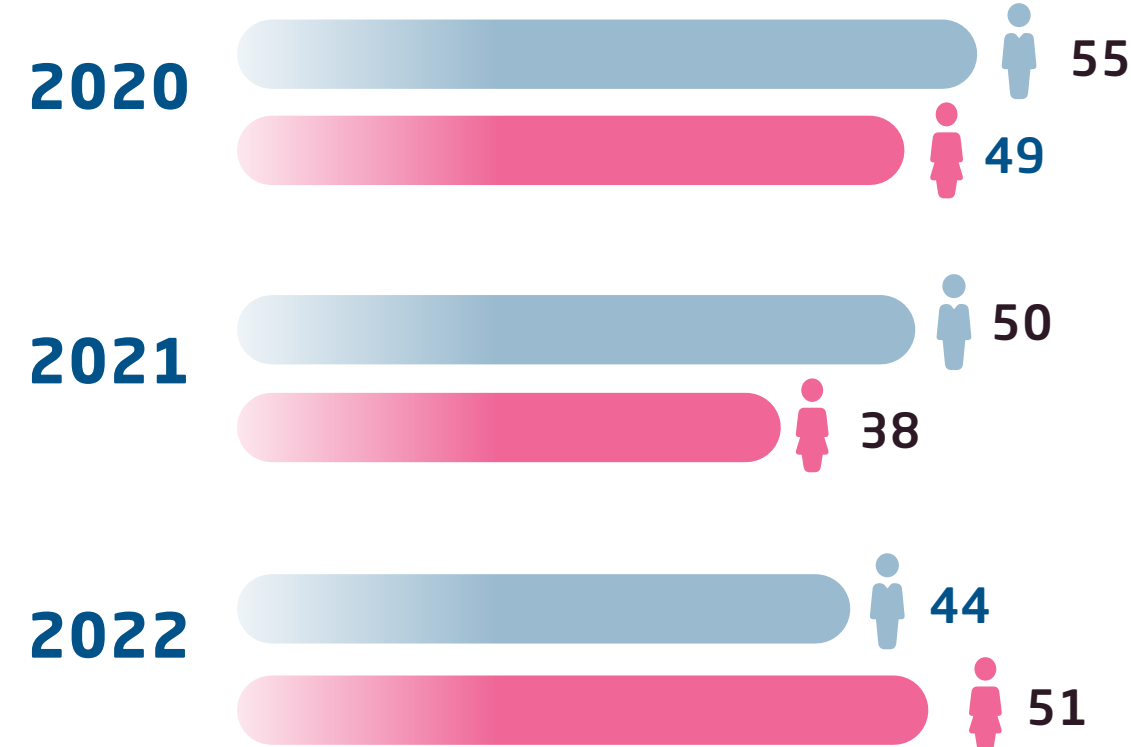
Hours of training by gender



Trained collaborators

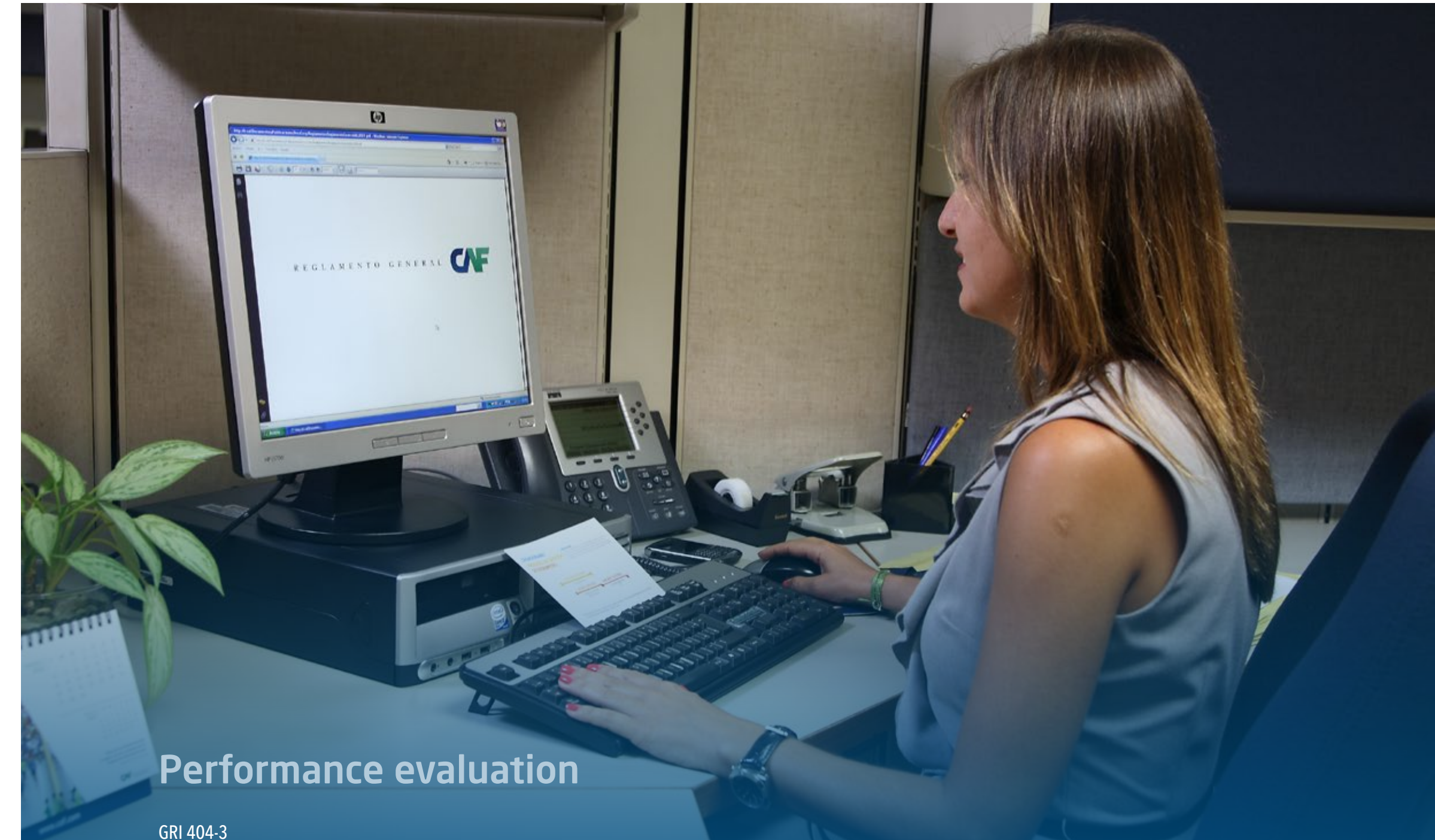


Average hours per collaborator



Training indicators for collaborators 2022

Working category	Trained collaborators		Hours of training		Average hours per collaborator	
	Men	Women	Men	Women	Men	Women
Management	47	26	860	418	18	16
Professional	368	318	18 098	17 528	49	55
Administratives	34	47	671	2 091	20	44
Total	449	391	19 629	20 037	44	51



Performance evaluation

GRI 404-3

The Performance Management process has an annual cycle with continuous feedback, starts with the Planning Phase and ends with the Results Evaluation Phase, including not only *what* (results) but also *how* (competencies).

We carry out performance evaluations of our collaborators once per year, with a follow-up in the same evaluated period. These evaluations are carried out for those individuals who have been at the Institution for at least 6 months during the year the evaluation is taking place. Thus, during the year 758 workers were the object of this process (92% of the direct payroll).

Organizational climate

In order to identify improvement opportunities that continue to strengthen the institution, CAF carries out an annual climate and commitment survey, which explores relevant dimensions related to leadership, professional development, processes, practices, etc. Staff participation has been consistently high.



Responsible and sustainable procurement

In line with the institution's strategic objectives, specifically becoming the **Green Bank of the Region**, during the year we started the consultancies and reviews of processes, norms, and best practices for the design of our **Sustainable Procurement Strategy**. This exercise allowed us to start raising the awareness of all the staff with respect to the general concepts of SUSTAINABLE PROCUREMENT, and to aim the efforts in that direction.



Our suppliers

GRI 2-6

We establish commercial relationships with organizations that provide goods, services, and consultancies such as technical and operational support for our operations.

Who are our suppliers?

Suppliers of goods

Natural or legal persons that supply tangible goods required to guarantee CAF's operations. They may be located in countries that are CAF members (classified as locals) or in countries that are not members.

Service and consultancy suppliers

Natural or legal persons that offer tangible services required to guarantee CAF's operations and achieve the stated objectives. They may be located in countries that are CAF members (classified as locals) or in countries that are not members.

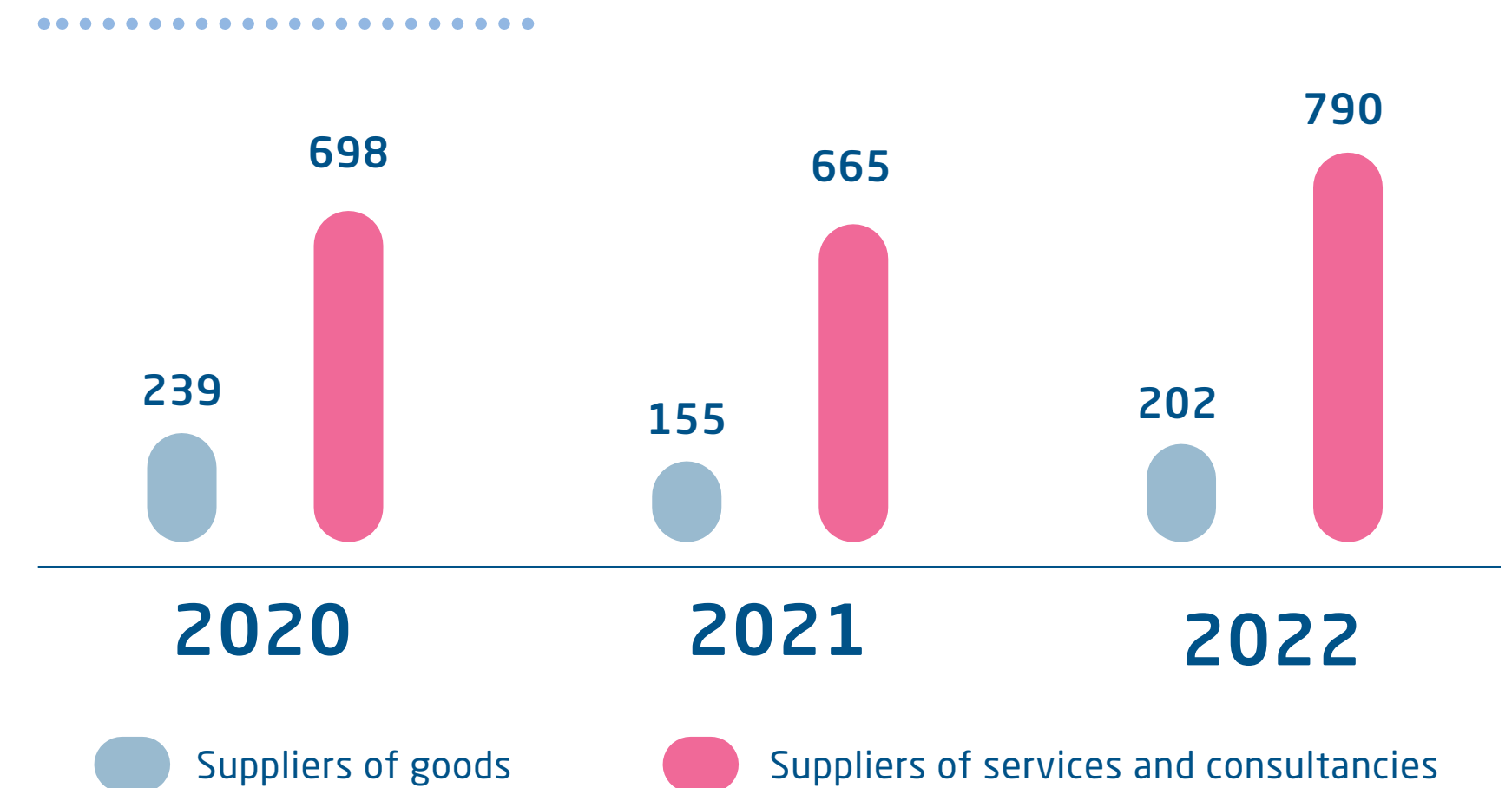
The term of the relationships with suppliers will depend on the nature and classification of the good or service. In some cases, contracts may be long-term up to three years (for example suppliers of specialized and strategic services). In addition, we establish commercial alliances with top level companies that provide goods or services required for the continuity of our processes.

Local suppliers

GRI 204-1

In 2022, we maintained commercial relationships with 202 suppliers of goods and 790 suppliers of services and consultancies.

Total number of suppliers



With these suppliers, we purchased goods and services for a total of USD 73.54 million, maintaining the trend of awarding contracts to suppliers located in member countries. We highlight the increase in purchases and contracts to local suppliers to support the economic development of the region, with 82% of goods purchased from local suppliers and 88% of services and consultancies purchased locally.



These relationships strengthen the suppliers in their specialized areas due to the high-quality standards that we demand. We accompany our suppliers in their growth and evolution to achieve greater competitiveness in the region.

General indicators of goods and services procurement

	2020	2021	2022
Suppliers of goods with whom we have a commercial relationship	239	155	202
Percentage of suppliers of local goods	84%	79%	82%
Total amount of contracted goods	USD 8.49 million	USD 6.93 million	USD 3.52 million
Suppliers of services and consultancies with whom we have a commercial relationship	698	665	790
Percentage of suppliers of local services and consultancies	81%	83%	88%
Total amount of contracted services and consultancies	USD 41.47 million	USD 49.33 million	USD 70.02 million
Orders of goods	902	656	642
Orders of contracts	1 472	2 185	1 429
Applications for supplier registry	1 985	1 020	1 706

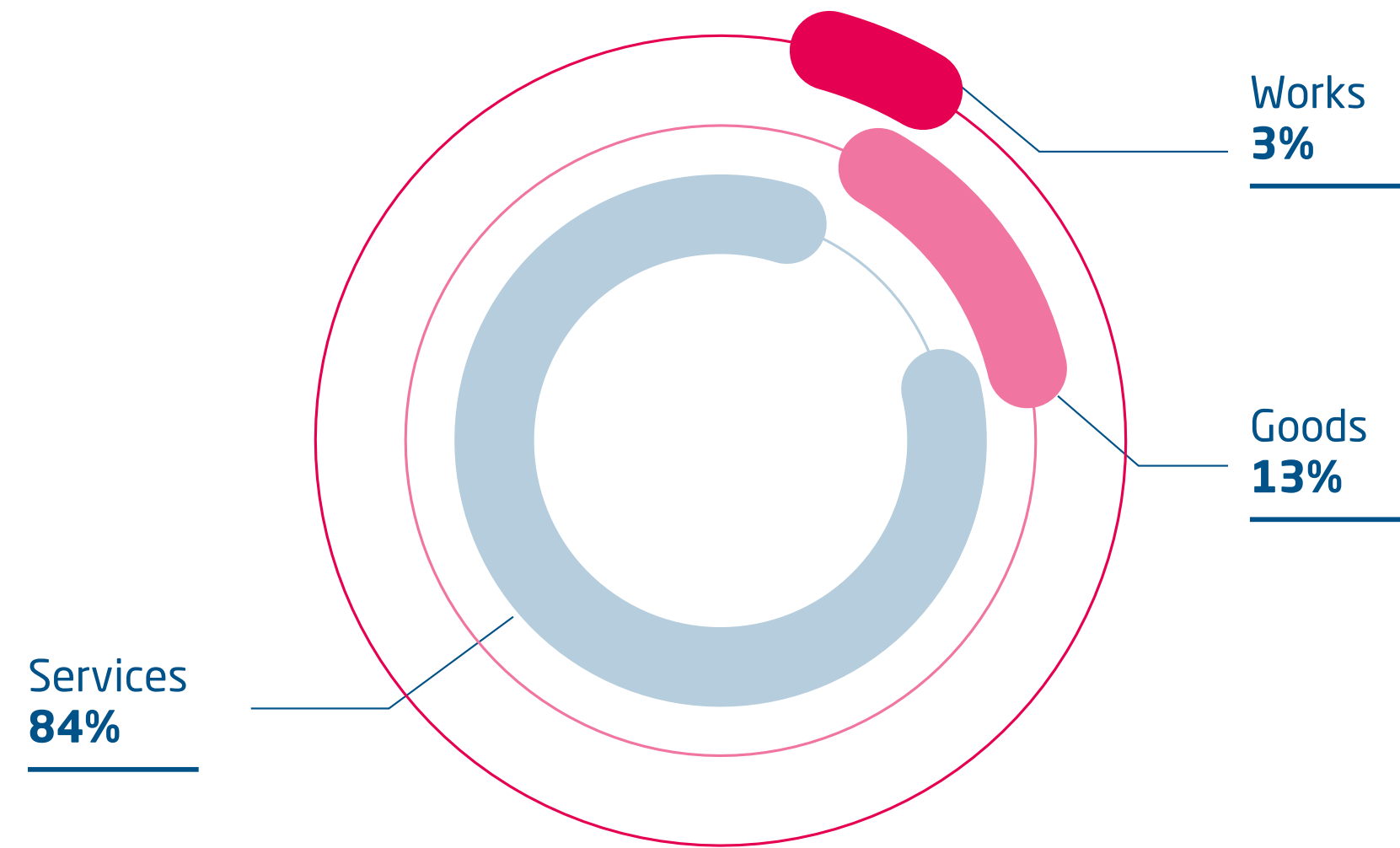
In this post-pandemic period, we observe an increase in the contracted amount, mainly associated to investment and technology improvement projects, as proof of the efforts we have advanced to update our platforms and place ourselves at the forefront of enterprise resource planning systems (ERP).

In this scenario, in 2022 we materialized the implementation of the **SAP 4/Hana** and **Ariba Sourcing and Contract** systems, which provide support to all administrative, accounting, and logistics processes of the organization. Thus, we positioned ourselves within the best practices used worldwide by SAP for the standardization and agility of processes.

→ Supplier satisfaction

In January 2023, we carried out the supplier satisfaction survey corresponding to 2022, where we obtained 184 responses from 984 suppliers invited to participate (18.7% participation).

Distribution of participating



The results of the survey showed the following levels of satisfaction with our contracting, attention, response, and commercial relationship processes:

- Suppliers of goods: **99.2%**
- Suppliers of services: **97.1%**
- Suppliers of works: **100%**

In addition, we received 157 comments and recommendations that were analyzed to incorporate into our continuously improving processes.


→ Impact measurement and contributions to development


In 2022, the Direction of Impact Evaluation and Policy Learning (DEIAP in Spanish) became the **Direction of Contributions to Development and Impact Measurement (DADMI in Spanish)**, joining the structure of the Department of Planning and Development Impact

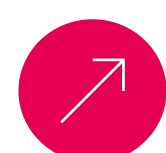
With this organizational change we expanded the scope that we intend to have with our impact products. In addition to maintaining the impact evaluation agenda, this Department will be in charge of creating a product focused on explaining the impacts that CAF's action has been generating in the region. At the same time, the creation of an ex-ante estimation system and follow up of the potential impact on development of the private sector operations.

Thus, through the evaluation and learning products we seek to **generate, collect, and process past or forward-looking information regarding the impact of the projects** which, on the one hand, may provide us with a better understanding of what we do and, on the other hand, make better decisions in the management of operations and design of public policies.

The objectives of these actions regarding impact measurements and contributions to development are:

 Inform about our **contribution to the wellbeing, progress, and environmental sustainability** of Latin America and the Caribbean, through the CAFImpact initiative.

 Inform about **decision making during the origination and evaluation of operations** with the public and corporate sectors with sovereign guarantee, as well as **follow-up on the compliance of our contributions to development, through a system to measure the expected impact on development** (MIDES in Spanish).

 **Generate evidence regarding the effectiveness of our interventions** aligned with CAF's strategy to measure the impact on the development of the region.

Learn about the initiative Impact [CAF in our web page](#).

The objectives, with their corresponding actions, are aligned with the cross-cutting initiative of applying knowledge to improve the credit cycle and the quality of operations.

Indicators of managed impact evaluations

	2020	2021	2022
Requests for impact evaluations	18	64	4
Internal requests	18	5	2
External requests	0	59	0
Impact evaluations started during the year	10	12	4
Active impact evaluations	32	25	28
Finished impact evaluations	21	4	4



Beyond environmental safeguards

In line with our corporate strategy of becoming the **green bank and the bank of sustainable and inclusive growth of Latin America and the Caribbean**, in 2022 we applied CAF's Environmental and Social Safeguards to credit and equity investment operations, supervising the effectiveness of their implementation.

With our **Safeguards Policy** we seek to guarantee an adequate and timely identification of the environmental and social risks of the operations, striving for mitigation from the perspective of a preventive management which adds value with our interventions.

In addition, the current process reviewing the safeguards, implemented in 2022, is aimed at:

- Achieving a greater **alignment with international best practices and standards** of development Banks, international finance funds and entities with whom we maintain commercial relationships.
- Contribute to the **consolidation of the institutional strategy**.

Application of environmental and social safeguards

Specif requirements	2021	2022
Due diligence actions and environmental and social monitoring during the year	1 126	1 133
Preliminary evaluations	43	46
Due diligences	54	98
Technical criteria	856	822
Monitoring missions	102	64
Report on environmental and social risk of sovereign portfolio	71	103

Corporate sustainability

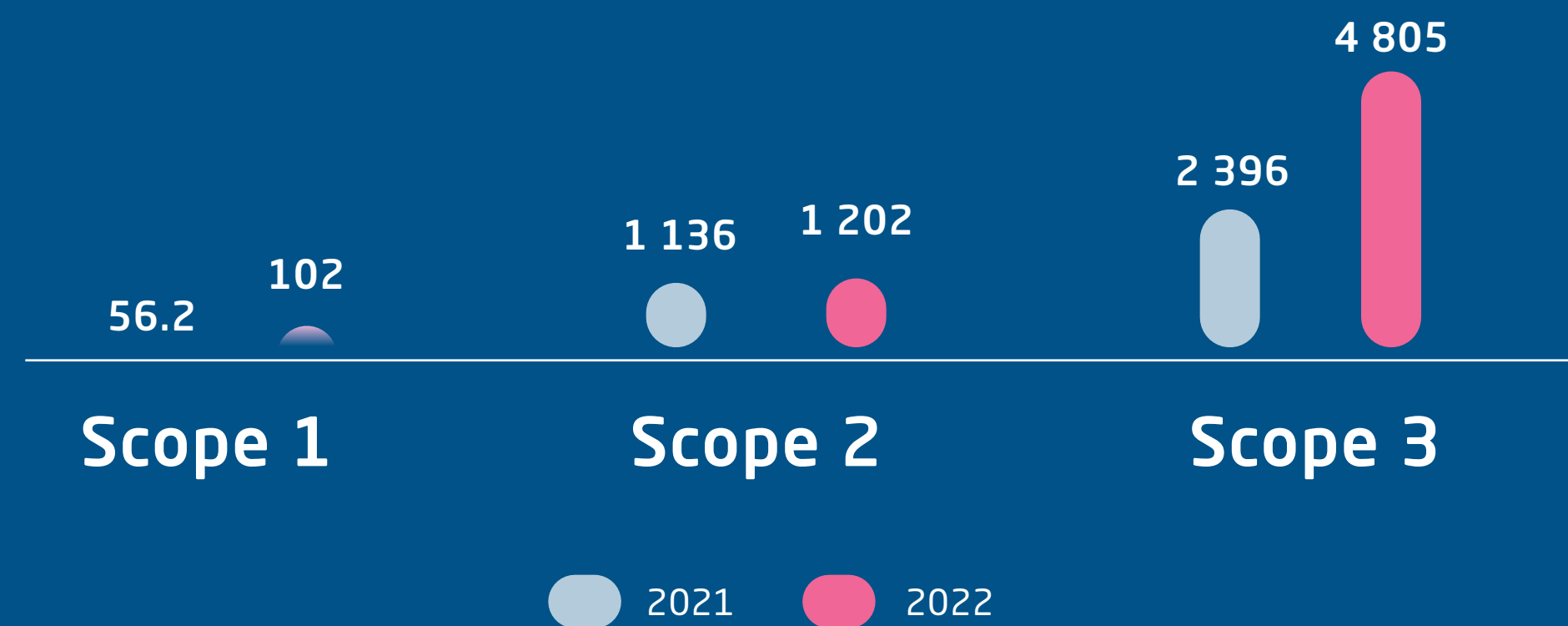
Our Institutional Environmental Management System (SIGA in Spanish), articulated under the ISO 14001 technical norm, allows us to guarantee the development of our internal operations in the framework of the environmental risk management and resources conservation

Carbon neutrality of our operations

GRI 305-1, 305-2, 305-3

We maintain our commitment to be carbon neutral, by rigorously monitoring our carbon footprint and the adoption of compensation mechanisms that, in addition to the inherent environmental benefits, contribute to the economic and social development of the region.

Institutional carbon footprint



98% of our carbon footprint in 2022 corresponds to indirect emissions of scope 2 and 3, maintaining the same levels registered in previous years.

As a compensation measure, during the year we acquired 3 768 TonCO2 of verified carbon units of the "Brazil nut concessions" project located in the Peruvian Amazon. This compensation corresponds to the carbon footprint registered in 2021 and allows us to keep maintaining the "carbon neutrality" of our operations.

In 2023 we will carry out the compensation of the 6 108 tonCO2 corresponding to the carbon footprint of 2022.

Environmental education and sensitization

During the year we added new offices to the + Recycling + Environment campaign through which we promote the waste management from our employees' homes in 13 CAF offices, who have the possibility of participating through the green locations available in their respective cities.

At the end of 2022 we had the participation of 82 staff members and we managed 4.4 tons of waste



In addition, in the framework of the SIGA we carried out training and communication initiatives to create awareness about the most relevant environmental components of our actions, such as:

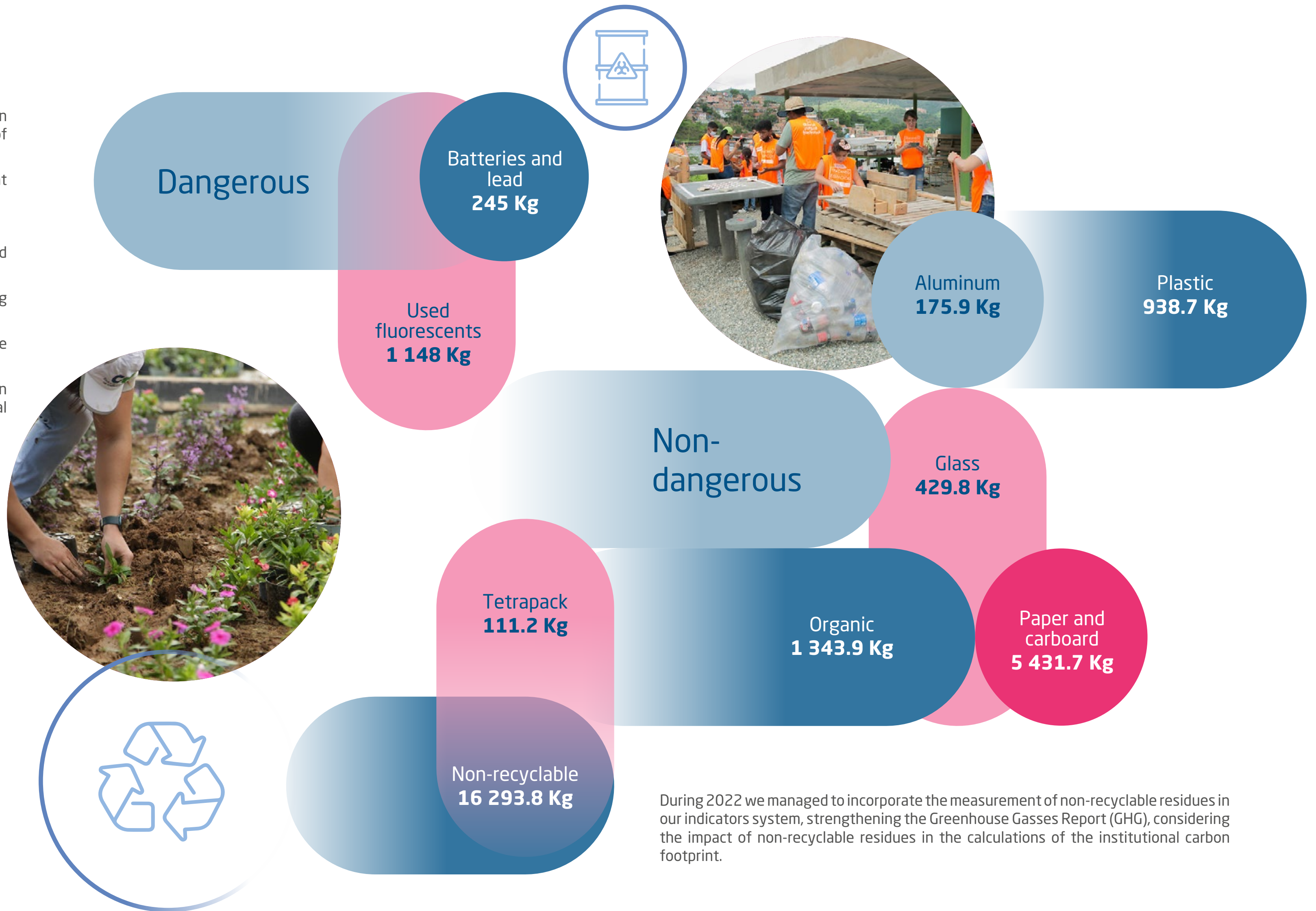
- 9 meetings between staff and suppliers linked to the environmental management system.
- 19 internal or external awareness activities for CAF staff.
- Environmental content disseminated through the different media, such as animated videos, testimonial videos, tudei notes, important environmental dates.
- Direct communications with representatives of the offices and their teams, promoting an adequate management of waste.
- Recycling campaigns of expanded polyethylene (Venezuela) and electronic waste (Venezuela, Uruguay, and Panama).

For some of these actions we had the support of strategic allies such as Asociación Reciclandantes in Bolivia, and the NGO No Más Colillas of Uruguay, the Municipal Government of Montevideo, among others.

→ Waste management

GRI 306-3

During the year we handled **26 118 kg of dangerous and non-dangerous waste**



During 2022 we managed to incorporate the measurement of non-recyclable residues in our indicators system, strengthening the Greenhouse Gases Report (GHG), considering the impact of non-recyclable residues in the calculations of the institutional carbon footprint.

04



The green bank and the bank of sustainable and inclusive growth of Latin America and the Caribbean

- The bank that supports the **transition of the energy sector**
- The bank that values **biodiversity, its ecosystem services and climate action**
- The bank that contributes to the **productivity of the private sector**
- The bank that contributes to **generate resilient and sustainable territories**
- The bank that promotes **regional development and integration through physical and digital infrastructure**
- The bank that supports **social wellbeing, equality, inclusion, and diversity**







→ The bank that supports the transition of the energy sector

Material topic: Infrastructure Development

→ Infrastructure to support the energy transition

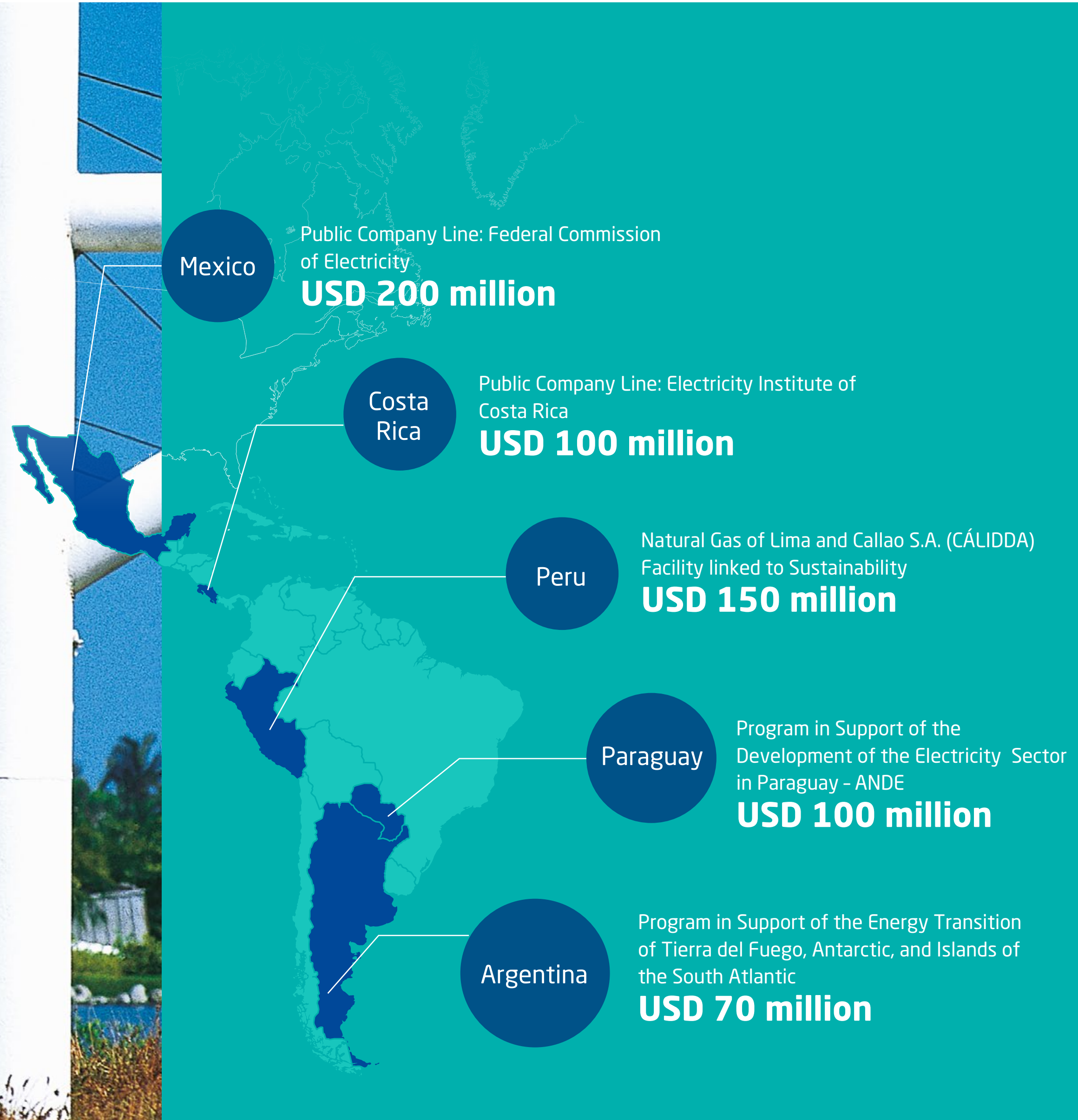
In line with the global objectives for the energy sector, we carried out strategies to contribute to a fair, affordable, and sustainable energy transition in the region, based on the economic realities and resources of each country.

In the implementation of our infrastructure agenda we prioritized actions articulated with the following strategic lines:

-  Strengthening, modernization, and expansion of the **transmission and distribution systems**, including international interconnections
-  **Overhauling of hydraulic** generation plants
-  Incorporation of a **new generation capacity based on renewable sources** (hidraulic, eolic, solar, geothermal and biofuel)
-  Use of gas as transitional **fossil fuel**
-  **Hydrogen vector** development
-  **Energy efficiency**



In 2022, we approved five credit operations to support the energy sector in Argentina, Costa Rica, Mexico, Paraguay, and Peru, with CAF resources totaling USD 620 million.



In addition, we allocated **USD 434 859 in technical cooperation resources** for projects development that leverage the energy transition goals in Uruguay, Ecuador, and Mexico:

Uruguay



USD 100 000:

Analysis for the inclusion of Green Hydrogen in the Energy Sector of Uruguay, and its adaptability to the Power Stations and Power Transmission market (UTE in Spanish).

USD 89 859:

Analysis of the availability of water resources for the production of green hydrogen and derivatives in the framework of Uruguay's Road Map.

Ecuador



USD 45 000:

Plan to increase the coverage of the electric energy public sector in Ecuador.

Mexico



USD 200 000:

Strategy for technology adoption and demonstration projects for energy storage systems.

At the same time, we highlight the presentation of the study **“Energy Transition in Latin America and the Caribbean, a vision for 2050 of its opportunities and challenges”**, detailing the advances in the achievement of the emissions reduction objectives from the energy mix of CAF's member countries. The study identifies the gaps that must be addressed in terms of investments for the region to achieve zero net emissions by 2050, in order to prioritize our interventions to support the energy transition in the region.

Material theme: private sector as instrument for sustainable economic development

→ Sustainable business models that support the energy transition

Aligned with CAF's new strategic proposals, we have worked on the development of projects that integrate the relevant role of the private sector in the promotion of sustainable business models, prioritizing green operations focused on:

- the infrastructure for climate change adaptation and mitigation
- the productive transformation towards cleaner and more sustainable production models.
- the search for new green financing mechanisms

In this respect, we promote operations with important private actors of the region, focused on the implementation of non-conventional renewable energies, as well as those that support the energy transition and the development of the carbon market for the mitigation of emissions.

An example of these actions is the [Latin American and Caribbean Initiative for the Development of the Carbon Market - ILACC](#) (in Spanish) and the **Powershoring strategy**, which seeks to decentralize production towards countries that offer clean, safe, inexpensive, and abundant energy, close to large consumption centers, in addition to other virtues to attract industrial investments.



In 2022

6 credit operations approved
USD 440 million

1 technical cooperation operation
USD 250 000

The following credit operations stand out:

- **Pan American Energy (Argentina).** A/B Loan for up to USD 300 MM (USD 30 MM from CAF), with a seven-year term, to finance PAE's investment projects in Argentina. Priority will be given to projects that: a) contribute to the mitigation of climate change; b) promote and strengthen SME's; c) support the development of energy resources of conventional exploitation (gas as a necessary resource for the energy transition) and d) strengthen the infrastructure necessary for the development of these energy resources.
- **Vinci Climate Change Fund (Brazil).** Investments were approved for USD 10 million for the development of projects related to renewable energy, water, and natural resources. The Fund will have a significant environmental, social and governance (ESG) and impact component, following high environmental and sustainability standards, allowing for the recovery of degraded lands, a significant capture of CO₂, and the reduction of emissions of other greenhouse gasses.

We highlight the approval of an investment program together with Green Climate Fund (GCF) and technical cooperation resources that benefit both the public and private sectors.

- **E-Motion.** A program for USD 121 991 550 (USD 9 821 100 non-reimbursable) aimed at strengthening the electricity mobility ecosystem. Financing of vehicle fleets for private and public service (buses, light commercial vehicles, and cargo infrastructure); technical assistance; policy advice, development of business models and capacities, all with a gender perspective. It will accelerate the display of electricity mobility solutions, reduce GHG emissions, and connect cities and communities in Panama, Paraguay, and Uruguay with clean, safe, and reliable transportation options.

Technical cooperations operations

- Strengthening of the carbon credit market in Latin America and the Caribbean, a regional effort led by CAF in coordination with twelve National Development Banks, which intends to promote the global competitiveness of carbon credits offer generated in the region.



The bank that values biodiversity, its ecosystem services, and climate action

Material theme: A transition that is fair, low in carbon, and resilient to climate change

→ CAF's green agenda

Our value proposal for the climate action and positive biodiversity agenda is to **promote and support the fair transition of shareholder countries towards a Green economy, low in carbon and resilient**, effectively promoting the environmental components of CAF's operations and strengthening the mobilization of green financing resources under the principles of inclusion and equality.

Programmatic lines of CAF's Green Agenda

Support our shareholder countries in the **compliance of their environmental and climate commitments** with strategies, institutional strengthening, and enabling conditions

Structure projects with **environmental and climate co-benefits**



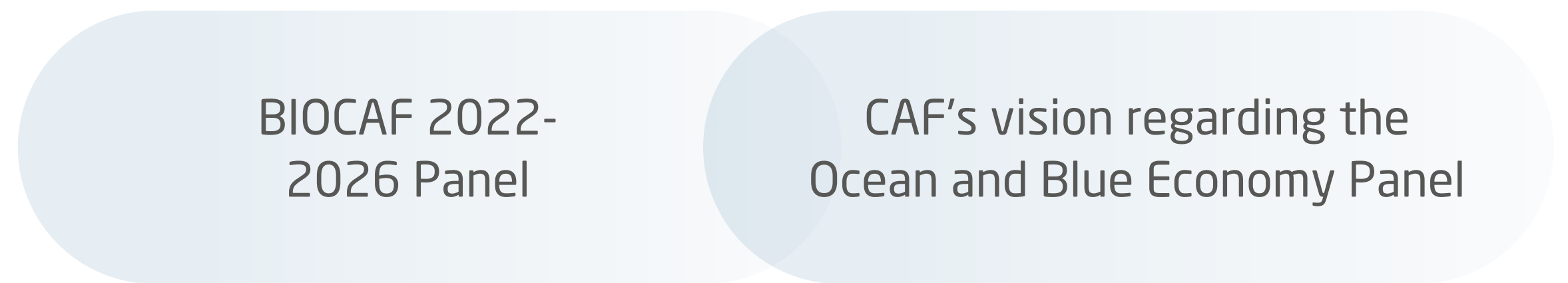
Strategic Biodiversity Initiative - BIOCAF 2022-2026

BIOCAF 2022-2026 is the strategic route we have designed to promote a transforming change in the countries of the region, where **biodiversity is valued, conserved, restored, and used as a sustainable supply of ecosystem services**, whose benefits may be conceived in a comprehensive and equitable manner for all society.

Strategic components



Panels of specialists who learned about our Biodiversity Strategy at the COP-15



Learn about our strategy [CAF for biodiversity BIOCAF 2022-2026](#)

In terms of technical cooperation operations, we obtained the **approval of USD 1 760 000** for the development of projects that promote valuing biodiversity in the countries of the region.

"Americas Flyways Initiative" - Migratory bird routes in LAC and opportunities for a Greener infrastructure

Strategic Allies: BirdLife y Audubon

Objective: design the financial mechanism of the Americas Flyways Initiative with all its components in the value chain up to the implementation.



United Nations Environment Program - UNEP

Objective: contribute to strengthen instruments that increase the impact of the use of scientific information in the development of environmental public policies at a regional level to accelerate the Sustainable Development Agenda and the multilateral agreements.



Strengthening of the Marine Corridor of the Tropical East Pacific (CMAR in Spanish)

Strategic Allies: Bezos Earth Fund, Blue Nature Alliance, Rewild, and others

Objetivo: develop priority actions for the construction of operational, administrative, and institutional capacities at the CMAR and strengthen the management of protected areas in Colombia, Costa Rica, Ecuador and Panama.



Technical cooperations with the private sector

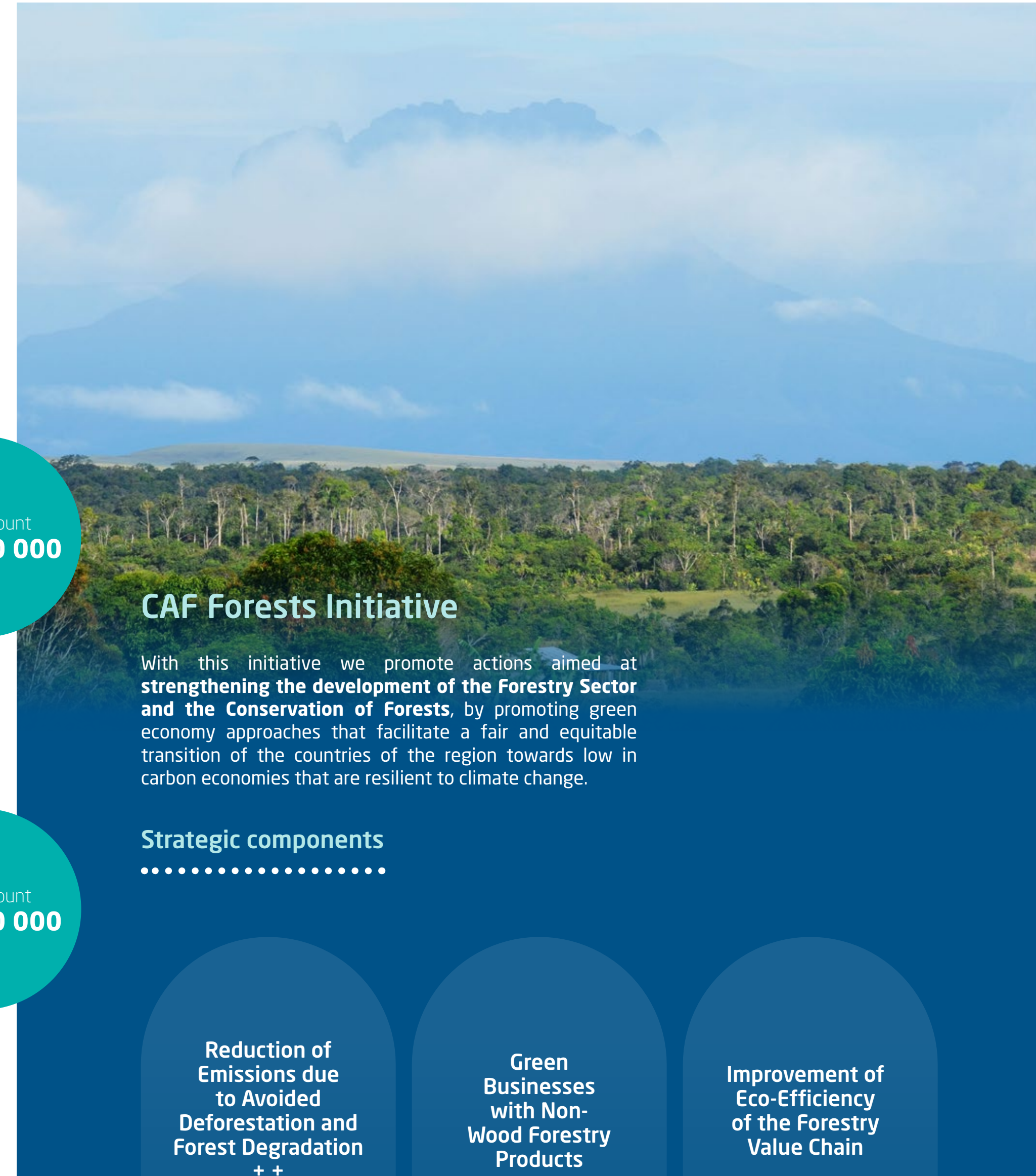
Update, redesign, and strengthen the Environmental and Social Management System (SGAS in Spanish) of the Development Bank of Ecuador BDE B.P. USD 120 000.

Strengthening of the environmental, social, administrative, and financial performance of the organizations of the popular and supportive financial sector of Ecuador. USD 120 000.



Strategic Plan for Sustainable Tourism Porto Seguro-Bahia (Brazil)

Objective: develop a Strategic Plan for Sustainable Tourism Porto Seguro-Bahia, providing the Municipal government with a planning tool for the development of sustainable and responsible tourism activities.



CAF Forests Initiative

With this initiative we promote actions aimed at **strengthening the development of the Forestry Sector and the Conservation of Forests**, by promoting green economy approaches that facilitate a fair and equitable transition of the countries of the region towards low in carbon economies that are resilient to climate change.

Strategic components

Reduction of Emissions due to Avoided Deforestation and Forest Degradation
+ +

Green Businesses with Non-Wood Forestry Products

Improvement of Eco-Efficiency of the Forestry Value Chain

In the framework of this initiative, during 2022:

- we provided technical support for **two forestry operations of the private sector in Paraguay**, aimed at the construction of a cellulose plant and the establishment of forestry plantations. These two operations seek to establish 240 000 new hectares under certification schemes and a sustainable forestry management.
- we finished the development of **five guides for the design and management of urban forests and green spaces** in Latin America and the Caribbean.
- we managed and provided **forestry technical support to three CAF-GEF projects** with forestry components and/or aimed at forestry recovery, for a total of USD 5 556 612. The execution of these projects started in 2022 in Argentina, Bolivia, and Panama.
- we finished the actions for the Korean transfer of knowledge to **strengthen the forestry productive sector in Paraguay**, leveraged by resources of the Korea Sharing Program for USD 300 000.
- we signed a technical cooperation operation agreement with the **Amazon Cooperation Treaty Organization (ACTO)**, for a total amount of USD 280 000 (USD 200 000 contributed by CAF) aimed at strengthening the Amazon Regional Observatory (ARO) by developing the Climate Change module and updating the Forestry and Biodiversity modules, based on technical and official information of the countries that are members of ACTO (Member Countries), generating operating tools that will help to develop actions that improve resilience and adaptation to climate change in the Amazon Region, and the generation of financial facilities for its implementation.

Sustainability initiative for financial institutions

During 2022, activities were carried out related to the United Nations Environment Programme Finance Initiative (UNEP - FI) regional working group which did not represent a specific destination of resources. During 2023, this initiative will be reviewed based on the advances on the subjects of the region's financial institutions, considering the results previously achieved and the new corporate strategy in this regard.

→ Financing and mobilization of third-party resources in environment and climate change

Direct financing - Green operations

In 2022, green financing reached **USD 4 335 million, corresponding to 30.7% of the total amount of resources approved during the year**

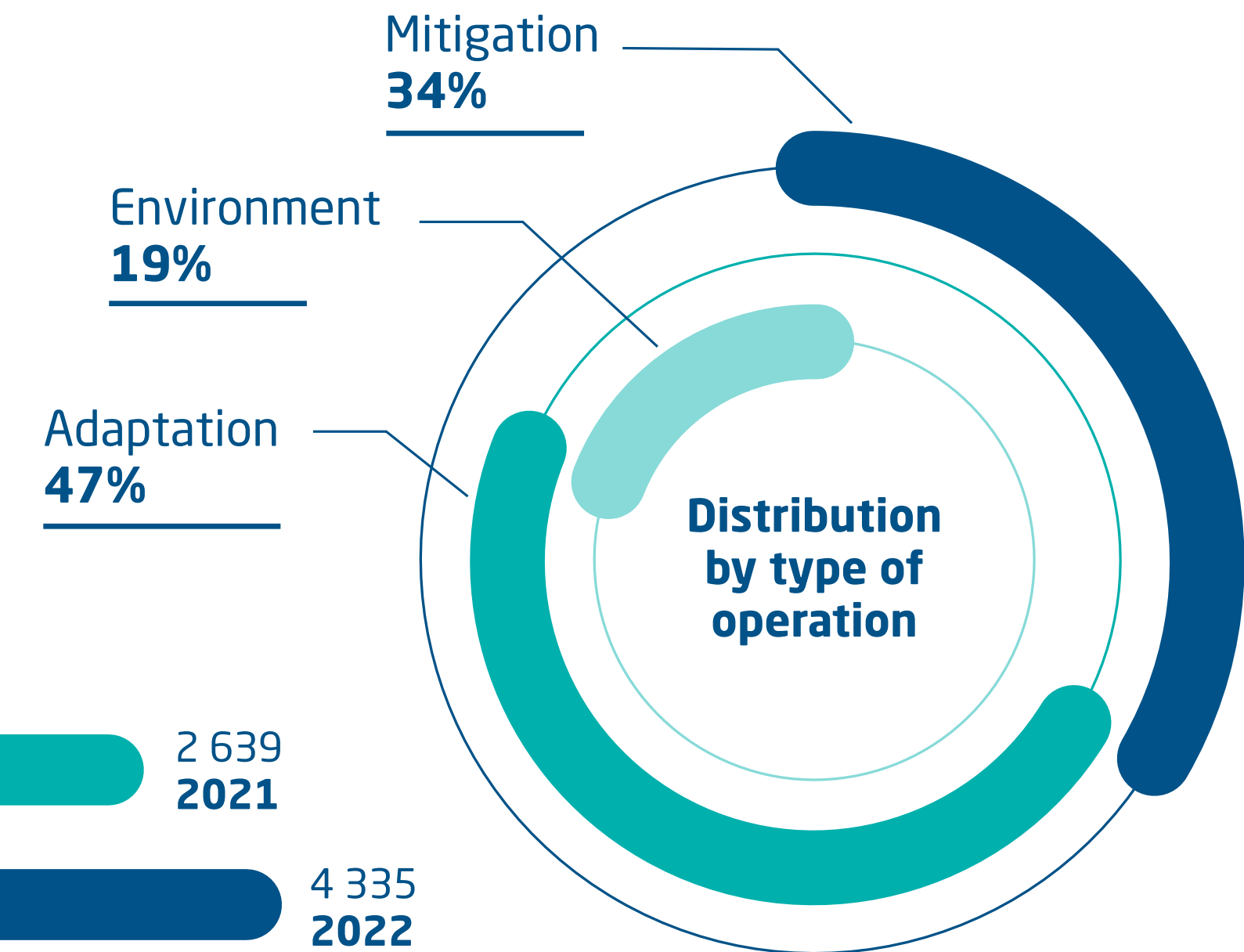
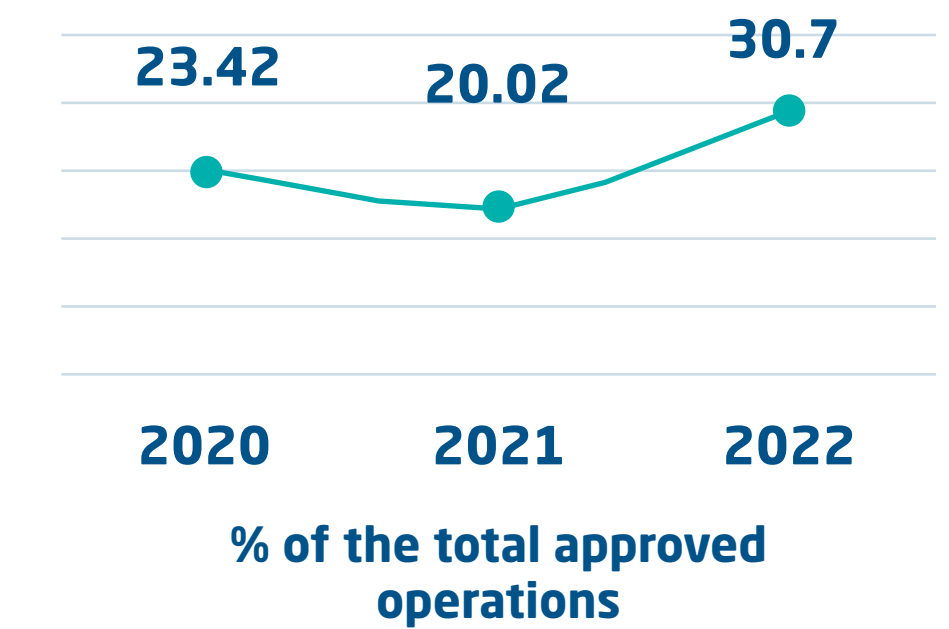


114

Approved green operations

4 335

USD milliton



To comply with the goal we want to achieve, of 40% of direct green financing by 2026, including the mobilization of third-party resources, we have raised the following operational actions (technical, financial, and for resource mobilization) to strengthen the portfolio:

- Activate the demand for green projects
- Actions to strengthen CAF internally as a "Green Bank"
- Update the regulatory framework and reinforcement of internal communications
- Mobilization of resources from green funds (GCF, Adaptation Fund, GEF) and strategic allies (AFD, KfW and European Union through LAIF initiatives, among others)

Portfolio of climate change and positive biodiversity operations

In 2022
we approved seven credit operations for a total amount of USD 10 353 million, corresponding to our climate action and positive biodiversity agenda.



Sector Wide Approach Credit (SWAP)
5 operations for USD 995 million

Investment Programs and Projects (IPP)
2 operations for USD 40.3 million

The SWAP type approved operations recognize the efforts or investments made by the countries with respect to the environment, biodiversity, and climate change, as well as the management of natural resources and forests, and the emergency response to wildfires.

Two Investment Projects requested by Colombia were approved, intended for the agricultural and environment sector.

We approved USD 500 000 in technical cooperation resources for the development of 5 projects related to tourism and adaptation to climate change

- **In Uruguay**, the REACC-COSTAS project, aimed at increasing the socio-ecological resiliency in the Uruguayan coastal area, and strengthen the adaptation capacity of its infrastructures. USD 110 000.
- A cooperation agreement between **Ecuador, Panama, Uruguay, El Salvador, and Barbados**, to develop a series of guidelines for tourism investment in order to attract, promote, and retain direct foreign investments (FDI) for sustainable tourism initiatives. USD 50 000
- **Support cooperation for the presentation of projects to the Adaptation Fund**
 - **In the Dominican Republic**, for the project "Enabling the competitiveness of the Dominican Republic through environmental sustainability and climate resilience from Tourism" to present to the Adaptation Fund, USD 110 000.
 - **In Argentina**, for the project "Reinforcement of community resilience of rural populations in the arid areas of Northeastern Argentina in the face of climate change, improving access to water and the application of sustainable land management practices". USD 130 000.
 - **At a regional level**, the analysis, planning, and implementation project for joint actions to reduce the risk of disasters and increase climate resilience in Latin America. USD 100 000.



Green Climate Fund- GCF

USD 448.9 million approved

USD 0.35 million executed



Climate-Smart Initiatives for Climate Change Adaptation and Sustainability in Agricultural Production Systems Project (CSICAP in Spanish)

Objective

Reduce the impacts of variability and climate change in the agricultural sector of Colombia, to minimize its impacts on the competitiveness of the sector and contribute to mitigate the emission of greenhouse gasses.

Expected impacts

- 194 871 directly benefited producers (7.2% of national producers)
- 967 997 hectares distributed in 22 of the 32 departments in the country and 219 municipalities (20% of total municipalities).

SDG contribution



Financing of USD 99.9 million

By GCF

By CAF and other co-financers

- Donation of USD 48.3 million
- USD 25 million loan
- USD 26.6 million loan

Climate Change Project: the New Challenge for Galapagos (Ecuador)

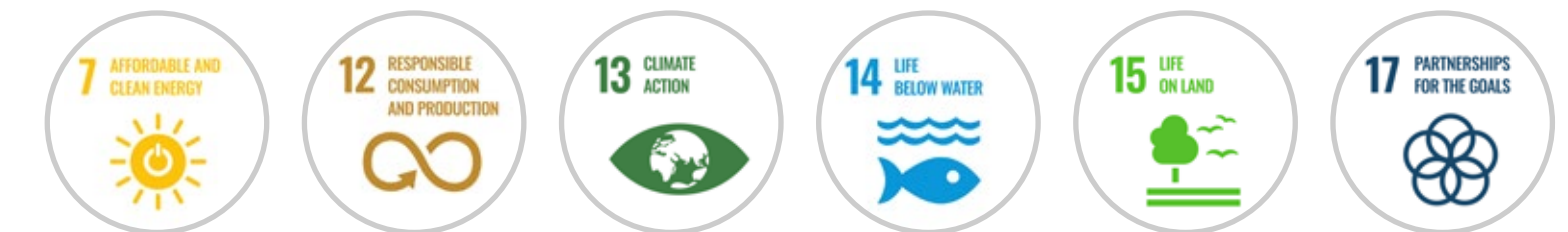
Objective

Contribute to the change in the energy mix of the archipelago, strengthen the climate resilience of the livelihoods, and generation of sustainability mechanisms of these actions.

Expected impacts

- Generate 490 215 MW/h (megawatts per hour) of renewable energy
- Incorporate a flow of credit of more than USD 15 million to the financial sector to finance sustainable productive activities
- Reduce approximately 600 000 tons of CO₂e from the energy sector during the next 25 years
- Promote a sustainable management of the land in more than 20 000 agricultural hectares
- Restore 138 000 km² of marine ecosystems and 1 500 hectares of land ecosystems

SDG contribution



Financing of

USD 117.6 million

By GCF

By CAF

By the beneficiaries

- Donation of USD 34.7 million
- USD 30.5 million loan
- USD 30.2 million loan
- Counterpart: USD 21.8 million



E-motion Project- Electric mobility and Low Carbon Transportation (Paraguay, Panama, and Uruguay)

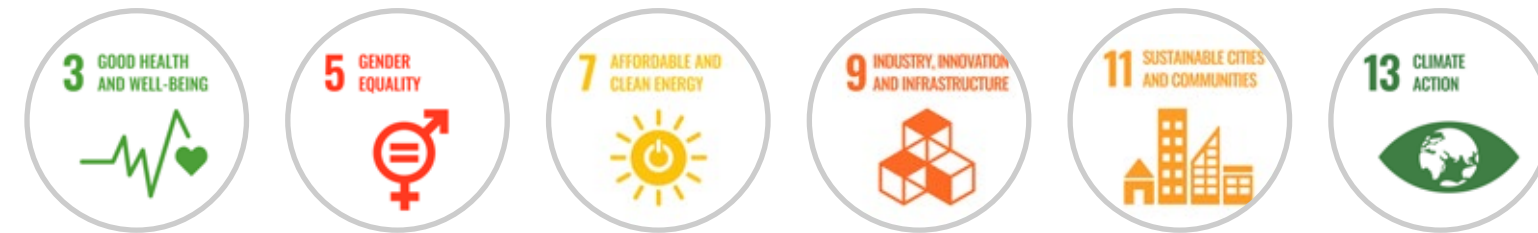
Objectives

- Transition towards a transportation system that is clean, better organized, more efficient, equitable, comfortable, safe, sustainable, resilient, and affordable
- Strengthen an ecosystem that favors electric mobility at a local, national, and regional level
- Set the stage to decarbonize the sector, as well as improve the quality of the air, reduce the problems associated to air pollution, and reduce the dependency on imported fossil fuels
- Promote new economic activities and create sources of employment related to the value chain of electric vehicles

Expected impacts

- Reduce 3.3 million tons of CO2-e during the lifespan of the project
- Contribute to the creation of the policy and regulatory framework to promote electric mobility
- Improve the quality of air and the health of people
- Reduce the dependency on fossil fuels
- Create new sources of employment
- Promote a holistic change in sustainable urban mobility that allows for its sustainability over time

SDG contribution



Financing of

USD 231 million

By GCF	By CAF	By the beneficiaries
<ul style="list-style-type: none"> • Donation of USD 9.82 million • USD 66.79 million loan 	<ul style="list-style-type: none"> • USD 121.99 million loan 	<ul style="list-style-type: none"> • Counterpart of USD 30.44 million

Readiness Panama

In January 2022 we finished the execution of the Readiness Panama Project, with the following products delivered during the year:

- platform to process the no-objection letters
- consultation process of the national strategy for climate change
- dissemination process of the no-objection letter, climate change strategy and country program
- four concept notes
- evaluation of private sector barriers

Local Financial Institutions Program

We achieved the formalization of the Funded Activity Agreement between CAF and the GCF, for the development of this project whose objective is to mobilize the climate financing for small and medium-sized enterprises in Chile, Ecuador, Panama, and Peru to reduce greenhouse gas emissions.

GCF Financing

USD 100 M

CAF co-financing of

USD 50 M

USD 95 MM loan and USD 5 MM donation

Projects with advances in formulation, structuring, and GCF approval

We advanced in the formulation of two GCF Readiness Projects, which are in the last instance of the review process prior to approval.

- **Readiness Ecuador for USD 499 960:** creating the conditions for the implementation of Loss Damage mechanisms
- **Readiness El Salvador for USD 399 957:** developing the Climate Investment Plan for low carbon and climate resilient sustainable development



United Nations
Adaptation Fund

USD 10
million approved

USD 5.21
million executed



Project: “Multisectoral measures for adaptation to climate change to alleviate floods in the southern basin of the Oropuche River” (Trinidad and Tobago).

Objective:

increase the resilience of the population and the ecosystems of the southern basin of the Oropuche River in the face of floods, rising sea levels, and the foreseen increase in water deficit.

Expected impacts:

- 197 540 people living in the lower basin of the Oropuche River, of which 9 758 are direct beneficiaries (4 889 women and 4 869 men)
- prevent 194 families (46 fishermen and 148 farmers) from reducing their incomes due to climate risks
- 175 hectares of costal ecosystems and key wetlands will be rehabilitated
- 17.8 hectares will develop sustainable production practices (organic cultivars resistant to water)
- Train 15 institutions to actively use the maps and systems developed, which incorporate considerations regarding climate change for decision making.
- 144 systems to capture rain water will be developed, to increase the supply of water in selected areas, to resist the impacts of climate change
- 100 hydroponic systems will be developed; 3 aquaponic systems and 3 aquaculture pilot systems will be installed as pilot projects.

SDG contribution



Donation:

USD 10 million

Executed projects

Project	Executed activities
Coastal cities Argentina - Uruguay	<ul style="list-style-type: none"> • First Binational Meeting from March 7 to 9 in Concordia (on-line and on-site mode) • Binational Work Groups in the framework of the project issues • Participation of Uruguayan experiences in the workshops of the Network of Municipalities of ACC in Argentina • Strengthening of the labor competencies and entrepreneurship: training scholarships in the Centro de Experimentación de Software (Software experimentation Center). Four out of 5 young people complete the training for the Software Tester Diploma (75% women).
Coastal Cities Chile - Ecuador	<ul style="list-style-type: none"> • Update of the Antofagasta Master Plan for Rain Waters. • Implementation of the on-line course of introduction to green infrastructure in coastal cities. • Development and publication of the Green Infrastructure Plan for the city of Esmeraldas. • Eight new automatic stations were installed in Esmeraldas, and 5 INHAMI stations were upgraded. • Workshops and events were carried out in Chile to disseminate the actions of the project, as well as 5 short dissemination videos.

LAIF-KFW Initiative “Climate financing facility based on the performance of the European Union”

EUR 655 746 approved

EUR 1.48 million executed

Approved projects

- Four small scale solar photovoltaic projects: Espinal, La Paila, El Carmelo and Belmonte - Colombia

Executed projects

In Ecuador, we promoted the reduction of greenhouse gases in the urban solid waste sector, providing economic incentives to the Decentralized Autonomous Governments of Cuenca and Guayaquil.

In addition, in Colombia we promoted the reduction of GHG in the energy sector, supporting five projects, four small scale photovoltaic solar plants, and one electricity generation plant from the biogas of a wastewater treatment plant.

All the projects have accredited their reductions of GHG emissions through a third-party verifying agency. The benefits achieved in 2022 reached:

- A reduction of 311 000 tCO₂e.
- Disbursement of incentives for EUR 2 163 405.75.

LAIF-AFD Initiative “Cities and Climate Change”

EUR 557 000 approved

EUR 904 000 executed

Approved projects

- Infrastructure Cycle Project Bogota Region
- Cross-cutting analysis in sustainable transportation, climate vulnerability at an urban level, and solutions based on nature at a city level
- MOOC Cities and Climate Change production
- Awareness strategy aimed at local staff to finance sustainable projects of the public space

Executed projects

In Peru

Project: “Technical profile study for the implementation of a bicycle lane in the San Juan de Lurigancho District, province of Lima”.

- We concluded the study that allowed for the formulation of a cutting-edge cycle infrastructure.
- The documents were delivered to the Municipality in the Invierte-Pe formats, in order to facilitate the city’s investment decision for the project.
- Executed resources: EUR 199 900 of the total contract (EUR 249 875).

In Colombia

Project: “Analysis for the definition of alternatives, studies, and preliminary designs for the environmental management of the circuit of the Swamp of Mallorquín facing the neighborhoods of La Playa and Las Flores in the Barranquilla District”.

- We concluded the study in collaboration with local authorities (Puerta de Oro and Barranquilla Verde).
- The final result offers alternatives for the neighborhoods in a continuous and long-term scheme. The final results were delivered to the Municipality.
- Executed resources: EUR 154 350 of the total contract (EUR 220 500).

Project: “Technical, legal, financial, social, and environmental structuring of a scheme of territorial cycle routes, in its physical infrastructure dimension and model of operation, enabling the articulation with the RegioTram project in the west and the municipalities in its area of influence”.

- We advanced in the establishment of the base line, characterization, and critical analysis of the current mobility in the municipalities that are part of the area of influence of the project
- We carried out the offer and demand study for the quantitative and qualitative establishment of the current transit characteristics and the determination of the new ones





Regional scope projects

Project: “Tool for Carbon Calculation”.

- AFD shared the tool Bilan Carbone® developed by the French Agency for the Environment and Energy (ADEME).
- From this tool, we developed a computer solution in web environment to calculate the potential reduction of emissions of GHG (Carbon Balance) of credit operations, comparing current emissions (base line without a Project) and during the construction and operation (project scenario).
- Among other benefits, the tool allows the staff to perform the carbon balance of credit operations to evaluate whether they contribute or not to the mitigation of climate change, and if they can be included as part of the green financing portfolio.
- The tool, in the framework of its continuous improvement, has been updated to improve the interface with users, include other sectoral scopes for which credit operations are being developed (for example cycle routes) and facilitate the generation of results reports (whether the operations reduce GHG emissions or not) to be annexed to the evaluations carried out during the different stages of the credit cycle.

- It is expected that the second version of the tool will be available for all the staff during the second trimester of 2023.

Project: “Awareness strategy aimed at local staff to finance sustainable projects in public spaces”.

- We began the development of awareness tools aimed at the staff, authorities, and local and national decision makers interested in developing actions in public space.
- In doing so, we seek to contribute to the identification of opportunities, as well as the structuring of project and program profiles that comply with the attributes of integrality and sustainability promoted by the sustainable urban development agenda and by the CAF-LAIF initiative Cities and Climate Change.

Project: “Cross-cutting documents resulting from the projects developed in the framework of the LAIF Initiative on Cities and Climate Change”.

- We started the development of three cross-cutting thematic documents, based on the results of the diagnostic and pre-investment studies financed in the framework of the LAIF CAF -AFD Initiative on cities and climate change.
- These documents address the issues of Sustainable Mobility, Urban Vulnerability, and Nature and

Biodiversity, in order to disseminate experiences in the cities of the region and promote similar projects in other cities.

Project: “Awareness Actions in the Urban Context”.

- We carried out awareness actions in the cities of Lima (Peru), Portoviejo (Ecuador), La Paz (Bolivia), Montería (Colombia), Buenos Aires (Argentina) and Recife (Brazil).
- We selected 6 Latin American artists to produce an awareness poster related to the impact of climate change in the mentioned cities.
- The result was an artistic space with community participation regarding the perception “How do you want your city to be in 2030?”.

Project: “Cities and Climate Change MOOC”.

- The year 2022 was dedicated to the graphic and audiovisual production of the 5 MOOC modules, advancing in the production and post production of 68 videos with experts, 34 animated videos, an invitation video, and a welcome video.
- For these activities, 4 disbursements were made during the year for a total of EUR 80 920.

Global Environmental Facility – GEF

CAF maintains a current accreditation with the Global Environmental Facility (GEF) since 2015, with a participation in the allocation of the GEF-7 funds (2018-2022) of approximately 7% of the total foreseen for said period, which represents USD 56.73 MM approved in the framework of the GEF-7.

The CAF-GEF Project portfolio to 2022 includes 11 projects under management for USD 42.01 MM. These projects benefit 11 countries (Argentina, Bolivia, Brazil, Colombia, Chile, Costa Rica, Ecuador, Panama, Paraguay, Peru, and Uruguay) and include several focal areas: biodiversity, climate change, international waters, and degraded lands.

Among the expected impacts: 6 292 766 Ton CO₂eq avoided; 27 686 537 Ha in land and marine areas protected and with improved management; two (2) fresh water ecosystems shared under improved management, and a total of 70 147 individuals benefited.

In 2022, 5 new GEF (PIF PHASE) projects were approved, for a total amount of USD 22.96 MM. These projects have 4 beneficiary countries (Argentina, Bolivia, Colombia, and Panama) and address several focal areas: biodiversity, climate change, international waters, and degraded lands.

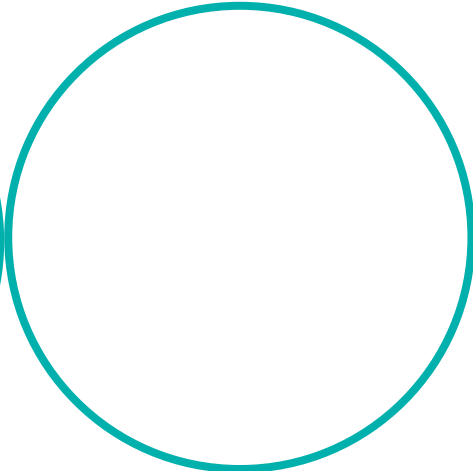
Among the expected impacts, a reduction is expected of 9 582 667 Ton CO₂eq; 1 319 256 Ha or land and marine areas protected and with improved management, and a total of 3 316 447 individuals will benefit. In addition to a Project in its PRODOC phase for a total of USD 7.09 MM, benefitting 6 countries (Barbados, Belize, Guyana, Jamaica, Panama, and Saint Lucia), with a multi-focal approach: international waters and biodiversity. The expected impacts are estimated in 540 774 Ha of marine protected areas with improved management; 45 000 metric tons of more sustainable marine fisheries; 2 marine water ecosystems shared under improved management, and a total of 88 000 benefited individuals.

5 new projects approved
(PIF phase)

Resources approved
USD 22.96 MM

Benefitted countries

- Argentina
- Bolivia
- Colombia
- Panama

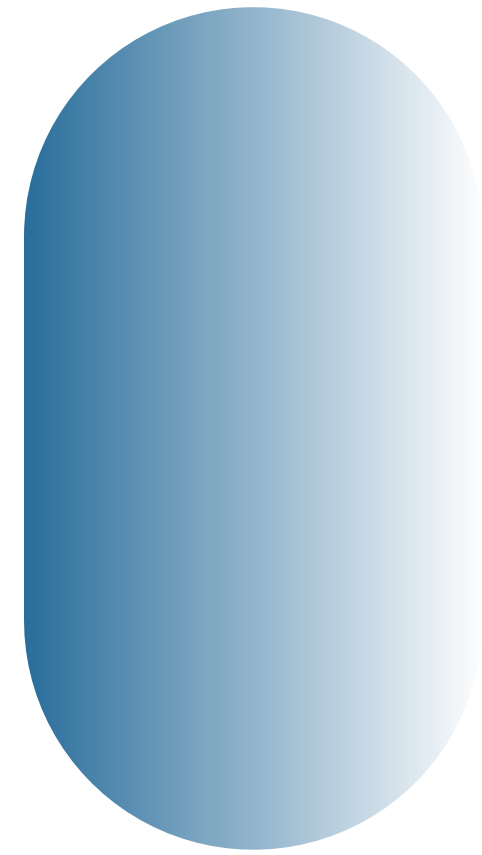


Focal areas

- Biodiversity
- Climate change
- International waters
- degraded lands

Expected impacts

- Reduction of 9 582 667 Ton CO₂
- 1 319 256 hectares of land and marine areas protected and with improved management
- 3 316 447 benefitted individuals



Project

Integrated management of the water resources in the basin of the Bermejo River

- **Status:** PIF approval
- **Approved GEF resources:** USD 7.12 million
- **Countries:** Argentina and Bolivia
- **Focal area:** international waters
- **Expected impacts:** 1 330 000 benefitted individuals
- **SDG contribution**



Project

Energy efficiency for the Transition to Carbon Neutral Cities in Colombia

- **Status:** PIF approval
- **Approved GEF resources:** USD 8.8 million
- **Country:** Colombia
- **Focal area:** climate change
- **Expected impact:**
 - 1 236 353 metric tons of CO₂ avoided
 - 1 906 152 individuals benefitted
- **SDG contribution**



Project

Strengthening of the governance for the implementation of the national objectives of land degradation neutrality through a sustainable management of forests and agricultural systems in the Republic of Argentina

- **Status:** PIF approval
- **Approved GEF resources:** USD 2.96 million
- **Country:** Argentina
- **Focal area:** degraded areas
- **Expected impacts:**
 - 7 151 507 metric tons of CO₂ avoided
 - 12 594 individuals benefitted
 - 249 850 Ha of protected land areas created or on the way for an improved management for conservation and sustainable use
 - 36 816 Ha of restored land
 - 78 449 Ha of landscape under improved practices
- **SDG contribution**





Project

Environmental routes to incorporate the communities with good practices in conservation and nature-based businesses that promote human development in ecosystems with a high environmental and social vulnerability in the Regional Corridor El Palmar - Tariquia, in the departments of Potosi, Tarija, and Chuquisaca

- **Status:** PIF approval
- **Approved GEF resources:** USD 2.08 million
- **Country:** Bolivia
- **Focal area:** biodiversity
- **Expected impact:**
 - 1 194 807 metric tons of CO₂ avoided
 - 697 643 Ha of protected land areas created or on the way for an improved management for conservation and sustainable use
 - 6 500 Ha of landscape under improved practices
 - 4 950 benefited individuals
- **SDG contribution:**



Project

Connecting biodiversity with the production systems in the Landscape of the Altitudinal Corridor of Gualaca, Chiriqui

- **Status:** PIF approval
- **Approved GEF resources:** USD 2 million
- **Country:** Panama
- **Focal area:** biodiversity
- **Expected impact :**
 - 40 655 Ha of protected land areas created or on the way for an improved management for conservation and sustainable use
 - 20 731 Ha of marine protected areas or on the way for an improved management for conservation and sustainable use
 - 500 Ha restored land surface
 - 188 112 Ha of landscape under improved practices
 - 67 701 benefited individuals
- **SDG contribution:**



Project

BE-CLME +Promotion of the national priorities of the blue economy through marine spatial planning in the great marine ecosystem of the Caribbean Plus

- **Status:** PRODOC approval
- **Approved GEF resources:** USD 7.08 MM
- **Countries:** Barbados, Belize, Guyana, Jamaica, Panama, and Saint Lucia
- **Focal area:** international waters and biodiversity
- **Expected impact:**
 - 540 774 Ha of marine areas protected and with improved management
 - 45 000 metric tons of more sustainable marine fisheries
 - 2 shared marine water ecosystems under improved management
 - 88 000 benefited individuals
- **SDG contribution:**



The bank that contributes to the productivity of the private sector

Material theme: private sector as instrument for sustainable economic development

Private sector, an ally of sustainable development

CAF supports the competitiveness and productivity of the private sector as a means to achieve the Sustainable Development Goals (SDG) in the region. With this in mind, we have designed a new strategy aimed at driving the greatest impact of companies on sustainable development through our operations.

Our objectives in support of the private sector

Promote a portfolio aligned with the strategic priorities of the bank



Operate financial and non-financial products and instruments, that enable the closing of financing gaps



Support the productive transformation of sectors seeking to promote additionality and the impact on sustainable development

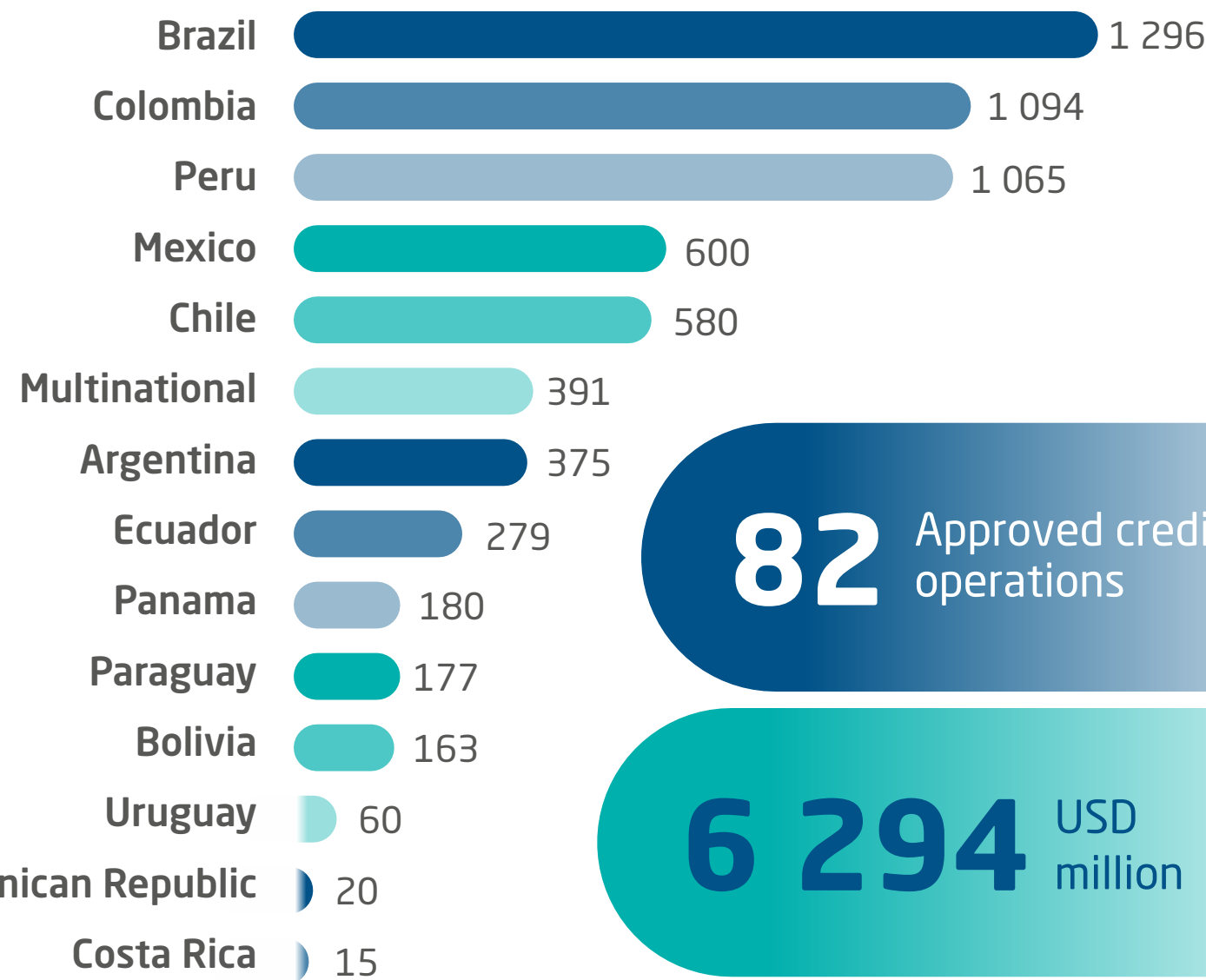


Maintain regional and global alliances with actors of the financial system, including commercial and development banking, special funds, and others that allow for the promotion of the capillarity of the impact on the private sector



In 2022

we consolidated our strategy to support the private sector, with **82 approved credit and equity investment operations** for over **USD 6 294 million**.

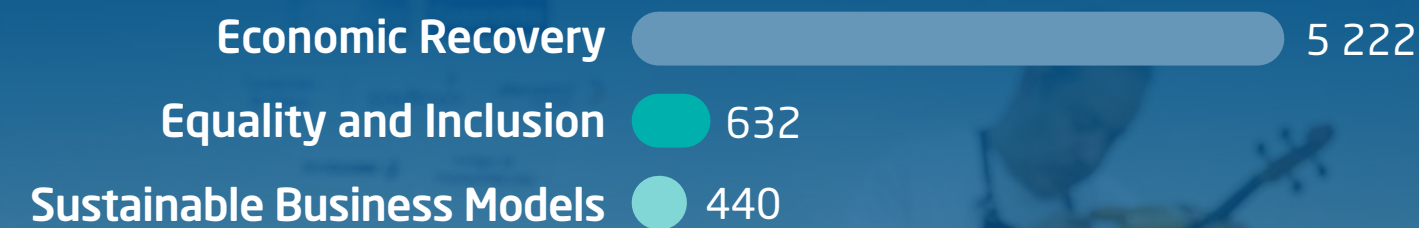


82 Approved credit operations

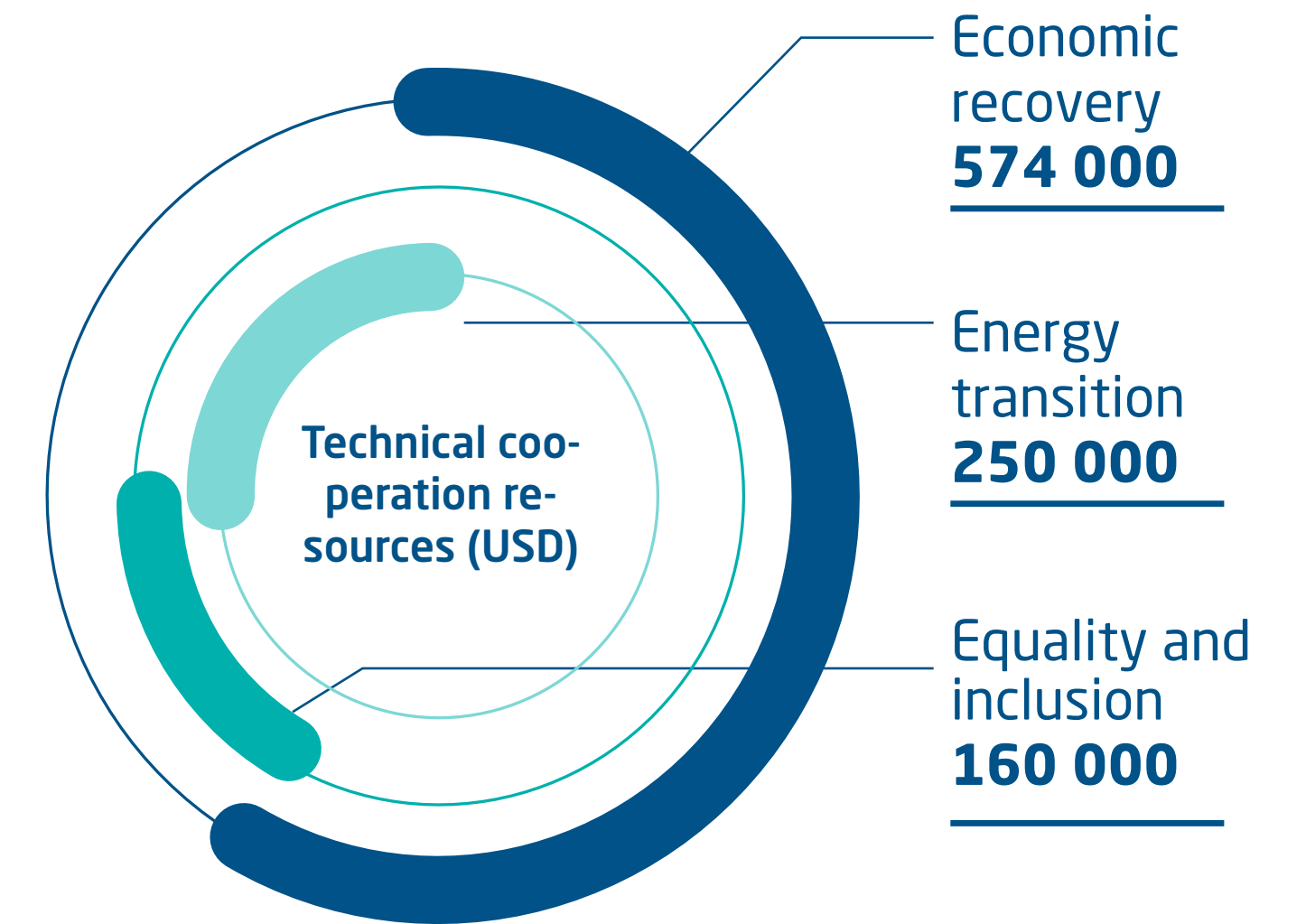
6 294 USD million

55% of the resources are distributed in approximately 30 credit operations that benefit Brazil, Colombia, and Peru.

Likewise, 83% of the resources are associated to 54 operations that respond to the strategic line of Economic Recovery: SME's, value chains, and entrepreneurial innovation; while 10% of the resources are associated to the strategic line of Equality and Inclusion, where the projects that stand out include financial inclusion, digital inclusion, and infrastructure projects in support of companies that provide basic services. Lastly, 7% belongs to Sustainable Business Models, where projects that stand out include infrastructure for adaptation and mitigation to climate change, productive transformation towards cleaner models, and green financing mechanisms.



In addition, we allocated **USD 984 000 in technical cooperation resources** for the execution of seven projects aligned with the strategic lines of support to the private sector.



→ Economic recovery - Productivity and competitiveness of SMEs and value chains

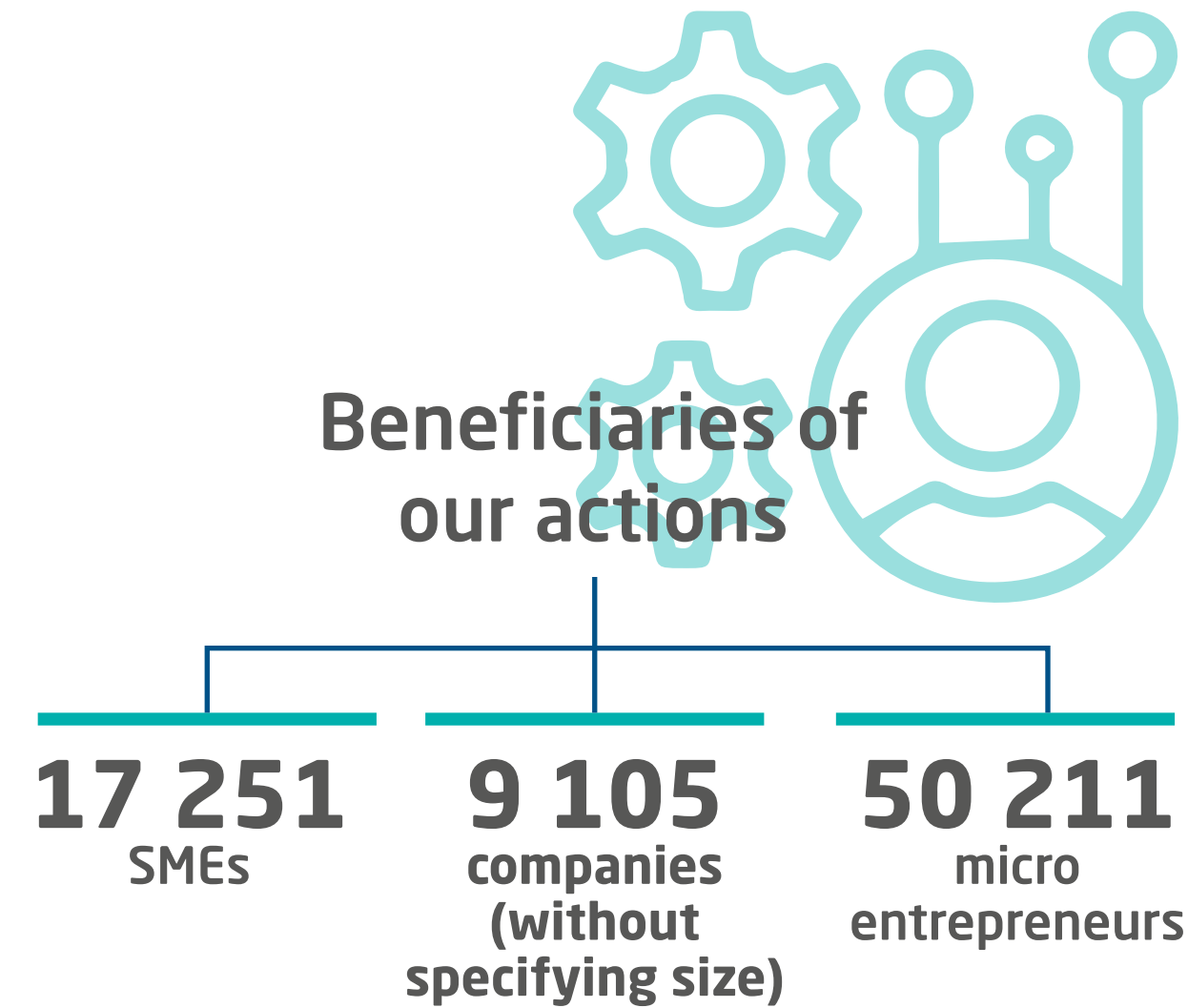
We work to promote solutions that allow to **strengthen productivity and competitiveness in the companies of the region**, and ensure fast economic recovery, focusing on the promotion of a greater and better access to credit, as well as other interventions with a high potential of impact on the productive sector.

In addition, we promote actions aimed at **supporting the financial system** in the development of lines of credit, guarantees, investments, non-financial services that facilitate access to these resources to SMEs and value chains of the productive sector, such as support to the innovation and growth of their businesses.

To these actions we add the creation of an offer of **knowledge and innovation services for MSMEs** by universities, research centers, and other entities which we leverage with financial and non-financial resources.



Beneficiaries of our actions



- We conducted an **equity investment in Aprova Digital of Brazil**, to support the growth of this innovating company, whose purpose is directly linked to the increase in efficiency in the public sector, especially the municipalities in Brazil. CAF's commitment to this operation was of **USD 500 000**.
- At the same time, an investment of **USD 5 million** was made in **COFIDE's Capital Fund for Innovating Entrepreneurships in Peru**, in order to promote the generation of alternative financing mechanisms for entrepreneurs, the growth of SMEs, and the growth of the capital funds industry, emphasizing the impact on sustainable development.

Note:

Consult the following chapters of the Sustainability Report to learn more details on the operations related to the strategic lines of support for the private sector:

- **Equality and inclusion:** The bank that supports social wellbeing, equality, inclusion, and diversity - Provision of services with equality and inclusion.
- **Sustainable Business Models:** The green bank that supports the transition of the energy sector - Business models that support energy transition.

→ The bank that contributes to generate innovative, resilient, inclusive, and sustainable territories

Material theme: resilient and sustainable territories

→ Water security

Water security is a central element for the global agenda of sustainable development, as well as of our strategy to promote resilient and sustainable territories. For this reason, we promote the development of financial products that allow the countries of the region to:

- ↘ Guarantee the access to water in adequate conditions of quantity and quality to the population
- ↘ Have physical availability to ensure a productive and sustainable development
- ↘ Conserve and protect the bodies of water from contamination
- ↘ Reduce the risks associated to the lack or excess of water by means of an adequate management of basins

← Strategic focuses of action →



During 2022 12 credit operations were approved with components of water security, with CAF resources for USD 857.52 million. These operations will benefit close to 3.25 million people in five countries of the region

Of the approved credit operations, five correspond entirely to the water security agenda, and seven correspond to joint operations of urban development and water security, that include components of potable water, sanitation, and urban drainage in their lines of action.



<Highlights

- In **Argentina**, we approved the fifth operation with Argentinean Water and Sanitation - AySA (in Spanish)-, Program of Basic Works, Primary and Secondary Networks of the Metropolitan Area of Buenos Aires, for USD 340 million.
- In **Paraguay**, we approved the project for the construction of the Mariano Roque Alonso Sanitation System, for USD 160 million.
- In **Brazil**, we approved an operation without sovereign guarantee with Sociedade de Abastecimento de Água y Saneamiento (Company for the Supply of Water and Sanitation)- SANASA (in Portuguese), for USD 50 million.

With respect to technical cooperation operations, during the year 15 operations were approved for the water sector for a total amount of USD 13.7 million benefiting 7 countries of the region.

Country	Area	Technical cooperations operations approved	CAF resources (USD million)
Bolivia	Sanitation	1	0.07
Ecuador*	Potable water, sanitation and urban drainage	6	1.97
Spain	Basin management and sanitation	1	0.09
Paraguay	Potable water	1	0.20
Portugal	Sanitation	1	0.12
Dominican Republic	Irrigation and agricultural drainage	1	0.80
Venezuela*	Sanitation	1	0.20
Multinational	Financing	1	0.07
Argentina and Bolivia**	Basin management (GEF resources)	1	0.2
Trinidad and Tobago**	Basin Management (Adaptation Fund resources)	1	10

(*) Benefited by technical cooperation operation of CAF-PPSA

(**) Resources from climate funds

CAF's efforts stand out in the approval of **13 technical cooperation operations for a total amount of USD 3.5 million** for five countries of the region: Bolivia, Ecuador, Paraguay, Dominican Republic, and Venezuela, in addition to Spain and Portugal:

- The twinning agreement between **water and sanitation operators from Spain and Portugal** with three operators in the region.
- Regional technical cooperation operation for the implementation of activities in support of the **Coalition of Water Finances**, where its leadership started.
- With respect to international matters, support for the implementation of the **VI Sanitation Conference (LATINOSAN)** and the **Conference of Ibero-American Water Directors (CODIA)** in the development of the base line of compliance with the goals of SDG 6 in Latin America and the Caribbean.

Two technical cooperation operations were approved for a total of USD 10.2 million with GEF and Adaptation Fund resources, aimed at the

comprehensive management of water resources in a cross-border basin, and at the adaptation to climate change for the control of floods as part of CAF's coordinated agenda regarding climate action and positive diversity.

Pre-Investment Program of the Water Sector (CAF-PPSA)

By means of this financing facility, non-reimbursable resources are provided to carry out pre-investment studies and activities that may contribute to the implementation of projects, based on the identified needs and high technical standards.

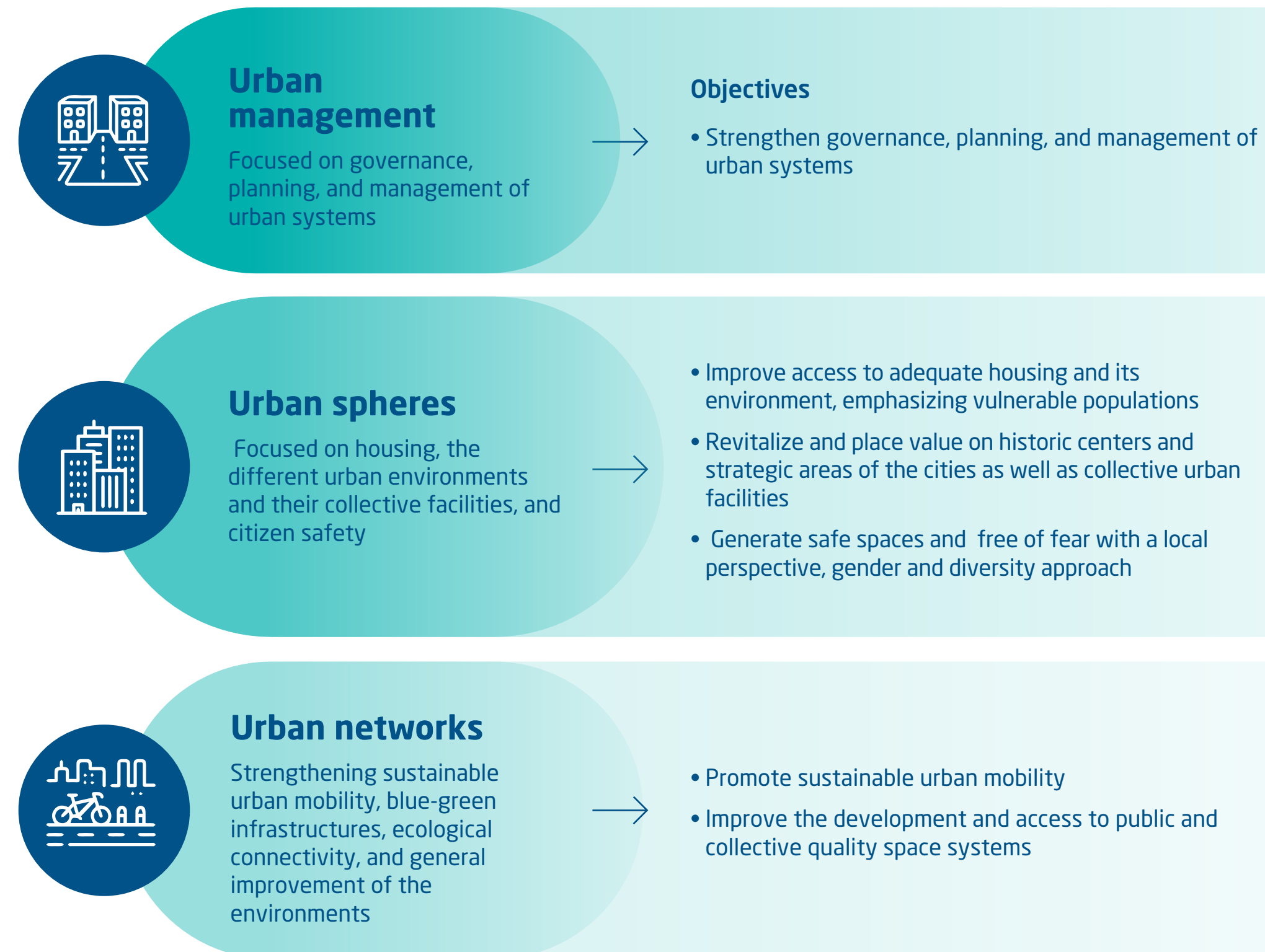
Since its first development phase until 2022, we have achieved the following results:



→ Habitat and sustainable mobility

We focused on **promoting and strengthening instruments to improve the habitat and sustainable mobility in urban systems of Latin America**, as part of a comprehensive territorial vision.

Thus, the Strategic Guidelines of Urban Development that steer the agenda, orient the generation of the concept of **Sustainable Habitat**, through comprehensive action strategies framed in three components of the urban systems:



For 2022, 12 CAF credit operations included components of comprehensive urban interventions and sustainable urban mobility, for USD 658 million.

Of these operations, we highlight the efforts to promote and guarantee the quality, accessibility, connectivity, and inclusion in the public transportation systems in the region with support to the Sao Paul metro (Brazil) and the Program for the Improvement of Public Spaces and Sustainable Mobility of the Municipal Government of Canelones (Uruguay).



Comprehensive urban interventions

8 credit operations **USD 322.35 million**



- Federal Pre-Investment Program, USD 12 million (Argentina)
- Urban Infrastructure, Social and Environmental Development Program of Porto Seguro, USD 64 million (Brazil)
- Relocation Program of the Kennedy Settlement, USD 28 million (Uruguay)
- Comprehensive Urban Development Program of the Daule District, USD 35 million (Ecuador)
- Comprehensive Program for Service Infrastructure for the Samborondón District, USD 26.46 million (Ecuador)
- Program in Support of the Reconstruction of Manabí and Esmeraldas, USD 100 million (Ecuador)
- Urban Infrastructure Program for La Libertad District, USD 26.89 million (Ecuador)
- Program for the Sustainable Development in Urban and Hydro-Sanitary Infrastructure to combat the Effects of Climate Change, USD 30 million (Ecuador)



Sustainable urban mobility

4 credit operations **USD 336 million**



- Urban and Social Development Program of Jundiá, USD 64 million (Brazil)
- Program for the Improvement of Public Spaces and Sustainable Mobility of the Municipal Government of Canelones, USD 12 million (Uruguay)
- Infrastructure Program and Economic and Socio-environmental Development of Itapipoca (PRODESA), USD 50 million (Brazil)
- State of Sao Paulo Project - Expansion of the Green Line 2 and Acquisition of Rolling Stock, USD 210 million (Brazil)

Five technical cooperation operations were approved with components of our habitat and sustainable mobility strategy, with own resources of **USD 814 000.**

Among these, we highlight the technical cooperation operation **“Support for the identification and execution of projects to improve the information system for users of the urban public transportation system (Panama)”**, which will bring the opportunity to have a study for the improvement of the User Information System (SIU in Spanish) of the urban transportation in Panama.

In addition, it will seek to identify the challenges and opportunities of the system, design and implement a pilot for the improvement of information, and finally, make a report with a comprehensive proposal for its improvement, including elements to be incorporated once de bus rapid transit (BRT) corridor becomes operational. We also expect that the study will contribute to identify actions so that the public transportation system can recover lost passengers after the COVID 19 pandemic, and to the extent possible, increase the volume of passengers to similar figures prior to the pandemic.

Comprehensive urban interventions

4 technical cooperations operations

USD 744 000

- In **Brazil**, support for the Municipal Government of Mogi Das Cruzes in the formulation of the Mogi 500 years Program, USD 100 000
- In **Uruguay**, support for the Ministry of the Environment in the preparation of studies of the complete proposal of the project REACC-COSTAS to be presented to the Adaptation Fund, USD 110 000
- In **Colombia**, support for the program Energy Efficiency for the Transition to Carbon Neutral Cities in Colombia - Preparation Phase PRODOC, USD 150 000
- At a general level, preparation of CAF's strategy for sub-nationals, urban development, and creative economies, USD 384 000

Urban and sustainable mobility

1 technical cooperations operations

USD 70 000

- In **Panama**, support for the identification and execution of projects to improve the user information system of the urban public transportation USD 70 000

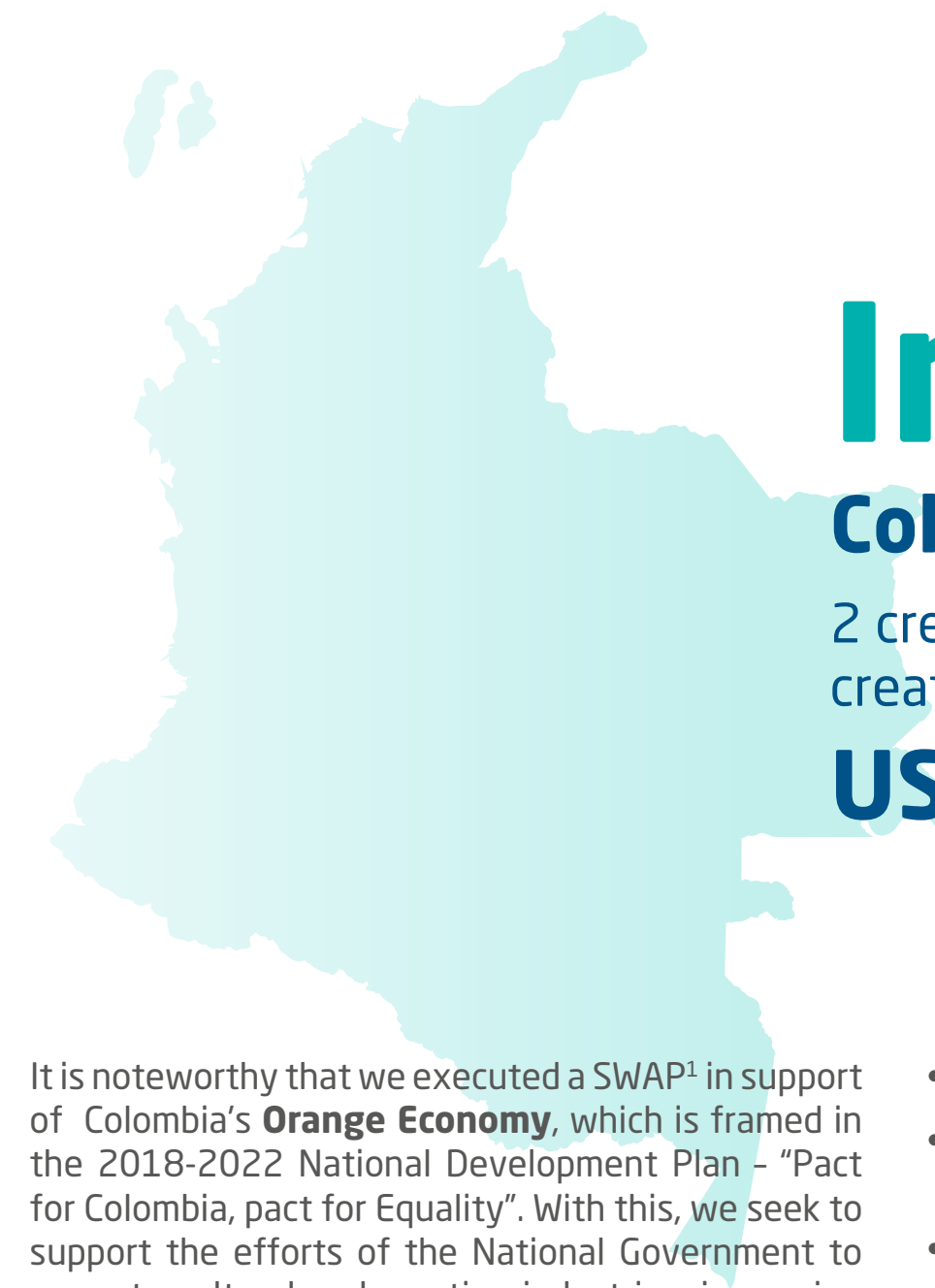
Other noteworthy results

- We consolidated our **relationships with relevant strategic allies** such as the Alexander von Humboldt Institute, UN Habitat, TUMI, GIZ, KfW, and AFD.
- We gave continuity to the **generation of data with a gender perspective in the transportation sector**, with characterization studies of the mobility of women, girls, and other diverse groups of the city of Bogota, and in informal neighborhoods of the city of Buenos Aires.
- We finalized the publication of **Definición, Medición y Gestión de la calidad del transporte público en América Latina** (Definition, Measurement, and Management of the Quality of Public Transportation in Latin America), with which we seek to support the transportation agencies to respond to the challenges of the fall in demand in post pandemic times.
- We presented the **Guide to Healthier Cities**, which invites to carry out a joint work between urban planning and health agendas at a municipal level, and includes principles and tools to promote healthier cities according to the best practices available. This constitutes the guiding document of the **Healthy Cities Initiative** which will start in 2023.
- We **launched the Biodiverciudades (Biodivercities) initiative**, with the objective of creating awareness and convene cities from Latin America and the Caribbean to create the Biodivercities network. We carried out national and regional meetings as spaces for the exchange of experiences, best practices, and challenges between cities in Argentina, Ecuador, Dominican Republic, Brazil, and Paraguay, bringing together more than 119 local authorities as well as representatives from the public and private sectors, from the civil society and academia.
- We started the draft of the strategic documents for corporate guidelines of Urban Development, where the thematic agendas transform into sectorial strategies and cross-cutting initiatives, aligned to the international commitments in matters of urban development and to the value proposal of the institution presented to CAF's Directory.

→ Culture and creativity

We structured a CAF **Culture and Creativity** agenda, aimed at strengthening the sectors, creative and cultural elements for the generation of social and economic development, mainly employment; and transversally, contribute to strengthen the urban development institutional agendas, innovation, social wellbeing, equality, inclusion, diversity, and productive development.

All of this to be achieved through interventions for coexistence, peace culture; urban regeneration by developing the consumption infrastructure, production, training; the transformation of public spaces into areas that strengthen the valuing of the tangible and intangible heritage, local talent, and our cultural diversity.



In 2022

Colombia

2 credit operations with components of creative economies

USD 315 million

It is noteworthy that we executed a SWAP¹ in support of Colombia's **Orange Economy**, which is framed in the 2018-2022 National Development Plan - "Pact for Colombia, pact for Equality". With this, we seek to support the efforts of the National Government to promote cultural and creative industries, increasing their contribution to the generation of wealth, employment, economic growth, and improvements in the quality of life of the creators' communities and the territories. This plan is carried out through creative agendas for municipalities, cities, and regions in the areas with the greatest concentration of population in the country, the so called "orange development areas (ODA)".

The funds of this operation were allocated to:

- promote the generation of effective information for the development of creative industries.
- strengthen the institutional environment for its consolidation and public-private articulation.

- reinforce the state offer
- promote creative agendas for municipalities, cities and regions, and the development of the ODAs.
- promote integration with international markets and other productive sectors.
- generate enabling conditions for the inclusion of human capital.
- promote intellectual property as support for creative inspiration.

The cultural and creative components executed in 2022 may also be highlighted, associated to the regeneration and socio-urban inclusion, the emblematic historic heritage, cultural tourism, and the improvement of the public space in projects in the neighborhoods of Rodrigo Bueno, Villa 20, and Villa Fraga in Buenos Aires, and the cities Salvador de Bahía and Porto Alegre in Brazil. Finally, the formulation process began for CAF's Cultural and Creativity Strategy to be presented in 2023.

¹A swap is a financial exchange agreement where one of the parties commits to a pay a series of monetary flows with a certain periodicity in exchange for receiving a series of flows from the other party.

→ The bank that promotes regional development and integration through physical and digital infrastructure

Material theme: infrastructure development

→ Infrastructure for an efficient and sustainable transportation





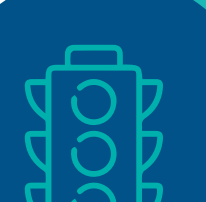
In the evolution of our strategy for infrastructure development, we prioritized the **promotion of projects related to road conservation and maintenance, resilient infrastructure, road safety, and innovation** from a comprehensive perspective of sustainability.

Thus, we support the development of solutions that guarantee the availability of road infrastructure. Of special interest are the actions aimed at **comprehensive local development by means of Rural Roads** programs, prioritizing projects that include the following elements:

- adequate planning policies.
- improvement in the investment efficiency.
- implementation of best construction practices.
- inclusion of measures of adaptation to climate change.
- definition of maintenance and improvement strategies.

This is how we accompany the countries of the region in the definition of **transportation infrastructure projects that incorporate sustainability and integration criteria** in all the phases of the process, and which adapt to the strategic lines that we have defined in our agenda.

Strategic lines for the transportation sector:

-  Digitalization and efficiency
-  Equality and physical connectivity
-  Resilience and adaptation to climate change
-  Sustainability and circular economy
-  Road safety

Our results for the year

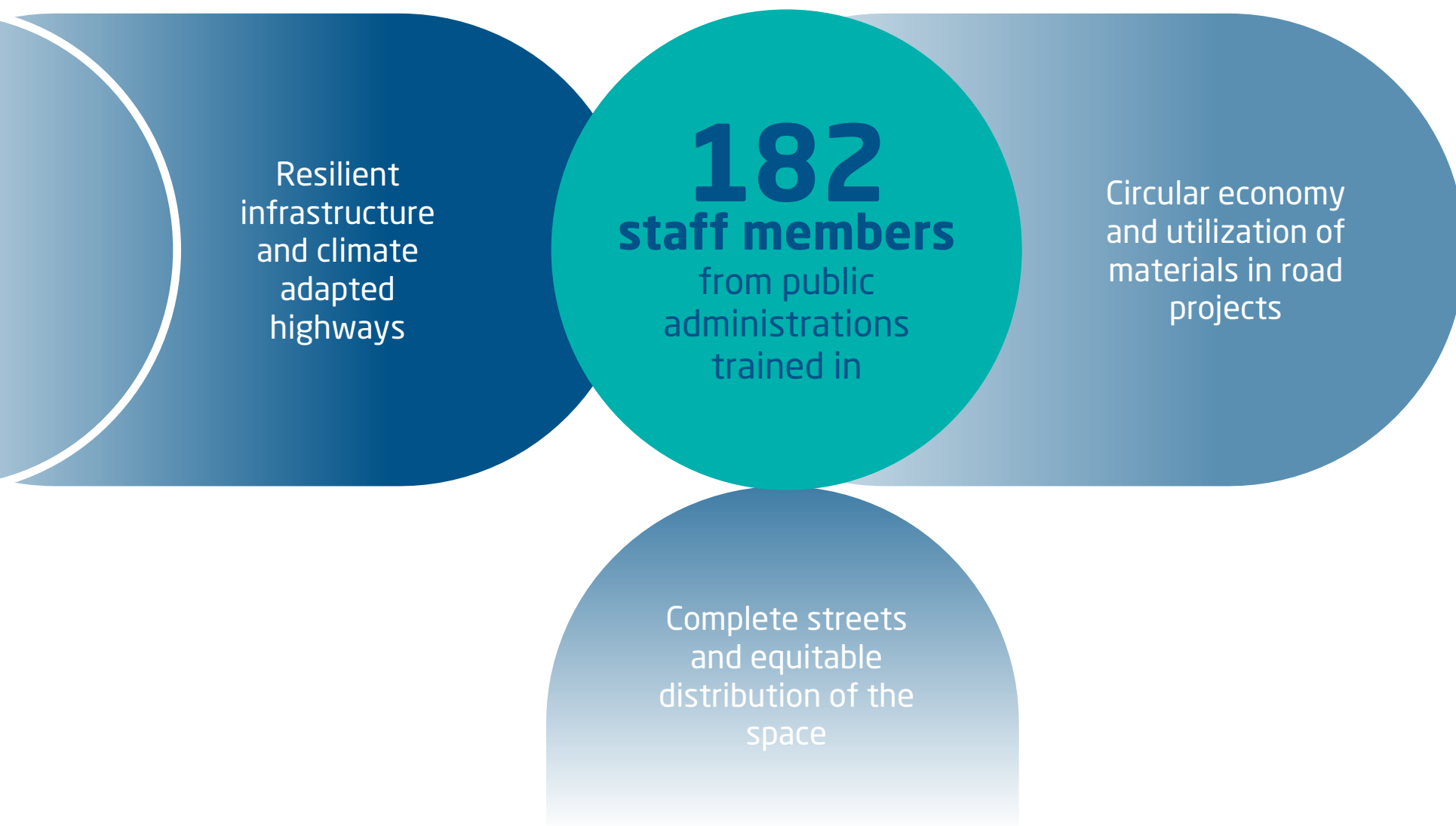


At the same time, in terms of **technical cooperation operations**, we allocated non-reimbursable resources for a Project in Ecuador:

- **USD 45 000** for the preparation of a model contract of Public-Private Association for the road sector in the Republic of Ecuador.

Other noteworthy results

We carried out a **cycle of workshops aimed at public officials in Ecuador**, where we shared the concepts of **resilience and sustainability**, as well as **best practices and lessons learned** in the area of public management for the development of transportation infrastructure.



In addition, we advanced in the preparation of the **“Rural Roads Guide, a Door Towards Development and Territorial Connectivity”** in order to disseminate the most innovative and eco-efficient techniques that are being used in the region to maintain these low traffic roads.

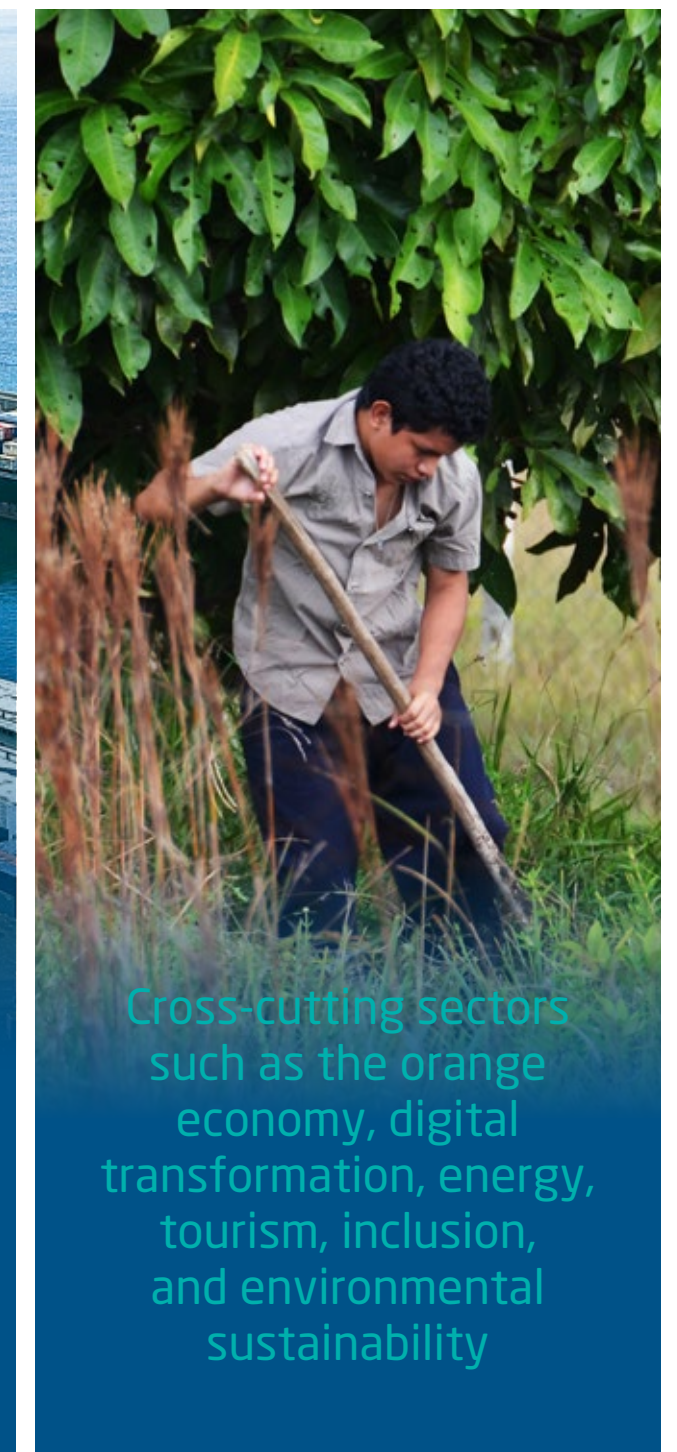
We also included the description of **environmental sustainability** elements such as the utilization of materials and circular economy, in addition to **social impact and generation of local employment** through instruments such as community participation and micro-enterprises.

Material theme: regional integration

→ **Infrastructure for logistics and regional integration**

Regional integration has remained in our institutional essence as a fundamental element for the promotion of economic and social development in Latin America and the Caribbean. In the current post-pandemic context, it is an agenda with great potential in the economic reactivation of the region, and to articulate the efforts of multiple actors to provide a solution to recurring needs in the national and regional systems.

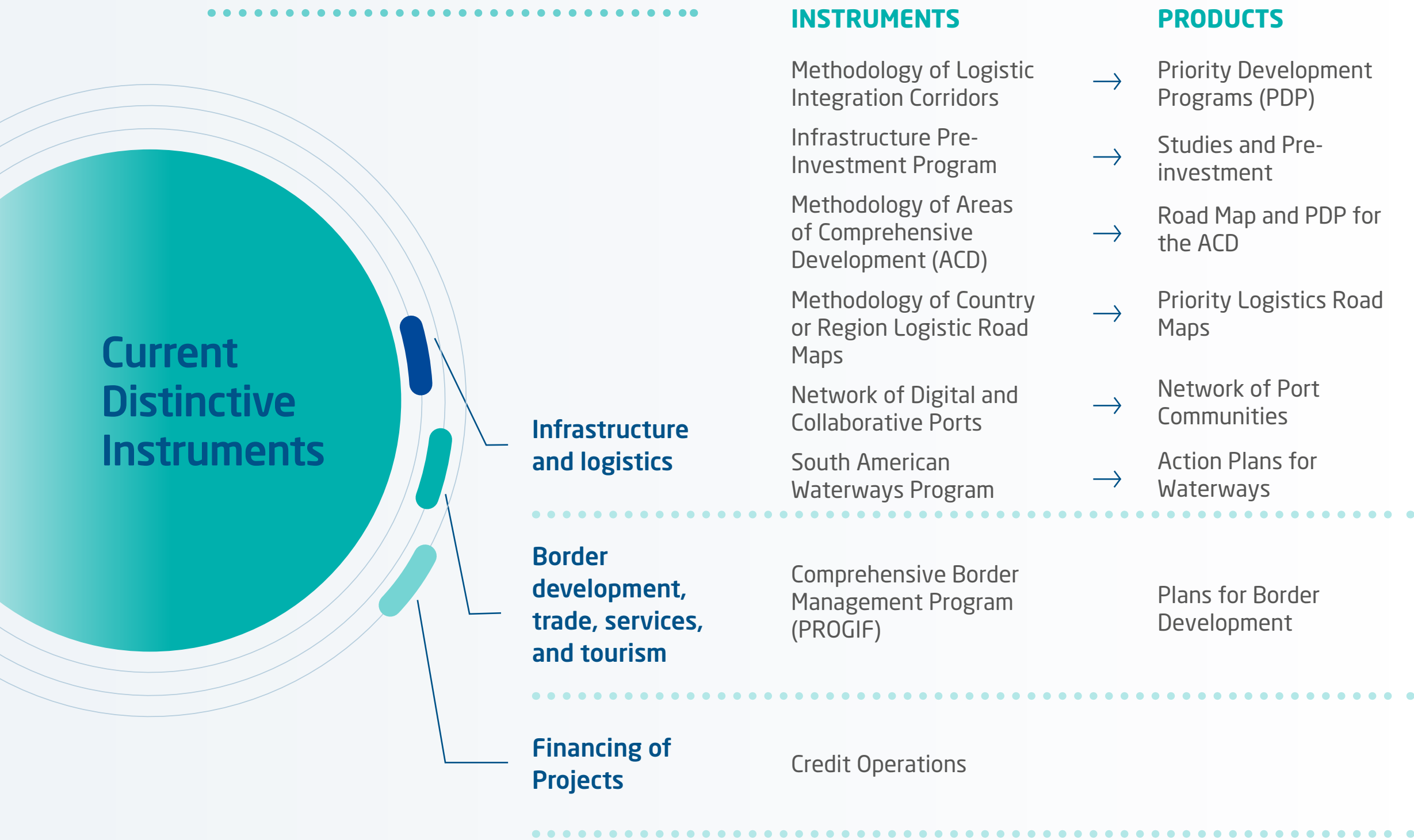
For this reason, we have identified those areas in which there are greater opportunities to generate synergies and strengthen the existing integration mechanisms, through the definition and execution of action plans and the participation in alliances aimed at promoting initiatives such as:



Our results of the year

One of the main results of the year is the definition of tools for commercial facilitation, logistics, and border management, which are added to the already existing instruments to strengthen our impact on logistics and regional integration.

Trade facilitation, logistics and border management tools



PRODUCTS

INSTRUMENTS

Challenges, opportunities, and relevant project portfolio for integration

← Infrastructure Profiles of Regional Integration (PIIR)

Structured dialogue, technical tables, management of integration projects, of actions definition

← Integration Dialogues and Laboratories

Strategy for an intelligent international insertion, e-commerce, productivity improvement and cross-border tourism

← Tool for commercial facilitation

Financial facility, guidelines and strategies for implementation in the Amazon region

← Environmental climate financing and leverage of international funds

Inter and intra-block productive cooperation, aligned with CAF portfolio

Infrastructure And Logistics

Border development, trade, services and tourism

Financing

Strategic relationships with integration agencies

New Instruments

Thus, for the development of our logistics and integration agenda we allocated **USD 3.28 million in technical cooperation resources** for **14 operations with impact on six countries** of the region.

Country	Approved technical cooperations operations
Colombia	<ul style="list-style-type: none"> • National Planning Department - Agricultural Logistic Infrastructure (Typical project). USD 123 000. • Regional Coffee Belt Logistic Alliance - Road Map of priority actions. USD 90 000. • INFICALDAS - Master Plan of the Western Agribusiness Logistic Corridor. USD 120 000
Ecuador	<ul style="list-style-type: none"> • Council of the Special Galapagos Regime - Road Map for the Comprehensive, Sustainable, and Safe Logistic for Galapagos (Phase 2). USD 90 000
Panama	<ul style="list-style-type: none"> • Logistic Cabinet - Competitiveness Program of the Logistic Sector (Logistic Road Map of Panama). USD 100 000 • Customs National Authority - Strategic Framework and Road Map for the Development of the Cross Border Electronic Commerce. USD 100 000
Trinidad and Tobago	<ul style="list-style-type: none"> • Ministry of Finance - Survey of the Chaguarama Shipyard. USD 65 000 • Ministry of Finance - Diagnosis of the Chaguarama Shipyard Business. USD 65 000 • Ministry of Public Works and Transportation - National Transportation Plan. USD 150 000
Uruguay	<ul style="list-style-type: none"> • Strategic Master Plan of the Fray Bentos Port, Río Negro. USD 75 000
Regional	<ul style="list-style-type: none"> • Seminars and strengthening for the Economy and Development Report. USD 120 000
CAF PPI Fund	<ul style="list-style-type: none"> • Brazil: support for the São Gonçalo Channel Concession and the Border Development around the Merin Pond (Brazil and Uruguay). USD 285 800 • Uruguay: International Bridge over the Uruguay River, Monte Caseros - Bella Union. USD 950 000 • Colombia: Modal Integration Complex (CIM in Spanish)) - Bogota. USD 950 000

In this action framework, we started the development of studies for the application of the **CAF-CLI Methodology and of the Infrastructure Profiles for Regional Integration (PIIR in Spanish)** in Paraguay, Argentina, and Bolivia, all of which will facilitate the technical structuring of new integration projects.

In addition, we continue the implementation of the **CAF LOGRA Regional Logistic Development Program**, with the design of the Logistic Road Map in Tabasco, Panama, and Galapagos, and the processing of new applications in El Salvador and the Coffee Belt in Colombia. We advanced in the construction of the Road Map for the cross-border electronic commerce in Panama, and we consolidated our technical support for the Urban Sustainable Logistic Program (LOGUS in Spanish)

In the framework of the **Border Comprehensive Management Program (PROGIF in Spanish)**:

- we advanced in the execution of the program at the border area of Tabasco, between Mexico and Guatemala.
- we initiated coordinated activities with the program at the border between Uruguay and Brazil-Laguna Merin- Pelotas.

We finished the first phase of the technical cooperation operation "Promoting the binational integration Colombia - Venezuela through a study of the value chain of corn" (Venezuela-Colombia). At the same time, we advanced in the conceptualization and execution of the following **knowledge tools for regional integration**:

Dialogues and Integration Labs (DLI in Spanish)

We contracted a consultancy for the development of the methodology that will allow us the implementation of **two dialogues and one integration laboratory**.

Support tools to facilitate foreign trade

We contracted a consultancy for the identification of CAF's own performance niches with respect to foreign trade and the implementation of two pilot initiatives in Colombia and Bolivia regarding the **facilitation of foreign trade**

ILAT Alliance (CAF, IDB, Fonplata)

We consolidated the multi-annual action plan of the alliance, in the framework of which the **Study of Air Cargo in Latin America and the Caribbean** culminated, and advances were made in the validation of the **tool for the comprehensive accompaniment of integration projects**, as well as in hiring diverse consultancies.

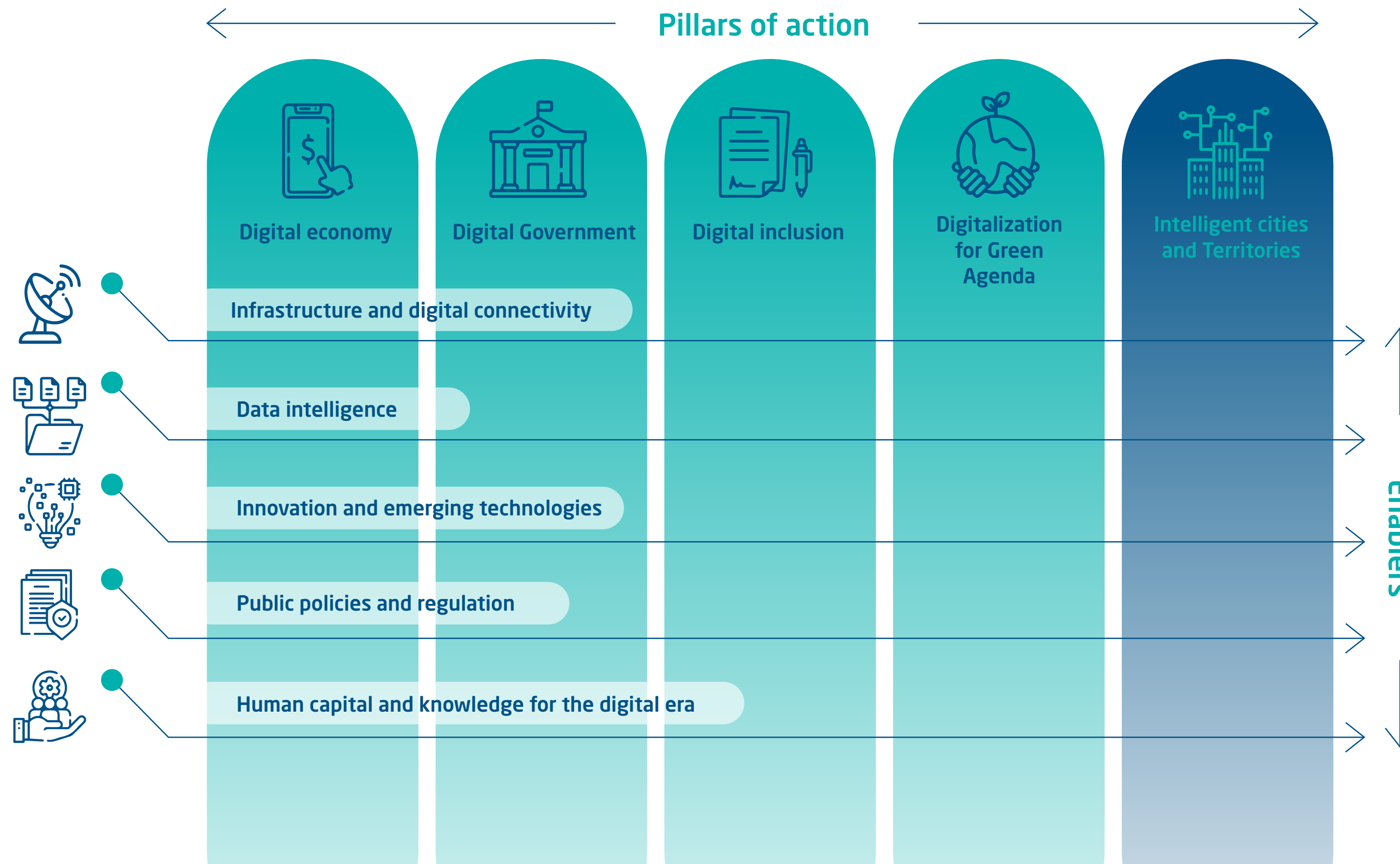
Material theme: digital transformation

→ Digital transformation

We seek to contribute to sustainable and inclusive economic growth in Latin America and the Caribbean through the digital transformation of homes, productive sectors, infrastructure, and government to:

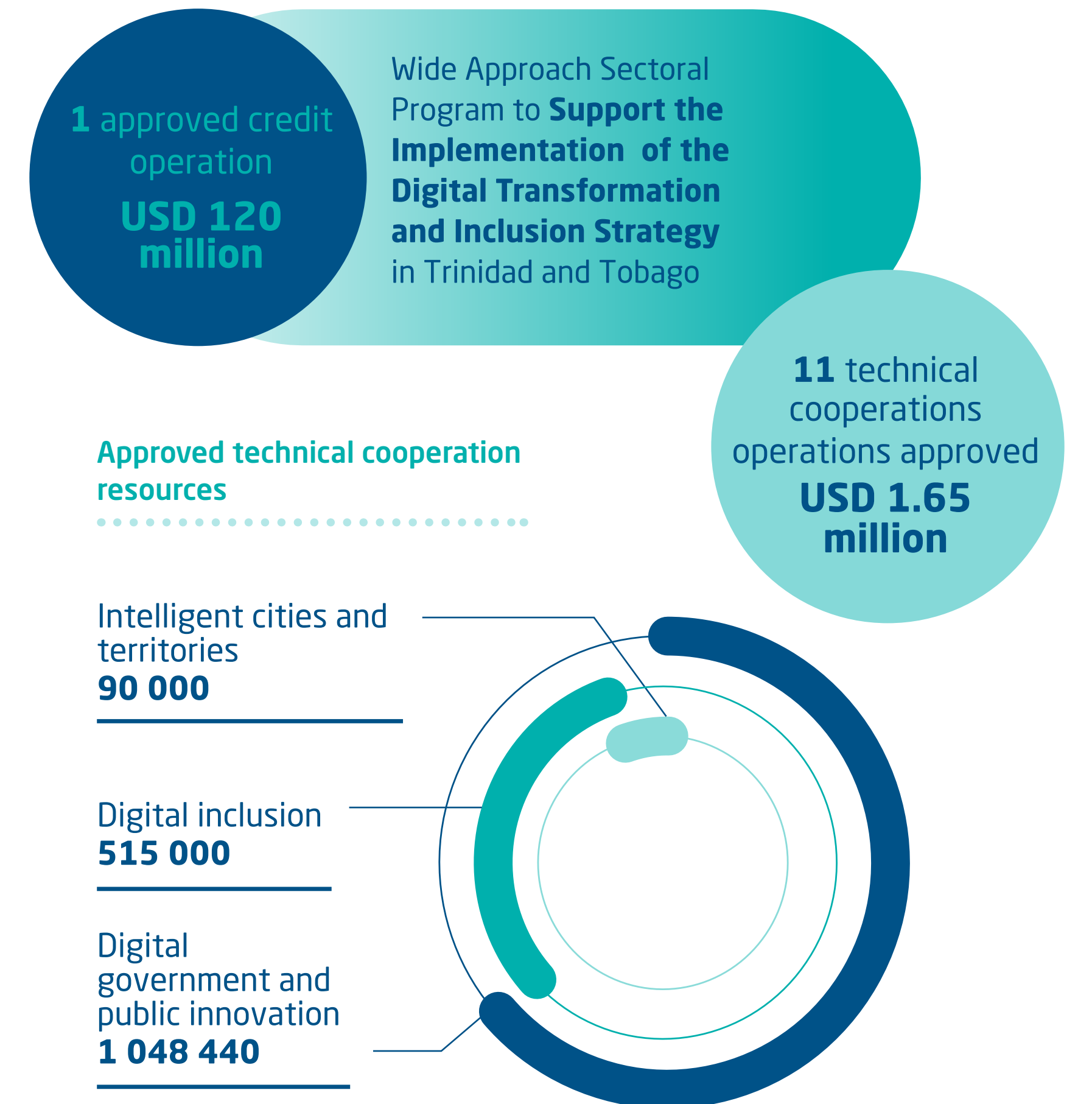
- improve the quality of life of the population
- promote the productivity of our enterprises
- promote the sustainability of the environment

Pillars of the digital transformation agenda



Our results for the year

In the implementation of this agenda, during 2022 we approved a **credit operation for USD 120 million** to support the digital transformation and inclusion strategy of Trinidad and Tobago, as well as **USD 1.35 million in technical cooperation resources** for 10 operations in six countries of the region.





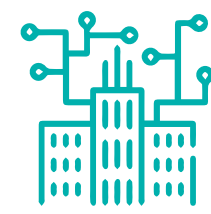
Digital government and public innovation

- 7 TCO approved
- Argentina, Costa Rica, Mexico, Multinational, Dominican Republic



Digital inclusion

- 3 TCO approved
- Colombia, Ecuador, and Multinational



Intelligent cities and territories

- 1 TCO approved
- Brazil

Pillars of the agenda

Results of the year

Digital economy

- We conducted a study to analyze the trends and opportunities, and **the development of a guide / road map for the implementation of 5G towards the productive, economic, and social transformation of the region.**
- We provided technical support for the **digitalization of the productive sectors in Ecuador**, which led to the design of road maps for the digital transformation of the textile chains, manufacturing, leather, footwear, and logistic.
- We implemented the **School for Digital Transformation and Innovation in Latin America**, which included the participation of more than 50 individuals such as authorities, public policy makers, academics, and specialists from 16 countries of the region.
- We co-organized the **Latin American Digital Transformation Congress** which brought together more than 700 relevant actors of the digital ecosystem of the region with at least 8 high level authorities participating.
- We signed a Memorandum of Understanding between CAF and GSMA to **develop skills** among regulatory officials and authorities who formulate **public policies in the ICT sector in Latin America and the Caribbean.**

Digital government and public innovation

- We consolidated an alliance with UNESCO and allocated technical cooperation resources for USD 363 000 to support the joint creation of a Regional Council to implement in Latin America and the Caribbean the **"Recommendation regarding the ethics of artificial intelligence (AI)"**, as well as supporting national, sub-national, and local governments of the region in the design and implementation of AI policies.
- Publication of the study prepared jointly by CAF and the OECD *"The Strategic and Responsible Use of Artificial Intelligence in the Public Sector of Latin America and the Caribbean"*. The versions in [English](#) and [Spanish](#) were published and two webinars were carried out for its release and dissemination.
- We provided technical support to the Under-Secretariat of Regional and Administrative Development of Chile for a **diagnosis, digitalization strategy, and open data for 16 Regional Governments**, in the framework of the decentralization process.
- We **launched the First Digital Government Map in Brazil** and development of the engagement strategy of the Digital Government Secretariat of Brazil with municipalities of over 200 thousand inhabitants.

Pillars of the agenda

Results of the year

Digital government and public innovation

- We worked on six new products for a total of USD 760 000, highlighting the project in Support of the Digital Payment Ecosystem for Taxes in Trinidad and Tobago, the Strengthening of [CAF's GovtechLab](#), the Self-Managed Digital Identity with Argentina, and those in support of the Inter-American Anti-corruption Program of Open Data with Costa Rica and the Dominican Republic.
- Best practices were recognized in regulatory improvements in Colombia and Peru. In Colombia, through the [second edition of the contest Best Practices for Regulatory Improvement](#) jointly with the National Planning Department, and in Peru, with the preparation of the [Simplification Index for Municipal Procedures in Perú](#) which also recognized the municipalities with the best performance.
- We contributed to the state of the art regarding the **link between digitalization and public integrity**, and provided tools for governments to adopt mechanisms to **fight against corruption with a digital innovation approach**, through the publication of the report [DIGIntegridad: la transformación digital de la lucha contra la corrupción](#). (DIGIntegrity: the digital transformation of the fight against corruption).
- We strengthened the capacities of the government of Colombia with respect to the fight against corruption, by **strengthening the Anti-Corruption Portal of Colombia** (PACO in Spanish) with early alert systems, protocols for the capture and management of data, algorithms for the analysis of networks, and transfer of capabilities.

Digital inclusion

- We provided specialized technical support for the **Digital Regional Hub in Panama** (R-IXP), with actions aimed at strengthening the digital economy, innovation, and development of emerging technologies in the region.
- We provided technical assistance for the design of the **Methodology for the Allocation of Radio Spectrum in the AWS Band (1700 - 2100 MHz)** for the use of mobile services in Panama, as well as the design of a road map for the deployment of the 5G connectivity in the country.
- We structured, jointly with Subtel Chile, the CAF PPI Program and potential financing of the **"0 Gap Program"** aimed at the identification and feasibility analysis to close the digital gap in red zones (peri-urban and rural).

Intelligent cities and territories

- In Peru, under the agreement with the City of Piura, we developed **the pre-investment study** as a profile for the **creation and implementation of the Smart City Platform** that integrates traffic management services, disaster monitoring, and citizen safety in the city of Piura.
- In Uruguay, we supported the Ministry of Housing and Territorial Planning (MVOT in Spanish), in the development of an initiative that will allow for the **management of the regularization and relocation of irregular settlements** in Uruguay.
- We launched the **Program for the Digital Acceleration of Municipalities** in association with BrazilLab, as well as the **First Review of Governance Practices in Intelligent Cities of the World**, in association with UN-Habitat.
- We approved technical cooperation resources for the **Strategic Plan for the Digital Transformation of the Municipality of Fortaleza in Brazil**, emphasizing digital economy.



The bank that supports social wellbeing, equality, inclusion, and diversity

Material theme: social and human development

Skills development for the XXI century

With our educational agenda we support the countries in the **promotion of the transformation of their educational systems and professional training in the post-pandemic context** with credit operations, technical assistance, and generation of applied knowledge products, emphasizing the expansion and improvement of educational spaces that are adequate for the new types of learning; the comprehensive adoption of learning technology; management and development of educational offer which is pertinent to the demands of society and the labor market.

In 2022, three credit operations were approved that leverage the skills development for the XXI century, with CAF's own resources for USD 245 million.

Credit operations for CAF's educational agenda (USD Million)

2021

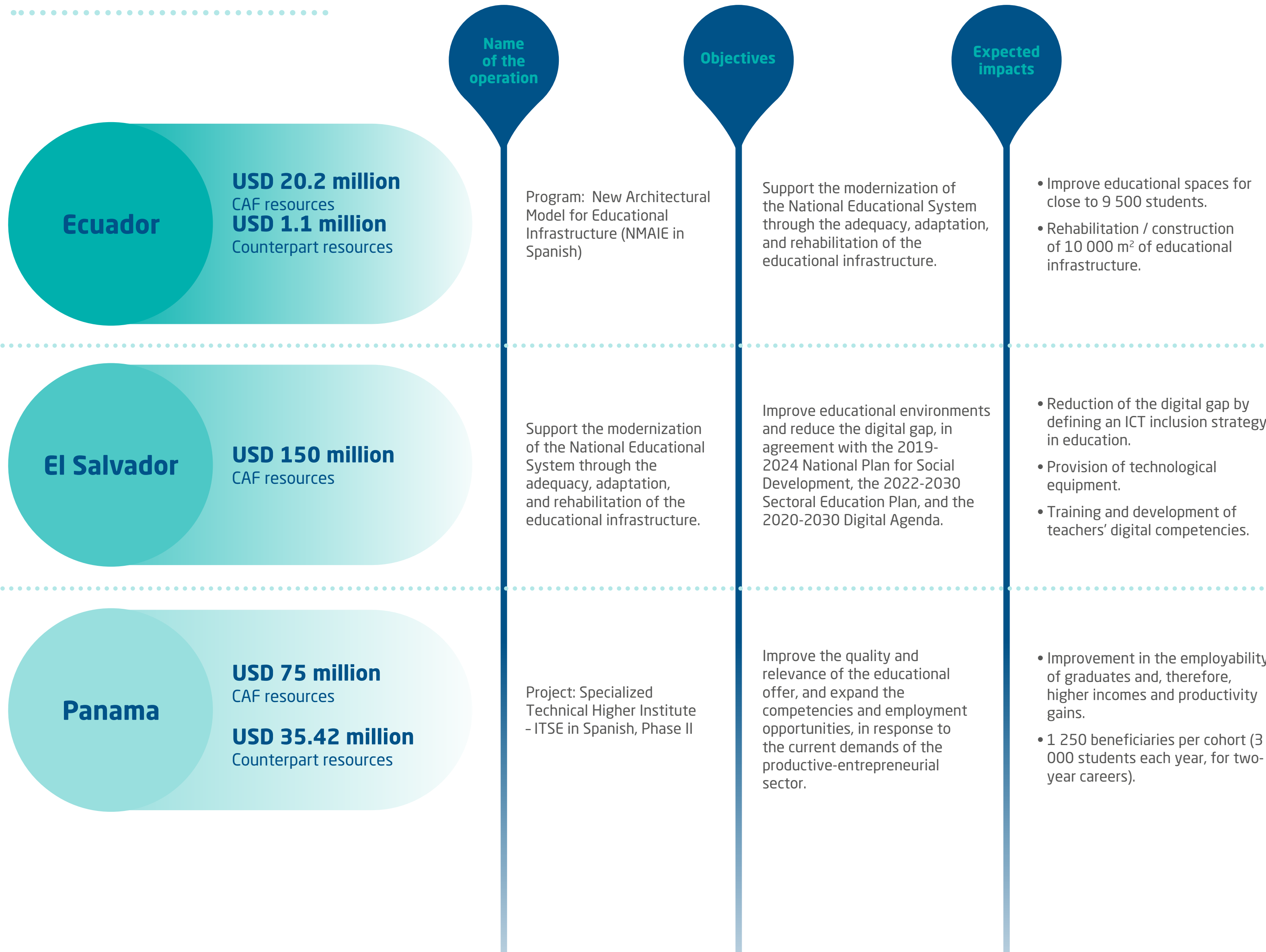


2022



Own resources Counterpart resources

Credit operations approved in 2022



In terms of technical cooperation, 6 operations were approved for the educational agenda with CAF resources for USD 845 770.

Countries	TCO approved	CAF Resources (USD)
Argentina	1	200 000
Panama	1	50 000
Multinational	4	595 770
Total	6	845 770

Noteworthy technical cooperation operations

- 
Argentina (USD 200 000)
Pilot Project for the Implementation of Early Warning Systems (PPI-SAT in Spanish)
Objective: design and implement an early warning system to accompany educational trajectories and prevent school dropouts at a secondary level (Cordoba and La Pampa).

- 
Panama (USD 50 000)
Implementation of the Program to Promote Youth Employment
Objective: implement a comprehensive youth employability strategy that provides opportunities for Panamanian youth to broaden the acquired knowledge in their training process by means of the practical experience in companies or in the labor market.

- 
Multinational (USD 155 000)
Incorporation of technology in educational systems: diagnosis and design of the work plan
Objective: design action plans for selected countries or sub-nationals to advance in the efficient incorporation of technology for learning and for educational management, using the diagnostic tools as well as tools for the construction of road maps published by CAF.

Links of interest:

- [Diagnostic tool on the incorporation of technology in educational systems](#)
- [Roadmaps for the incorporation of technology in educational systems](#)

→ Nutritional food security

We support countries in their efforts to improve the Nutritional Food Security (SAN in Spanish), particularly regarding vulnerable populations, through the implementation of inter-sectoral actions and social protection mechanisms that promote access to healthy food and best practices in food and nutrition.

In 2022 we advanced in the development of our own **Nutritional Food Security** strategy, which we foresee to be multi-sectoral, integrating sectors such as health, nutrition, education, water and irrigation, gender, agri-business and climate action, with public and private approaches.

During the year, two credit operations were approved, which include nutritional food security, with CAF's own resources for USD 135.3 million.

AlimentAR Credit
USD 100 million



Climate-intelligent initiatives for adaptation to climate change and sustainability in prioritized productive systems.

USD 35.3 million

Argentina

↓ **Argentina (USD 100 million)**
AlimentAR Credit.

With this program, we seek to provide continuity to the National Plan "Argentina Against Hunger" to contribute to the food security of socially vulnerable families, prioritizing children, in the framework of the socio-sanitary emergency due to COVID-19. With this project we will provide benefits to nearly 2.4 million vulnerable families suffering from food insecurity.

↓ **Colombia (USD 35.3 million)**
Project "Climate intelligent initiatives for adaptation to climate change and sustainability in prioritized productive systems" (CSICAP).

The objective of this project is to reduce the vulnerability of agricultural production facing climate threats, to minimize its impacts on the competitiveness of the sector, and ensure a sufficient and stable amount of quality foods. This operation is led by the Climate Action and Positive Biodiversity Management, and includes a component of food security whose execution will be coordinated with the Direction of Technical Advisory in Biodiversity and Climate.

→ **Comprehensive care for early childhood**

We strengthen comprehensive strategies for the care of early childhood by implementing coordinated actions in nutrition and mother-child health, early child development, safety, and social protection mechanisms.

During 2022 we worked in structuring our agenda to care for early childhood, incorporating a multi-sectoral approach that integrates relevant sectors such as health, nutrition, education, justice, gender, and others. We highlight the beginning of actions in countries such as **Bolivia, El Salvador, and Peru**, to promote a comprehensive approach to early childhood and identify opportunities for technical cooperation and credits.

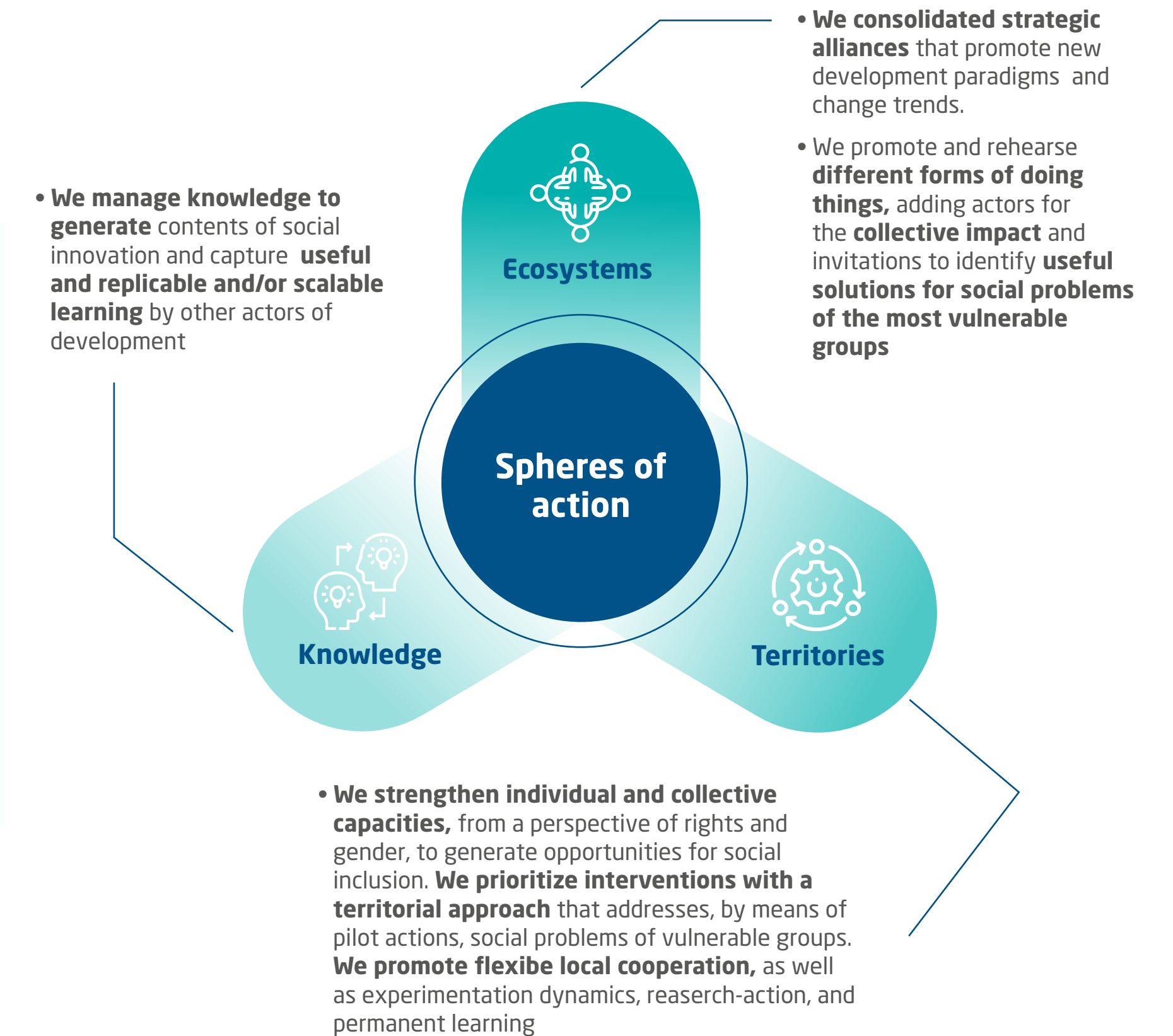
As a result of these actions, we achieved the approval of a technical cooperation operation for Bolivia for USD 130 000 (CAF Resources: USD 100 000; counterpart resources: USD 30 000)

↓ **Bolivia (USD 130 000)**
Development and financing of the inter-sectoral strategy for early childhood care and attention in Bolivia

The objective is to implement the national intersectoral strategy for early childhood care and attention, which includes priority and financially sustainable interventions, through the results-based budgeting mechanism.

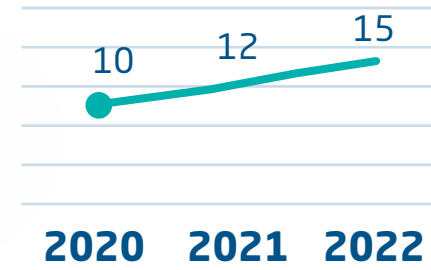
→ **Social innovation**

Our Social Innovation agenda incorporates three spheres of action in permanent synergy.

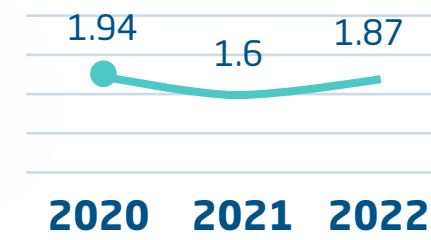


In 2022

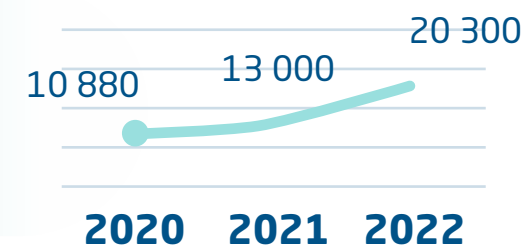
15 Approved operations



1.87 USD leveraged for each USD invested



20 300 Beneficiaries



Productive work and wellbeing of vulnerable populations

We implemented innovative models for practical and digital education that contributes to the employability of youths, teachers, and community leaders, by strengthening the competencies for life and work. Some noteworthy actions during the year:

- in **Venezuela** with educational centers of Fe y Alegría.
- in **Colombia**, on the one hand, with close to 600 adolescents of the Pacific with whom we also strengthen competencies in productive and cultural trades, and on the other hand, with close to 70 students in Yopal in the use of agricultural-technological tools for the rural development of the territory.
- in **Argentina**, by means of a recreational-creative methodology that uses art as a tool for wellbeing and social transformation, reaching 420 students.
- in **Argentina and Uruguay**, with practical and dynamic awareness, to authorities and operators of urban transportation systems, regarding universal access to individuals with disabilities, through the **II Social Innovation Workshop for Inclusive Mobility**.

Essential services for the majorities

We implemented social innovation models that contribute to provide access to essential services in different countries of the region:

- in **Peru**, connected with the population of the Santiago River, we strengthened the **prevention capacities and promotion of mother-child health**, and developed tools for televised education through a tele-medicine network.
- We led **financial education** actions in three countries of the region, through the **BK Emprende model of savings and loans groups**, facilitator of leadership and social capital,
 - in **Colombia**, with social organizations to strengthen partnership skills, entrepreneurship, and employability.
 - in **Peru and Uruguay**, with persons deprived of liberty to contribute with their future social and labor insertion.
 - in **Uruguay**, with rural micro-entrepreneurs to train them on strategies for their entrepreneurships' growth.
- in **Venezuela and Colombia**, we contributed to alleviate the high rates of child malnutrition and we strengthened **nutrition and breastfeeding** with the Baylor Foundation.
- in **Venezuela** we supported the service of caretakers of senior citizens, with the program Cuidadores 360.

Strengthening our alliances

During 2022, we worked with strategic alliances that coordinate actors from different sectors and disciplines that express themselves in different forms. On the one hand, through contests that build **social innovation ecosystems and identify solutions to social problems with a replication potential**, such as:

- with the **Fundación Haz, Compromiso Empresarial, and Telefónica**, "The 10 most innovative social initiatives of Ibero-America".
- With the **SAS Platform**, with more than 10 partners, in different food and mother-child nutrition systems.

On the other hand, with allies that **add to the collective impact of territorial innovation interventions**, including local public actors and universities (La Salle, UCAB, PUCP) to influence on local public policy, such as:

- **Fundación Baylor**, in nutrition and recycling.
- **Aecid and Ehas** in health and connectivity.
- **Fe y Alegría** in digital education and work.
- **Asocolflores and Fundación Paraguaya** in poverty measurement.
- **Central Bank and Mides of Uruguay** in financial education.
- **Cedecur** with companies of the Pacific.

→ Gender, inclusion, and diversity



With our **gender, inclusion, and diversity agenda (GID in Spanish)** we promote gender equality and advance in the recognition and strengthening of ethnic diversity and inclusion of people with disabilities through three lines of work:



Gender equality

Contributes to equality of opportunities and empowerment of women and girls from an intersectional perspective through support to public policies regarding equality and gender mainstreaming in our different services



Inclusion of people with disabilities

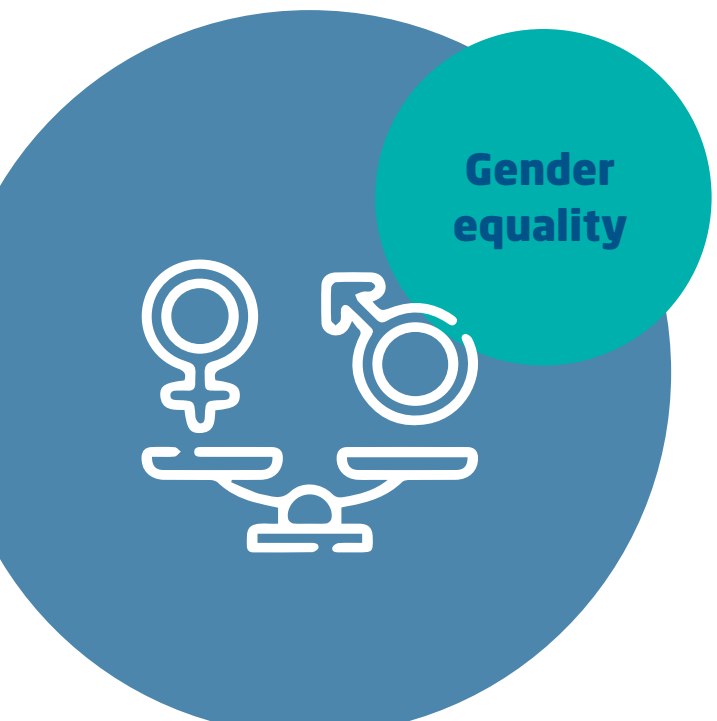
Transforms the cultural paradigm regarding disabilities in Latin America, towards a social model that seeks to eliminate the barriers that people with disabilities face to have access to their human rights.



Ethnic racial diversity

Transforms the inequality equation regarding ethnic-racial diversity in Latin America, towards a recognition of people in ethnic communities as development actors in the region.

Noteworthy actions



Gender equality

We launched our **first Gender Equality Strategy**, which promotes three key issues to achieve a substantive gender equality: *economic autonomy* (financial inclusion, services, and labor market); *physical autonomy* (gender violence, femicide, adolescent pregnancy); *autonomy for decision making* (leadership, skills, and competencies).

Bogotá al Derecho: the Office of the Mayor of Bogota, in alliance with CAF, promote this initiative focused on improving the pedestrian infrastructure to guarantee that people with disabilities may move around the city fluently.



Inclusion of people with disabilities



Ethnic-racial diversity

Developed the Internship Program **DiversiCAF**, aimed at afro-descendant and indigenous youths motivated to work for the development of the region, and through which we seek to strengthen the ethnical identity and the skills development for work.

Positioning actions for the gender, inclusion, and diversity agenda:

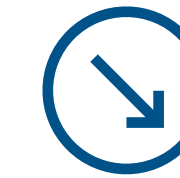
- we strengthened **institutional alliances** to promote the gender, inclusion, and diversity agenda, Office of the High Commissioner for Human Right of the United Nations, UN women and CIM, UNDP.
- **we participated in dialogues** that promote the **gender, inclusion, and diversity agenda**,
 - [sports as a key investment for the inclusion of people with disabilities](#)
 - [cultural exchange between young creators of the Chocó and Uruguayan youths](#)
- participation in the Inter-American Task Force on Women's Leadership
- co-organizer of the 6th Ibero-American Summit on Local Gender Agendas
- presence in the XV Regional Conference on Women in Latin America and the Caribbean
- We made a publication regarding gender gaps in CAF's surveys on financial capacities, as well as an adherence to the Inter-American Task Force document "Un llamado a la acción para impulsar el liderazgo de las Mujeres y la democracia paritaria en las Américas" (A call to action to promote the leadership of women and parity democracy in the Americas)

Some of the noteworthy credit operations that include gender, inclusion, and diversity considerations.



Ecuador

• We promoted the **microfinancing program through Savings and Loans Cooperatives of the National Corporation of Popular and Solidary Finances**, which has a financing sub-component with a gender approach for female microentrepreneurs.



Bolivia

• We approved a loan for **Pro Mujer IFD** for USD 3 million, a financial institution where women represent 72% of its clients.



Colombia

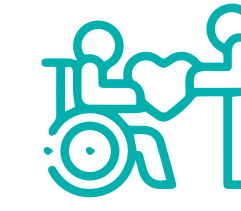
• The project "**Climate-Intelligent Initiatives for Adaptation to Climate Change and Sustainability in the Agricultural Productive Systems of Colombia**" includes a gender action plan with allocated resources of USD 1.15 million.

At the same time, we approved **15 technical cooperation operations** with gender, inclusion, and diversity components, for a total of **1.97** million, allocated as follows:



USD 1 010 500

to promote the autonomy of women and girls



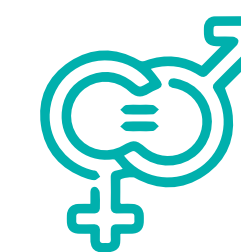
USD 320 000

for initiatives of people with disabilities



USD 347 000

for ethnic diversity initiatives



USD 298 500

to strengthen the capacities in the mainstreaming of the gender, inclusion, and diversity perspective.

Noteworthy technical cooperation operations

- **Strengthening of capacities** in the integration and mainstreaming of the gender, inclusion, and diversity perspective in programs or public policies in Latin America and the Caribbean (LAC).
- **CAF Ambassadors:** Training for the visibility of the power of culture, gender, inclusion, and diversity in Colombia, Brazil, and Argentina.
- Strengthening of the capacities of local governments in Brazil **to generate safe spaces with a gender approach.**
- **Artificial intelligence** to optimize legal processes of gender violence in Latin America and the Caribbean.
- **Financial inclusion laboratory (LIF) 2022:** digital solutions for the financial inclusion of women.
- **Trampoline Project Chile:** leveraging data and investment for inclusion through sports.
- Afro Colombia Mission: comprehensive recommendations on socioeconomic, environmental, cultural, and institutional matters.
- **Strengthening of the National Institute of Women (INAMU in Spanish)** of Costa Rica for the promotion of gender equality and financial inclusion of women.

Material theme: private sector as instrument for sustainable economic development

→ Provision of services with equality and inclusion

From CAF, we work for the development and provision of services with equality and inclusion criteria, seeking to strengthen the financial and digital inclusion of vulnerable groups that have traditionally been neglected and underserved by the formal financial system.

Our actions in this respect are aimed at the following objectives:

- Support governments and financial entities in the design and implementation of innovative instruments that favor the **access, use, and quality of the financial products for individuals and enterprises.**
- Advice and implement **digital transformation projects of financial institutions** that help develop their digital maturity and enable access and use of the products and financial services in a better way.

- Structure projects focused on the infrastructure **development of infrastructure that allows for the provision of basic services**, preferably with a high social impact where, for example, operations focused on educational and transportation infrastructure stand out.

In terms of approved **credit and equity investment operations**, some noteworthy results for the year are:

- for **Ecuador**, we approved a financial loan for the **Corporación Nacional de Finanzas Populares y Solidarias (CONAFIPS in Spanish) (National Corporation of Popular and Solidary Finances)**, whose objective is to finance loans for Savings and Loans Cooperatives (COAC in Spanish) so that they, in turn, may, finance MSMEs to comply with the objectives of: (i) FOGEPS financing; and (ii) Microcredit financing. The amount of the loan was USD 75 million.
- In addition, an **Equity Investment** was made in **Patria de Brasil Fund**, with a commitment of USD 25 million for the acquisition of debt securities in BRL indexed to the official inflation of Brazil (IPCA), allowing to finance projects in their initial stage, with or without market risk, for investments that include infrastructure, environment, energy, and telecommunications.
- In addition, the Equity Investment in **Financing Trust Debt Fund for Infrastructure in Uruguay IV CAF-AM** ("IV CAFAM Fund") for USD 10 million to address the financing needs of infrastructure projects in Uruguay, with an emphasis on the road works plan of the current administration.

At the same time, **two technical cooperation operations were approved** for the provision of services with equality and inclusion, with own resources for **USD 160 000**:

- **Financial inclusion laboratory (LIF in Spanish) 2022:** digital solutions for the financial inclusion of women. In its fourth edition, the LIF focused on the promotion of innovating technological solutions that contribute to improve the financial inclusion of women and MSMEs aimed at and/or property of women in the region. In 2022, 10 fintech were selected, which participated in the acceleration programs of the Seedstars and Endeavor; the winning proposal received a 1-year membership to the Financial Alliance for Women.

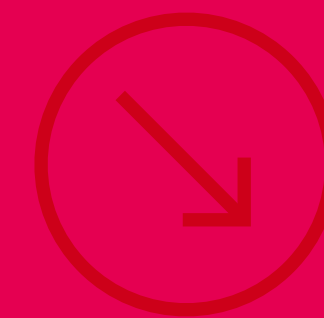
- **Studies on barriers to the access and use of financial services of the vulnerable segments in Colombia:** this CAF initiative seeks to generate studies that contribute to identify the barriers for access and use of financial services of two vulnerable segments which are a priority for the financial inclusion policy. On the one hand, explore the origin of the gender disparities in the ownership and use of financial services in Colombia. On the other hand, identify innovations in the cross-border payments, its risks and benefits in promoting the financial inclusion of migrant populations.

Year results

22 approved credit operations
USD 632 million

2 approved technical cooperation operations
USD 160 000

05



The Bank with a sustainable financial essence

- Raising and managing financial resources under competitive conditions for the countries
- Risk ratings
- Alliances for sustainable development

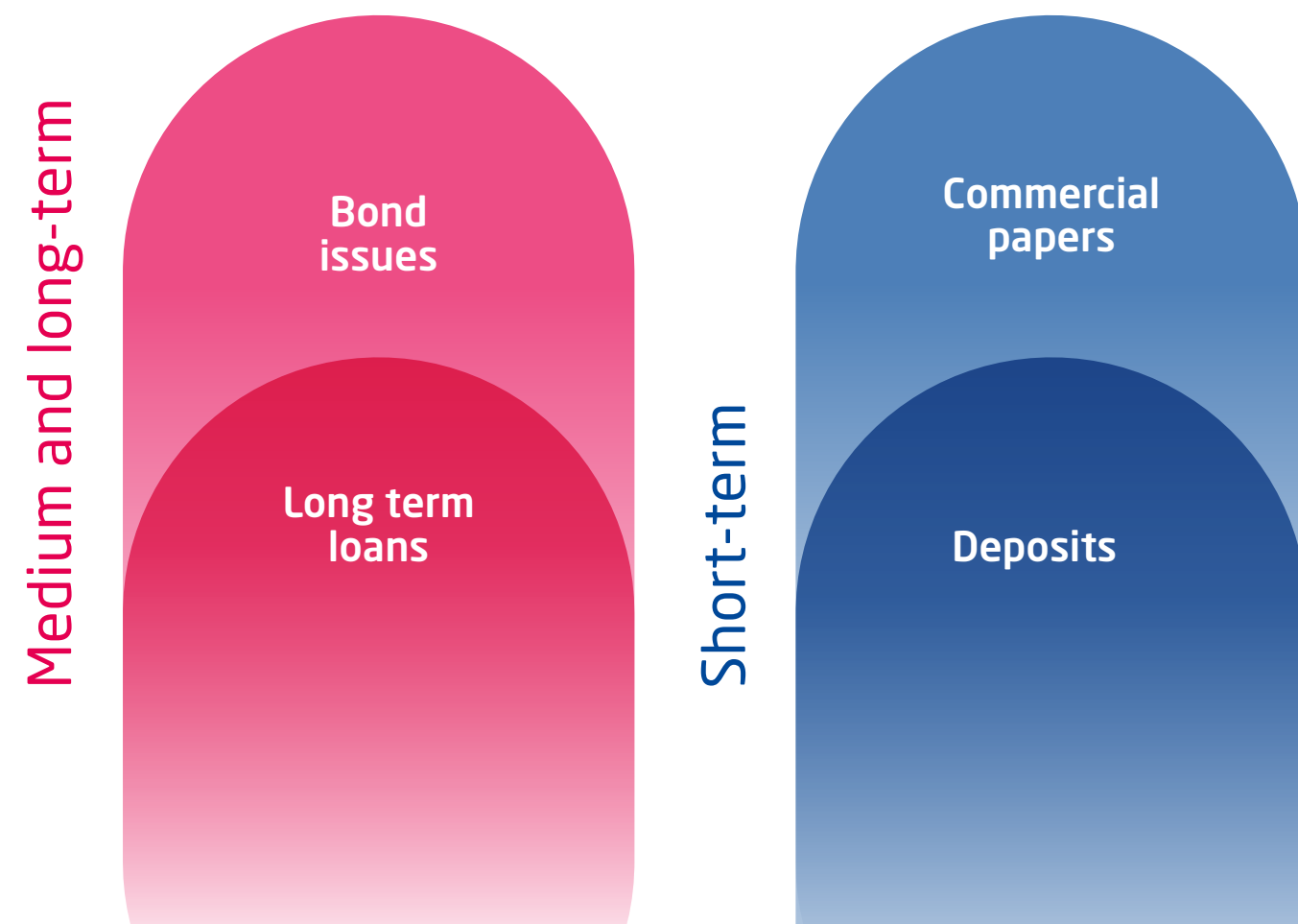
Material theme: economic and financial sustainability

➔ Raising and managing financial resources under competitive conditions for the countries

Our strategy to raise financial resources is aimed at optimizing financial costs, diversifying the sources of funds, and maintaining an adequate debt maturity profile.

For this, we seek the appropriate combination of financing under competitive conditions, mainly through medium and long-term resources coming both from bond issues in global and local markets, as well as from private placements and loans from international entities. We complement the financing with short-term resources through commercial papers and deposits.

CAF's sources of financing

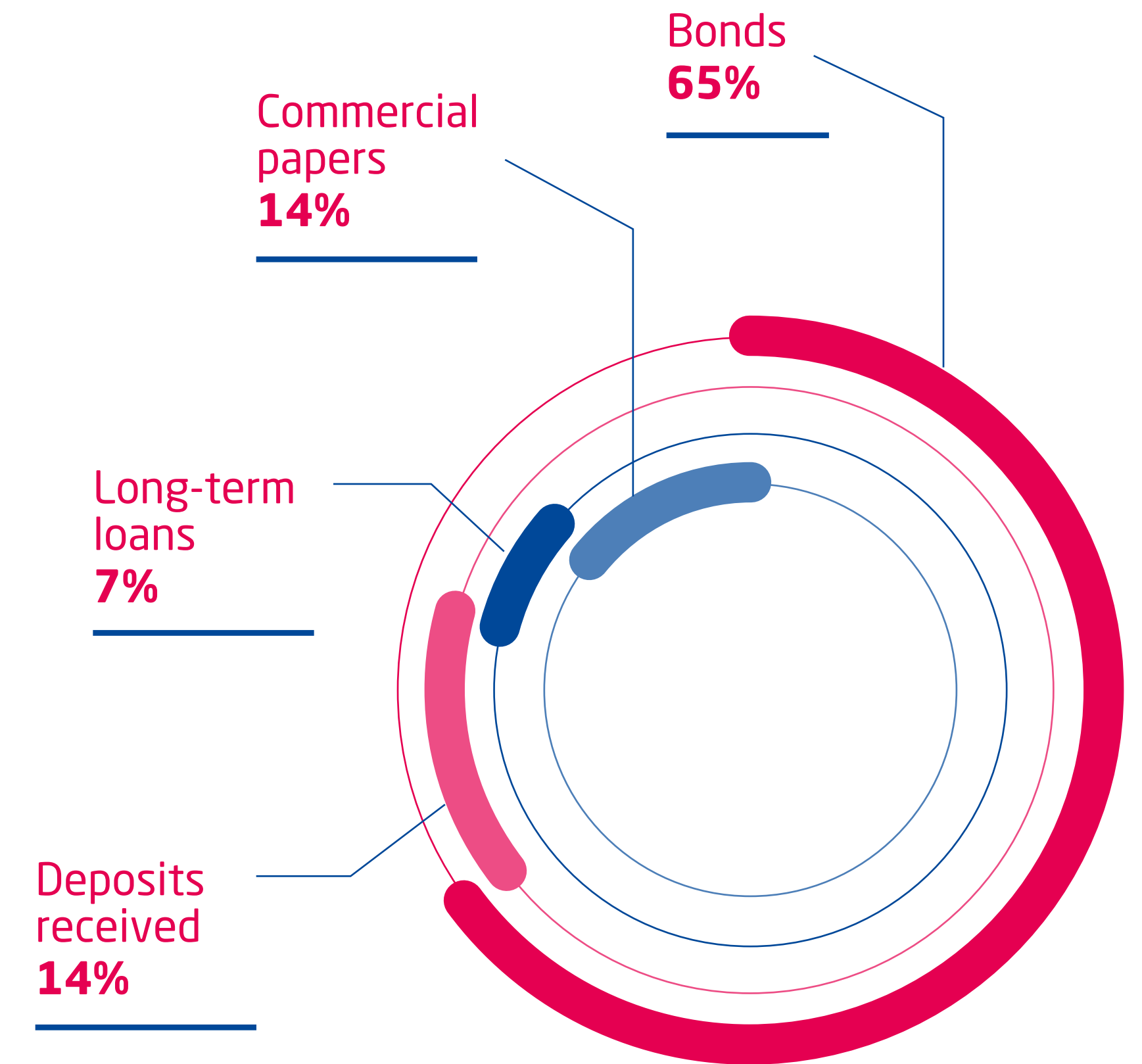


The execution of this strategy is based on the consolidation of a solid base of investors, as well as on a greater access to the main capital markets. For this reason, we maintain conservative financial policies, that preserve robust credit indicators, and promote high risk ratings.

Our strategy also incorporates fund raising through thematic issues, such as green and social bonds, which allows us to attract an increasing base of socially responsible investors, as well as support the objectives that we have traced in our green agenda and our sustainable development agenda.

Thus, in 2022 our financial liabilities reached **USD 32 607 million**, resources with which we leverage our comprehensive development agenda in the countries of the region.

2022 Composition of financial liabilities



→ Bond issues

2022 was characterized for a considerable volatility in financial markets and a significant increase of interest rates. Despite this, we maintained a wide access to the long-term emissions markets as a main source of financing.

In the international public markets:

- during the year we executed 30 transactions in the emissions market, for a total amount of **USD 3 700 million**.
- we continued with the diversification of the geographic distribution, with issues in **10 different currencies** of markets in America, Asia, Europe, and Oceania.
- Among these issues we highlight **three public benchmark-sized transactions**, carried out in February, July, and November of 2022, in the markets of the United States and Europe, for a total of USD 2 000 millions equivalent.

In the context of thematic emissions:

- we issued **two public bonds in the Swiss market for a total of USD 617 million equivalent, with terms of 5 and 6 years**. One of these corresponds to a **thematic bond under the green bond** program, which reaffirms our commitment with the green agenda.

Regarding other international markets:

- after almost 8 years we returned to the German Market Schuldschein to place bonds for a total amount of **EUR 110 million** with a 24-year term, once again attracting the demand of institutional German investors.
- in Japan, we issued bonds for **USD 62 million equivalent** under the Samurai program for institutional investors, and we placed two notes in Uridashi format, strengthening our position as a frequent issuer in Japan's retail market.
- we also made **two private issues in Australian Dollars** for a total of **USD 60 million equivalent for Asian institutional investors**.

In the Latin American market:

- we made an **issue in Panama for USD 200 million** with a 20-year term, under a local format, listed in the Panama stock exchange (Latinex). This operation marked CAF's return to this market after 10 years, executing a new structure called "incremental coupon".

- in the Mexican market we continue to be a regular issuer, carrying out **three issues for a total of USD 500 equivalent million** with different terms and fixed rate and investment unit formats (inflation).
- under the private placement program in Uruguay, we issued 9 notes for a total of **USD 7 million**, aimed at meeting the financing needs in local currency, co-financing projects together with the debt vehicles to finance infrastructure in Uruguay "VEFIU I" and "VEFIU II".

→ Mobilization of private sector resources

During the year, we maintained the historic growth of the mobilization of resources for the private sector, reaching a total amount of **USD 287.5 million**:

- private sector portfolio participations for a total amount of USD 37.5 million in Argentina and Ecuador
- approval of an AB loan with a B Tranche for USD 250 million in Argentina, turning CAF into a strategic partner of the energy sector in this country.

These transactions once again ratify **our solidity as an issuer in the main international markets**, achieving favorable results thanks to the support of a robust investor base.

→ Risk Ratings

2022 was a favorable year for CAF with respect to the performance of its risk ratings. During the year, Standard & Poor's (S&P) raised CAF's long-term rating from A+ to AA-, and the short-term rating from A-1 to A-1+. In addition, it maintained the rating's perspective as Positive, reflecting the agency's opinion regarding CAF's capital strengthening and its role, based on the significant support of the shareholders. At the same time, Fitch Ratings² reviewed the rating's perspective to Positive and confirmed the long and short-term ratings as A+ and F1+, respectively. Fitch highlighted its expectations with respect to an improvement in CAF's solvency as a result of the approved capital increase of USD 7 billion as well as of the favorable dynamics of the credit portfolio. Japan Credit Ratings Agency (JCR) improved CAF's long-term rating from AA to AA+, emphasizing CAF's capital strengthening, the incorporation of new full members, and the support of its shareholders through credit lines to face the impact of the COVID-19 pandemic. Finally, Moody's Investors Service (Moody's) maintained CAF's long and short-term ratings as Aa3 and P-1, respectively.

→ Alliances for Development

→ Catalyzing resources with Multilateral Development Organizations

At a global level, 2022 was aimed at the recovery of the economies after the COVID-19 pandemic, after almost two years facing a strong international crisis. In this context, the Multilateral Organizations adjusted their actions in order to recover the levels of economic activity prior to the year 2020. These institutions progressively changed their long-term strategies previously aimed at supporting the fight against the virus and its impacts towards investment projects with a focus on sustainable initiatives, especially in the areas of energy, water, and smart cities, among others.

² In January 2023, Fitch Ratings raised CAF's rating from A+ to AA-, with a stable perspective.

Co-financing

In terms of co-financing, during 2022 we mobilized USD 1.3 billion to operations in Bolivia, Colombia, Panama, Paraguay, and Peru.

Co-financing resources with International Development Organizations

Partner	Description	Country	Amount
Korea Export Import Bank (KEXIM)	Escoma - Charazani Highway	Bolivia	USD 75 MM
OPEC Fund for International Development	Climate Change Program	Panama	USD 120 MM
KfW	Trujillo Rapid Transit Buses (BRT)	Peru	USD 55 MM
OPEC Fund for International Development	Free Availability Loan (PBL) for Budgetary Support	Paraguay	USD 100 MM
French Development Agency (AFD)			USD 200 MM
Inter-American Development Bank (IDB)	Policy Based Lending (PBL) Sustainable and Resilient Growth (Phase 2)	Colombia	USD 300 MM
Central American Bank for Economic Integration (BCIE)			USD 250 MM
German Development Bank (KfW)			

Credit lines

In credit lines, we catalyzed approximately USD 600 million with international partners.

Signed credit lines

Partner	Description	Country	Amount
French Development Agency (AFD)	Sanitation systems Vaccination plan against COVID-19	Argentina, Ecuador and Bolivia	EUR 100 MM
Official Credit Institute of Spain (ICO)	Sustainable development and Spanish content	Brazil	USD 100 MM
	1. Expansion Line 2 Sao Paulo Metro 2. Geostationary Satellite System ARSAT-SG1	Argentina	
Korea Export Import Bank (KEXIM)	Exchange Facility	Regional	USD 200 MM
Banco Bilbao Vizcaya Argentaria New York (BBVA NY)	Corporate Purposes	Does not apply	USD 200 MM

In addition, we mobilized an equivalent of USD 153 million in credit lines in local currency with local financial institutions from Bolivia and Peru.

Credit lines in local currency

Partner	Description	Country	Amount
Banco Económico	Preapproved Limit	Bolivia	USD 25 MM
Banco de la Nación	Credit Line in Local Currency	Peru	USD 90 MM
BCP Perú	Credit Line in Local Currency	Peru	USD 60 MM

Non-reimbursable resources

During 2022, we mobilized USD 1.25 million for the transfer of knowledge and technical assistance, as well as a donation USD 0.4 million to strengthen SME's.

Partner	Description	Country	Amount
Korean Program for the Exchange of Knowledge (KSP)	Transfer of Korean Knowledge to Strengthen the Public Management of the Forestry Productive Sector	Panama	USD 0.25 MM
OPEC Fund	Technical Assistance Agreement	Regional	USD 1 MM
J.P. Morgan	Grant aimed at an initiative for the development of SME's	Mexico	USD 0.4 MM

→ Mobilization of third party resources

DFCD-3

At the end of 2022, the active portfolio of third-party resources mobilized by CAF reached USD 172.72 million, including donations, executed resources, and implemented funds. This amount represents an increase of 46% of the active portfolio presented in 2021.

	Donations		Executed resources		Implemented funds	
	2021	2022	2021	2022	2021	2022
Amounts approved (USD million)	1.47	1.62	23.95	16.04	93.07	155.06
Amounts received (USD million)	1.02	1.39	23.95	16.04	36.51	54.26
Amounts executed (USD million)	0.07	0.2	9.25	7.67	23.35	30.37

Portfolio of third-party funds managed by CAF

DFCD-3

To leverage compliance of our strategic agendas, we manage third party resources from important international funds through which we promote the development of the region. The following table presents the historic portfolio of third-party resources that we manage.

Origin of resource (Donor)	Approved amounts (Origin of currency)		
	2020	2021	2022
French Development Agency (AFD) (EUR)	2 500 000	2 500 000	2 500 000
Adaptation Fund (AF) (USD)	33 441 215	33 441 215	43 441 215
British Shared Prosperity Fund (SPF) (GBP)	7 696 511	7 696 511	7 696 511
Italy's General Cooperation Fund (FGCI) (EUR)	5 000 000	5 000 000	5 000 000
French Treasury FASEP Facility (FASEP) (EUR)	2 000 000	2 000 000	2 000 000
Global Environment Facility (GEF) (USD)	43 144 895	44 924 713	46 217 051
Green Climate Fund (GCF) (USD)	5 254 017	10 254 017	62 071 065
Federal Ministry for Economic Cooperation and Development (BMZ-GIZ) (EUR)	736 021	1 444 321	1 444 321
Federal Ministry for Economic Cooperation and Development (BMZ - KfW) (EUR)	1 227 504	1 227 504	1 227 504
OPEC Fund for International Development (OFID) (USD)	800 000	800 000	1 800 000
European Union (LAIF-AFD-KfW) (EUR)	26 900 000	26 900 000	26 900 000
Governments of Panama and Paraguay (USD)	1 100 000	1 100 000	1 100 000
Microsoft - Data Strategy (USD)	15 000	15 000	15 000
Telefónica - Data Strategy (USD)	0.00	57 800	57 800
JP Morgan Foundation - (USD)	0.00	0.00	400 000
Ministry of Finance T&T - (USD)	0.00	0.00	200 000



Operations with third party funds approved during the year

DFCD-3

In 2022 we achieved the approval of 11 operations with third party funds, for a total of USD 63.3 million. We highlight the significant contribution of these resources for the compliance of our Green Agenda and the support of our strategy to become the Green Bank of Latin America and the Caribbean; 99% of these resources come from environmental and climate funds.

Fund	Operations	Approved Projects	Approved amounts
Global Environment Facility - GEF (USD)	7	Comprehensive management of lands in forestry and agri-food systems in three hydrographic basins of Argentina to contribute to the Land Degradation Neutrality (LDN) and the mitigation and adaptation to climate change - PRODOC Phase	100 000
		Comprehensive management of water resources in the cross-border basin of the Bermejo river - PRODOC Phase	200 000
		Green Finances and Sustainable Agriculture in the Dry Forest Eco-Region of Ecuador and Peru - PRODOC elaboration phase	109 000
		Energy Efficiency for the Transition to Carbon Neutral Cities in Colombia - and Peru -PRODOC	150 000
		Development Phase	54 500
		Living in harmony with nature: "Connecting biodiversity with the productive systems in the Landscape of the Gualaca Altitudinal Corridor. PRODOC Development Phase"	54 500
Green Climate Fund (GCF) (USD)	2	CSICAP - Climate- Intelligent Initiatives for Adaptation to Climate Change and Sustainability in Agricultural Productive Systems	51 417 147
		Innovation for the climate resiliency of Patagonian grasslands in Argentina	399 901
Adaptation Fund (USD)	1	Implementation of the Project "Multisectoral measures for adaptation to climate change to reduce floods in the basin of the Oropuche Sur River	10 000 000
Ministry of Finance T&T - (USD)	1	Support for the creation of an on-line payment ecosystem to collect taxes in Trinidad & Tobago through the digital innovation of the State	200 000

06



GRI Contents
Index

Statement of use	CAF development bank of Latin America has reported in agreement with the GRI Standards for the period between January 1 and December 31, 2022	
GRI 1 used	GRI 1: Foundations 2021	
GRI Standards/ Other sources	Contents	Location / Direct answer
General contents		
GRI 2: General contents	2-1 Organizational details	p. 12
	2-2 Entities included in the organization's sustainability report	p. 12
	2-3 Reported period, frequency, and point of contact	p. 10
	2-4 Restatement of information	There was no need for restatement of information published in previous reports
	2-5 External verification	The Sustainability Report has not been the object of external verification
	2-6 Activities, value chain, and ther business relationships	p. 12, 13, 14
	2-7 Employees	p. 23
	2-8 Workers that are not employees	p. 23
	2-9 Structure and composition of governance	p. 15
	2-10 Appointment and selection of the highest governance body	p. 16
	2-11 President of the highest governance body	p. 15

GRI Standards/ Other sources	Contents	Location / Direct answer
GRI 2: General contents	2-12 Role of the highest governance body in the supervision of impact management	p. 15
	2-13 Delegation of responsibility for impact management	p. 16
	2-14 Role of the highest governance body in the sustainability report	p. 15
	2-15 Conflicts of interests	p. 20
	2-16 Communication of critical worries	p. 16
	2-17 Collective knowledge of the highest governance body	p. 16
	2-18 Performance evaluation of the highest governance body	p. 15
	2-19 Remuneration policies	p. 26
	2-22 Statement on the sustainable development strategy	p. 5
	2-26 Mechanisms to seek advisory services and raise concerns	p. 20
	2-27 Compliance with laws and regulations	p. 20
	2-28 Membership in associations	p. 7, 8
	2-29 Relationship approach with groups of interest	p. 7
	2-30 Collective negotiation agreements	CAF does not have collective negotiation agreements with its employees

GRI Standards/ Other sources	Contents	Location / Direct answer
Material themes		
GRI 3: Material themes	3-1 Process to determine material themes	p. 9
	3-2 List of material themes	p. 9
Material theme: Infrastructure development		
GRI 3: Material themes	3-3 Management of material themes	p. 36, 58
	Infrastructure to support energy transition	p. 36, 37
Own contents	Infrastructure for efficient and sustainable transportation	p. 58
	Material theme: Regional integration	
GRI 3: Material themes	3-3 Management of material themes	p. 59
	Infrastructure for logistics and regional integration	p. 59
Own contents	Approved technical cooperation operations	p. 61
	Material theme: Digital transformation and public innovation	
GRI 3: Material themes	3-3 Management of material themes	p. 62
	Credit operations and approved technical cooperations operations	p. 62
Own contents	Pillars of the agenda and year results	p. 63

GRI Standards/ Other sources	Contents	Location / Direct answer
Material theme: Private sector as instrument for sustainable economic development		
GRI 3: Material themes	3-3 Management of material themes	p. 38, 50, 70
	Sustainable business models that support energy transition	p. 38
Own contents	Economic recovery - Productivity and competitiveness of SMEs and value chains	p. 51
	Provision of services with equality and inclusion	p. 70
Material theme: Social and human development		
GRI 3: Material themes	3-3 Management of material themes	p. 64
	Skills Development for the XXI century	p. 64-66
Own contents	Food and nutrition security	p. 66
	Comprehensive care for early childhood	p. 67
	Social innovation	p. 67, 68
Material theme: Resilient and sustainable territories		
GRI 3: Material themes	3-3 Management of material themes	p. 52
	Water security	p. 52-54
Own contents	Habitat and sustainable mobility	p. 55-57
	Culture and creativity	p. 57

GRI Standards/ Other sources	Contents	Location / Direct answer
Material theme: Gender, inclusion, and diversity		
GRI 3: Material themes	3-3 Management of material themes	p. 68
Own contents	Noteworthy actions	p. 69
	Credit operations	p. 69
	Technical cooperations operations	p. 70
Material theme: Transition to an economy that is fair, low in carbon, and resilient to climate change		
GRI 3: Material themes	3-3 Management of material themes	p. 39
Own contents	Percentage of green operations	p. 41
	Portfolio of climate actions and positive biodiversity operations	p. 42
	Mobilization and management of resources from green and environmental funds	p. 43-50
Material theme: Economic and financial sustainability		
GRI 3: Material themes	3-3 Management of material themes	p. 72
Own contents	Financial liabilities	p. 72
	Risk ratings	p. 74
	Credit lines with Development Agencies	p. 75

GRI Standards/ Other sources	Contents	Location / Direct answer
Own contents	Non-reimbursable credits with Development Agencies	p. 75
	Co-financing with Development Agencies	p. 74
	Total approvals of technical cooperation operations by Fund	p. 14
	Distribution of approvals by SDG	p. 14
	Technical cooperation fund (FCT)	p. 14
	Human development fund (FONDESHU)	p. 14
	Third-party cooperation resources for development	p. 76
Other indicators of internal performance		
GRI 204: Supply practices	204-1 Ratio of expenditure on local suppliers	p. 29
GRI 305: Emissions	GRI 305-1 Direct (Scope 1) GHG emissions	p. 33
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	p. 33
	GRI 305-3 Other indirect (Scope 3) GHG emissions	p. 33
GRI 306: Waste	GRI 306-3 Waste generated	p. 33
GRI 401: Employment	401-1 New employee contracting and retirements	p. 25
	401-2 Benefits of full time employees which are not offered to temporary or part time employees	p. 27

GRI Standards/ Other sources	Contents	Location / Direct answer
GRI 404: Training and education	404-1 Yearly average hours of training per employee	p. 27
	404-3 Percentage of employees that receive performance and career development evaluations	p. 28
GRI 405: Diversity and equality of opportunities	405-1 Diversity of the governance bodies and employees	p. 24
	405-2 Relationship between the base salary and remuneration of men and women	p. 26
Own contents	Specific support actions in risk management	p. 16, 17
	Specific actions for the prevention of asset laundering	p. 20
	Impact Evaluation Projects	p. 31
	Application of environmental and social safeguards	p. 32
	Main results of the continuity of business management system	p. 19
	Specific actions of internal auditing	p. 22
	Supplier satisfaction	p. 31



DEVELOPMENT BANK
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