



annual report 2021

THE GREEN BANK OF LATIN AMERICA AND THE CARIBBEAN

CAF is a multilateral financial institution whose mission is to support the sustainable development of its shareholder countries and the integration of Latin America. Its shareholders are: Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Spain, Jamaica, Mexico, Panama, Paraguay, Peru, Portugal, Dominican Republic, Trinidad and Tobago, Uruguay, Venezuela and 13 private banks in the region. It serves the public and private sectors, supplying multiple products and services to a wide portfolio of clients formed by the shareholder States, private companies and financial institutions. In its management policies, it integrates social and environmental variables and includes eco-efficiency and sustainability criteria in all its operations. In its financial intermediary role, CAF mobilizes resources from international markets to Latin America, promoting investments and business opportunities.

Shareholder countries

Argentina (2001) | **Barbados** (2015) | **Bolivia** (1970) | **Brazil** (1995) | **Chile** (1992) | **Colombia** (1970) | **Costa Rica** (2002) | **Ecuador** (1970) | **El Salvador*** (2022) | **Spain** (2002) | **Jamaica** (1999) | **Mexico** (1990) | **Panamá** (1997) | **Paraguay** (1997) | **Peru** (1970) | **Portugal** (2009) | **Dominican Republic** (2004) | **Trinidad and Tobago** (1994) | **Uruguay** (2001) | **Venezuela** (1970)

* El Salvador is in the process of joining CAF.



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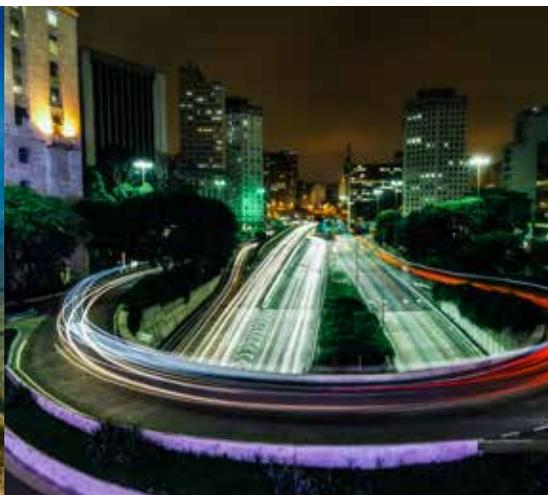
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NEW EXECUTIVE PRESIDENT

The Board of Directors unanimously elected Sergio Díaz-Granados Guida as Executive President of the institution for a period of 5 years, becoming the first Colombian to hold this position. Economic and social recovery, turning CAF into the region's Green Bank and promoting digital transformation, are some of its management priorities.



2021 Highlights

FINANCIAL ROBUSTNESS

Standard & Poor's and Fitch Rating improved the outlook of their ratings to positive and stable respectively, while Moody's ratified it as stable, confirming its confidence in the financial soundness of the institution. CAF became the first Latin American issuer to place bonds at the SOFR rate; furthermore, it issued its first nutrition bonds in favor of Latin America. The institution performed 46 bond issuances for a total of around \$4.5 billion. In addition, CAF continued to diversify its geographic distribution by having issued in the American, Asian, European and Oceania markets with 16 different currencies.

GLOBAL PRESENCE

In 2021, CAF events promoted public consensus and placed some priority issues on the public agenda for the development of Latin America and the Caribbean. The CAF Conference in Washington DC reached its twenty-fifth anniversary, being a reference point for Latin America in the Western Hemisphere, and was attended by the presidents of Argentina, Colombia and Panama, among other global leaders. For its part, the presentation of the 2021 NETWORK in Panama was able to promote agreements in pursuit of regional integration.

STRATEGIC ALLIANCES

The strengthening of strategic alliances to enhance the scope, opportunities and well-being of the region came to fruition with partnership agreements with prestigious entities such as UN Women (United Nations Entity for Gender Equality and the Empowerment of Women); the World Tourism Organization; the Andean Community [of Nations]; the Organization of the Petroleum Exporting Countries Fund (Organización de Países Exportadores de Petróleo, OPEC Fund) and the Amazon Cooperation Treaty Organization (Organización del Tratado de Cooperación Amazónica, OTCA); among others.



HISTORICAL CAPITALIZATION

The CAF Board of Directors agreed to strengthen the institution's equity by \$7 billion, the highest capitalization in the organization's 51 years, which will allow its portfolio to be doubled by 2030. These resources will contribute more decisively to supporting member countries in their development plans, especially with regard to infrastructure modernization, the digitalization of economies, the promotion of new environmental initiatives and the catalyzing of resources by the private sector, among others.





THE REGION'S GREEN BANK

During the COP26 Conference in Glasgow, CAF presented the main lines of action to become the Latin America's green bank and support the countries of the region in their commitments to environmental conservation, preservation of natural ecosystems and energy transition. During the summit, the institution announced that over the next five years, it will mobilize \$25 billion to promote green growth in the region.



KNOWLEDGE

This year was marked by publications such as the 2021 *NETWORK: Roads for integration. Providing trade, infrastructure and global value chains*, which analyze the region's options to enhance commercial integration and thus generate added value that allows it to compete with the most advanced economies; *Experience: Artificial Data and Intelligence in the public sector*, which exposes the potential of Artificial Intelligence to offer better public services to citizens; *IDEAL 2021: The impact of digitization to reduce gaps and improve infrastructure services*, which shows how infrastructure services could improve if the digital component is included; and the series on post-pandemic recovery initiatives.

NEW MEMBER COUNTRIES

Costa Rica and the Dominican Republic signed the agreements to become full members of CAF. This advance will allow them to access more resources and technical support. El Salvador began the process of joining the institution as a full member.



TOTAL ASSETS

2021:
\$**47.592** billion

2020:
\$48.846 billion

LOAN AND INVESTMENT PORTFOLIO

2021:
\$**30.029** billion

2020:
\$28.55 billion

OPERATING PROFIT

2021:
\$**138** million

2020:
\$314 million

LIQUID ASSETS

2021:
\$**16.118** billion

2020:
\$14.721 billion

NET EQUITY

2021:
\$**13.3** billion

2020:
\$12.995 billion

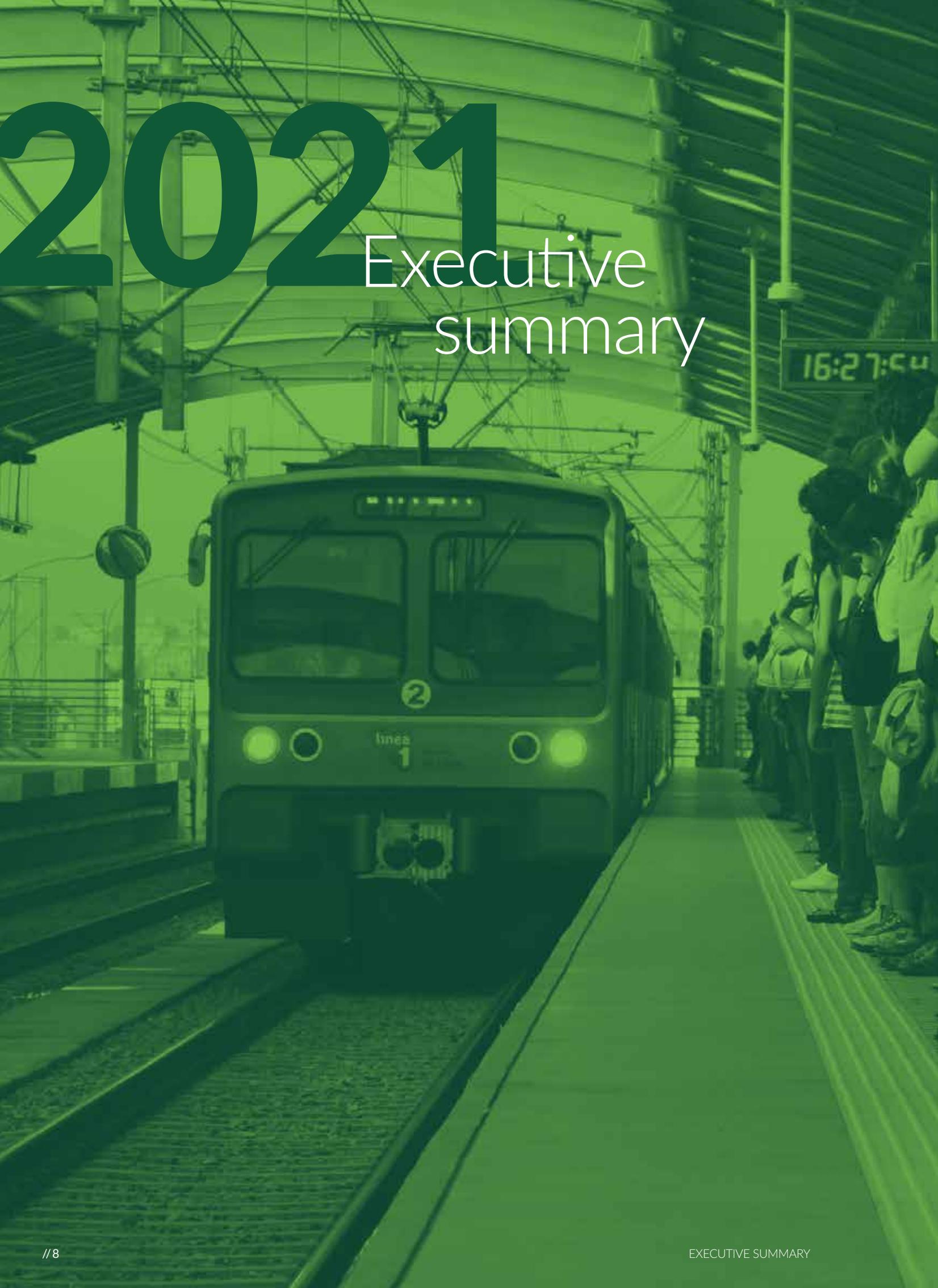
PAID-IN CAPITAL

2021:
\$**9.528** billion

2020:
\$9.328 billion

2021

Executive summary





With the renewed vision of becoming the economic reactivation bank and the green bank of Latin America and the Caribbean, CAF's main milestone in 2021 was the approval, by its Board of Directors, of a historical capitalization of \$7 billion, which will allow the portfolio to double by 2030.

This equity strengthening, achieved thanks to the consensus and commitment of the member countries, coincides with the election of Sergio Díaz-Granados as executive president of CAF for the period 2021-2026, which has entailed a realignment of the strategic axes of the institution.

In this sense, during the next five years, CAF wants to become the **green bank of Latin America and the Caribbean** and, as announced during COP 26 of Glasgow, by 2026 **40% of its financing will be allocated to green growth**. Additionally, the institution will implement more ambitious gender, digitization and private sector agendas, work closer to the region's countries and increase its presence in Central America and the Caribbean with the addition of new members.

In 2021, Costa Rica and the Dominican Republic signed the agreements to become full members of CAF. El Salvador also began the process of joining the institution as a full member. This will enable countries to access more **long-term financial resources** on favorable terms, as well as **non-reimbursable technical cooperation funds**.

During 2021, CAF operations offered **swift responses to mitigate the impacts** of the complex global environment. Amid the challenges arising from the **COVID-19 pandemic**, we **approved \$13.192 billion and made disbursements of \$8.889 billion**, mainly for medium- and long-term loans for the sovereign sector.



Of the total approved, **29% (\$3.807 billion) were allocated to responding to the health crisis and support for fiscal consolidation**, an aspect that is sensitively affected by the health crisis. While **24% of the loans (\$3.167 billion) were allocated to economic reactivation**, especially in energy, transportation and telecommunications infrastructures. Additionally, through the productive and financial sector, **\$6.181 billion were approved for public and private entities**, as well as equity investments and shares in investment funds.

Operations approved in 2021 will have a significant impact on citizens of Latin America and the Caribbean. For example, we expect to benefit 30 million people with new telecommunications infrastructures; 2 million people thanks to new or improved drinking water and/or sewer connections; 41,447 people with improvements in their habitat environment; 16 million women with our interventions; and 1 million people with climate change adaptation initiatives, among others.

In addition, the operations will contribute to building, improving and/or rehabilitating 38.5 kilometers of urban roads; building a drinking water treatment plant; modernizing 31.20 kilometers of drinking water pipes; improving 19,644 m² of urban area, among others.

During 2021, CAF consolidated its role as a catalyst for funds for the region's development. In this regard, it made 37 bond issues, reaching close to \$4.5 billion issued in various markets. These transactions include a benchmark issue in the European market for €1.25 billion that had one of the largest order books in CAF's history, with 142 orders from investors. Additionally, in October 2021, CAF completed a bond placement of \$1 billion. The investors' demand reached \$2 billion, being CAF's largest in the last five years.

Operations approved in 2021 will have a significant impact on citizens of Latin America and the Caribbean.



Another aspect to highlight in the year are **CAF's risk ratings**, which place us among the **best qualified issuers in the region**, reflect the continuous support of the shareholders, the strengthening of its equity, the prudent management of liquidity and the diversification of its loan portfolio. During 2021, the international agencies Moody's Standard & Poor's, Fitch Ratings and Japan Credit Rating ratified CAF credit ratings in Aa3, A+, A+ and AA, respectively, while S&P and Fitch improved the outlook for ratings assigned to CAF.

In the **private sector**, resources of more than **\$4.1 billion** were disbursed, benefiting more than **16,000 SMEs, 409 companies and 130,108 micro-entrepreneurs** through facilities granted to **national and sub-national development banks, commercial banks and microfinance institutions**. An important milestone in 2021 was the **approval of the Regional Program for Local Financial Institutions (LFIs)** in co-funding with the Green Climate Fund for an amount of \$150.2 million.

Likewise, we continued **supporting operations involving non-reimbursable technical cooperation** to the countries of the region by **funding initiatives** aligned with the strategic objectives of shareholder countries; as well as resolutions and guidelines as indicated with the objective of directing support where it is most needed.

In addition, from CAF Asset Management, the manager of private debt capital funds for financing infrastructure, **consolidated our presence in the region with \$1.5 billion in assets under management** and by **2026**, we plan to be operating in **10 CAF member countries**.

Finally, **we ratified our strategic interest in promoting the development of sustainable and resilient infrastructures and addressing key issues in the region**, such as climate change, digitalization, increased productivity, integration, the greater role of the private sector and the reduction of inequalities.



Message from the CEO

The Latin American and Caribbean region needed to return to a certain normal. And while the shadow of the pandemic continued to condition much of the economic and social activity, 2021 will be remembered as the year in which everything gradually began to resemble the world before and in which the economies of the region recorded a hopeful rebound after the 2020 recession.

In 2021, GDP in Latin America and the Caribbean grew by an average of 6.6%, which gave oxygen to weakened economies, but it was not enough to obscure the strong impact that the pandemic had on all strata and socio-economic sectors, especially among the most vulnerable groups.

The 2021 economic uptick coincided with the reactivation of productive activity, and was largely driven by the good management of macroeconomic policies and by the increase of public spending in all countries, two factors reflecting the commitment of the region's governments to achieve a rapid and inclusive recovery.

This commitment is also behind CAF's main milestone in 2021, which was our Board of Directors' approval of a historical capitalization of \$7 billion, which will allow the portfolio to double by 2030 and, with this, strengthen our financial muscle starting from the member countries, to accelerate the economic reactivation, digitization and green growth of Latin America and the Caribbean.

This equity strengthening also represents a strong support for the strategic axes of the new management that I have led since September 2021. Over the next five years, we want to make CAF the reactivation bank and the green bank in Latin America and the Caribbean and, as announced during Glasgow COP 26, by 2026 40% of our financing will be allocated to green growth.

Additionally, we are implementing more ambitious gender, digitization and private sector agendas, to work closer to our countries and increase our presence in Central America and the Caribbean with the addition of new members.

In this sense, in 2021 Costa Rica, El Salvador and the Dominican Republic began the process to become full CAF members, which will allow them to access more long-term financial resources on favorable terms, as well as non-reimbursable technical cooperation funds.

At the operations level, in 2021 we approved we approved \$13.192 billion and made disbursements of \$8.889 billion, mainly for medium- and long-term loans for the sovereign sector. Of the total approved, 29% (\$3.807 billion) were allocated to responding to the health crisis supporting fiscal consolidation, an aspect that is sensitively affected by the health crisis. 24% of the loans (\$3.167 billion) were allocated to economic reactivation, especially in energy, transportation and telecommunications infrastructures. Additionally, through the productive and financial sector, \$6.181 billion were approved for public and private entities, as well as equity investments and shares in investment funds.

Approvals in 2021 will have a significant impact on citizens of Latin America and the Caribbean. For example, we expect to benefit 30 million people with new telecommunications infrastructures; 2 million people thanks to new or improved drinking water and/or sewer connections; 41,447 people with improvements in their habitat environment; 16 million women with our interventions; and 1 million people with climate change adaptation initiatives, among others.



During 2021, CAF consolidated its role as a catalyst for funds for the region's development. In this regard, we made 37 bond issues, reaching close to \$4.5 billion issued in various markets. These transactions include a benchmark issue in the European market for €1.25 billion that had one of the largest order books in CAF's history, with 142 orders from investors.

Another notable aspect of the year is CAF's risk ratings. Ongoing shareholder support, equity strengthening, prudent liquidity management and loan portfolio diversification led in 2021 to international agencies Moody's Standard & Poor's, Fitch Ratings and Japan Credit Ratings to ratify CAF's credit ratings in Aa3, A+, A+ and AA, respectively, while S&P and Fitch improved the outlook.

In the private sector, resources of more than \$4.1 billion were disbursed, benefiting more than 16,000 SMEs, 409 companies and 130,108 micro-entrepreneurs through facilities granted to national and sub-national development banks, commercial banks and microfinance institutions.

In addition, from CAF Asset Management, the manager of private debt capital funds for financing infrastructure, consolidated our presence in the region with \$1.5 billion in assets under management and by 2026, it plans to be operating in 10 CAF member countries.

Internally, the institution is adapting to the new global trends of remote work, always with the priority of ensuring the safety and promoting the well-being of all CAF officials. In this sense, we are driving a new work climate that boosts trust, respect, gender equality and productivity.

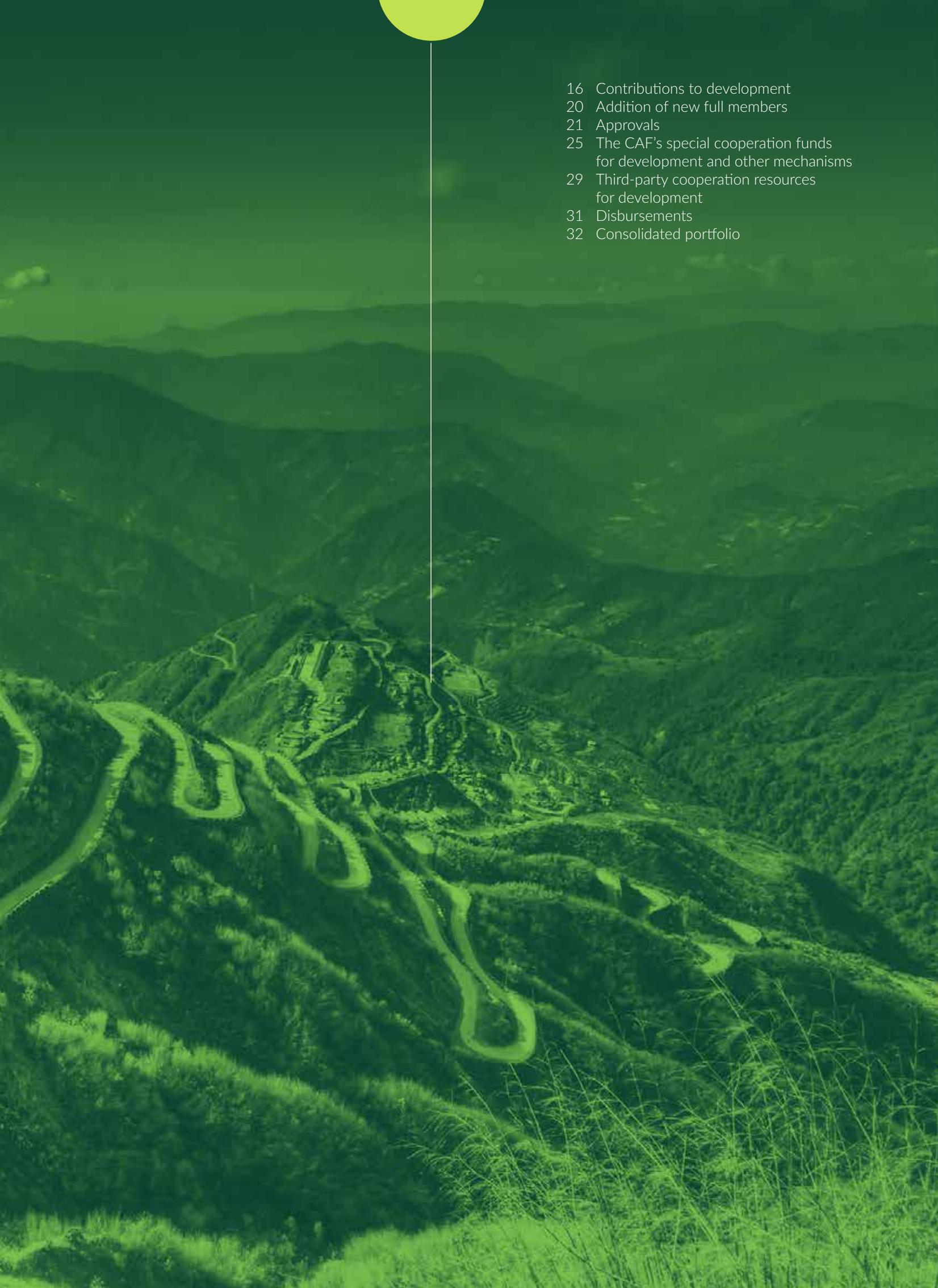
I want to thank our shareholder countries, our allies and, especially, CAF's main asset: our human team, for continuing to work hard and determined on a more inclusive and prosperous region that represents a better present and future for millions of Latin Americans and Caribbean.

Sergio Díaz-Granados
CEO

Operations

and contributions to development





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Contributions to Development

During 2021, contribution indicators concerning the development of investment programs and projects approved throughout the year were recorded, as well as the development contribution indicators evidenced in the use of the funds from financial credit line operations. The indicators reflect the internal consensus on the institution's priorities, as well as international best practices regarding the measurement of contributions from multilateral development entities. The main expected contributions to development are described below*:



Infrastructure and digitization programs and projects were approved that will allow:

- Benefit **30 million people** through new telecommunications infrastructure
- Benefit **1,160,439 travelers** in new or improved sustainable modes of transport
- Benefit **17,150 additional users** of the constructed, improved or rehabilitated road



Urban development, water, sanitation and irrigation projects were approved that will contribute to improving the basic urban infrastructure in several cities in the region. Specifically, these projects are expected to:

- Build and improve **9 wastewater treatment plants** and **10 drinking water treatment plants**.
- Build **18,118 new sewage connections, 514 km of sewage networks, 638 km of drinking water pipelines** and **18,865 new drinking water connections** that will benefit **2,890,508 people**.
- Build and rehabilitate **94 km of urban roads** and improve **347,329 m² of urban surfaces**.
- Benefit **540,000 people** by control infrastructure of watercourses and/or water bodies built and rehabilitated, and **30,000 people** by new and/or rehabilitated irrigation infrastructure in rural and vulnerable areas



Resources were approved for educational transformation projects that will contribute to the construction and rehabilitation of **324,570 m² of educational infrastructure** benefiting **304,060 students**.



Projects were approved with environmental sustainability components that will benefit **1,570,000 people** through interventions to prepare for climate change and **50,000 people** with better management and sustainable use of the environment. **20.02%** of the total number of operations approved in 2021 correspond to green financing operations.



3 projects **were approved** with institutional strengthening components that will allow **1,890 public employees to be trained**.



During 2021, disbursements to clients in the financial sector allowed:

- Benefit **626 companies** from CAF operations through intermediaries for working capital, foreign trade, and investment projects.
- Benefit **17,495 SMEs** to benefit from transactions through intermediaries.
- Benefit **5,675 micro-entrepreneurs** with a micro-credit.

* The indicators refer to the expected results and beneficiaries of the operations approved throughout 2021, with the exception of productivity and competitiveness and financial development indicators, which are results achieved from the disbursements made to financial intermediaries throughout the year.





INFRASTRUCTURE

- **47.22 km of roads** built, improved and/or rehabilitated
- **17,150 additional users** of roads built, improved or rehabilitated
- **1,160,439 travelers** in new or improved sustainable modes of transport
- **93.61 km of urban roads** built, improved and/or rehabilitated



PRODUCTIVITY AND COMPETITIVENESS

- **626 companies benefited** from CAF operations through intermediaries for working capital, foreign trade and investment projects.
- **17,495 SMEs benefited** from CAF operations through intermediaries



WATER AND SANITATION

- **638.19 km** of installed drinking water pipes
- **18.865 new drinking water connections**
- **513.59 km of built or improved sewer networks**
- **18,118** new sewer connections
- **2,890,508 people** benefited from a new or improved connection of drinking water and/or sewerage
- **9 wastewater treatment** plants built or improved
- **10 drinking water treatment** plants built or improved
- **5,000 hectares of land area benefited** by new and/or rehabilitated irrigation infrastructure
- **1,027,500 people benefiting** from sanitation solutions
- **540,000 people benefiting** from control infrastructures of constructed or rehabilitated watercourses or bodies of water
- **30,000 people benefiting** from new and/or rehabilitated irrigation infrastructure in rural and vulnerable areas



DIGITIZATION

- **30 million people connected** through new telecommunications infrastructure



URBAN DEVELOPMENT

- **348,829 m² of improved** urban area
- **70,447 people** living in neighborhoods benefited by improvements in the environment of their habitat



EDUCATION

- **324,570 m² of educational infrastructure** built or rehabilitated
- **304,000 students** benefited from education projects



ENVIRONMENT

- **20.02% of the amount** of green funding funds as a percentage of the total of approvals
- **1,570,000 people** benefited by adaptation to climate change
- **50,000 beneficiaries** of better management and sustainable use of the environment
- **18,580 annual tons** of carbon emissions reduction with support from CAF interventions



MACRO-FISCAL

- **21 operations** of macro-fiscal support in the amount of \$4.806 billion



EFFICIENCY IN PUBLIC MANAGEMENT

- **1,890 trained public** employees



FINANCIAL INCLUSION

- **5,675 microentrepreneurs** benefited from micro-credit



STATE MODERNIZATION AND TRANSPARENCY

- **3 operations** with institutional strengthening components for executing agencies



GENDER INCLUSION³

- **16,000,000 women** benefiting directly from CAF interventions
- **4 interventions** with gender equality components



ENERGY AND LOGISTICS

- **One Latin American physical integration project** and integration logistics corridors supported by CAF

³ The gender indicators are not thorough since the beneficiaries have not been separated by gender in all interventions.

Addition of new full members

In 2021, CAF consolidated its presence in Central America and the Caribbean with the addition of Costa Rica, El Salvador and the Dominican Republic.

Indeed, in February 2021 Costa Rica signed the agreement to become a CAF member country after 18 years of joint work. Costa Rica joined CAF as a Series “C” shareholder in 2002. Since then, the institution has promoted various initiatives and projects aimed at going with national development plans.

For its part, in December 2021 during the CLXXIII meeting of the CAF Board of Directors, the incorporation of the Dominican Republic as a member country of the institution was approved, while the Republic of El Salvador ratified its intention to directly join as a CAF member country by signing an agreement and subscribing Series “B” nominative shares corresponding to CAF’s ordinary capital, representing a major milestone for the strengthening of the Caribbean and Central American dimension of CAF, that will lead to better support being offered to these countries on strategic issues, in particular, in the process of economic recovery, sustainable development, regional integration, climate change, digitization, and fostering gender equality policies, inclusion and diversity. It should be noted that El Salvador is the first country to join CAF directly as a member country, without first going through Series “C,” which represents a sign of the confidence that the countries in the region place in CAF’s ability to accompany them both in the economic recovery process needed following the pandemic and in the long-term national development process.

The incorporation of these countries as CAF members will allow them to have access to a greater amount of long-term financial resources under favorable conditions, as well as non-reimbursable technical cooperation funds.

Thus, with the progressive incorporation of new Central American and Caribbean countries into the institution, CAF will continue to deepen its role of accompaniment to the regional integration process.

The addition of Costa Rica, El Salvador and the Dominican Republic as full CAF members will allow them to have access to a greater amount of long-term financial resources under favorable conditions, as well as non-reimbursable technical cooperation funds.

Approvals

During 2021, the CAF offered swift responses to mitigate the impacts of the complex global environment. The total amount of its operations, added to the institution's recent capitalization \$7 billion approved by the Board of Directors, places this multilateral organization as one of the most prominent actors in regional development.

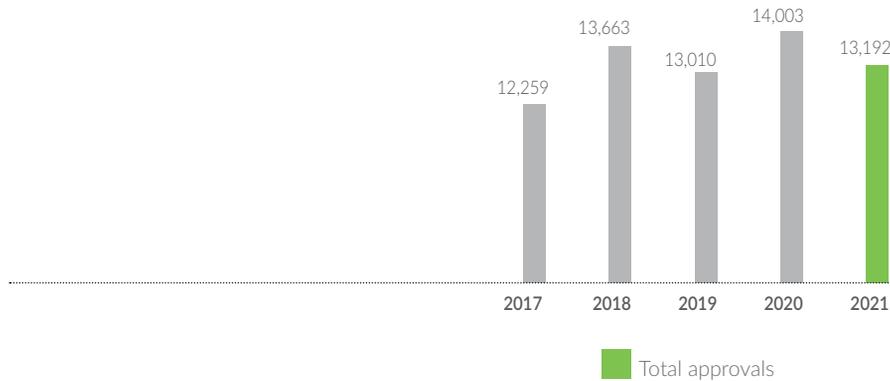
Throughout 2021, the CAF approved a total of \$13.192 billion to finance development initiatives in the countries of Latin America and the Caribbean. 29% of the approvals (\$3.807 billion) were allocated in response to the crisis generated by COVID-19, including attention to the health emergency and support for fiscal consolidation, an aspect significantly affected by the health crisis. 24% of the loans (\$3.167 billion) were allocated to economic reactivation, especially in energy, transportation and telecommunications infrastructures. Additionally, through the productive and financial sector, \$6.181 billion were approved for public and private entities, as well as equity investments and shares in investment funds. In 2021, the CAF Asset Management, the manager of private debt capital funds for financing infrastructure, consolidated its presence in the region with \$1.5 billion in assets under management and by 2026 it plans to be operating in 10 CAF member countries.

TABLE 1 || Approvals by product 2021 (in US\$ millions)

Sovereign Risk	7,174
Loans	4,924
Investment programs and projects	1,568
Policy-based loans (PBLs) and Swaps	3,357
Contingent lines of credit	1,750
Financial lines of credit	500
Non-Sovereign Risk	5,981
A/B loans	300
Tranche A	37.5
Tranche B	263
Lines of credit	5,658
Corporate	375
Financial	5,283
Shareholder equities and investment funds	24
Development cooperation funds	37
Total approvals	13,192

In 2021, approval was given for a Regional Contingent Credit Line to Support and Strengthen Health Systems in the scope of the COVID-19 pandemic for up to \$1 billion, destined mainly for the acquisition of vaccines and support for vaccination campaigns, and to improve epidemiological surveillance systems and the health sector's capacity to respond. During this year, four countries used this facility, namely Argentina (\$75 million), Bolivia (\$130 million), Ecuador (\$75 million) and Peru (\$120 million).

CHART 1 || Total approvals (in US\$ millions)



In addition, the Regional Credit Line for Extreme Climate Events, Earthquakes, Polluting Accidents and Epidemics was renewed and expanded for up to \$500 million, to respond in an swift and timely manner to emergencies that could arise in the shareholder countries.

Finally, \$37 million were approved for technical cooperation operations for institutional strengthening, knowledge transfer and studies, including diagnoses, pre-investment and sector studies that support the formulation and preparation of projects.

In total, 125 operations were approved in 2021, for a total funding of \$13.192 billion, slightly below the record number of approvals of 2020 of \$14.003 billion, due to the extraordinary support that the CAF provided to its shareholder countries to face and mitigate the most immediate and urgent effects of the serious economic crisis generated by the pandemic.

With regard to the mobilization of third-party resources, at the end of 2021, it was possible to attract \$469 million to the region, through A/B loans, co-funding and technical cooperation funds. This figure represents a significant increase compared to the amount mobilized in 2020, when the demand for funding by the countries was more focused on operations to address the effects of the pandemic through budget support resources, displacing investment programs and projects, which are more attractive for financial partners and allies for development. Regarding the effective mobilization of additional resources to expand the set of funds available to leverage private sector projects, 2021 in particular saw an A/B loan for \$300 million granted to YPF SA, which will be used mainly to fund investments in Argentina related to eligible sustainable “Environmental, Social and Governance” (ESG) projects. The credit is made up of a Tranche “A” of \$37.5 million contributed by the CAF and a Tranche “B” of \$262.5 million funded with the participation of 4 financial entities with recognized track record: Santander, Industrial and Commercial Bank of China Limited, Dubai (DIFC), Itaú Unibanco and Cargill Financial Services International.

Finally, portfolio sales were made during the year for \$18 million, allowing spaces to be generated for new operations that would contribute to meeting funding needs for the development of countries in the region.

TABLE 2 || Mobilization of Third-Party Resources 2021 (in US\$ millions)

Non-sovereign co-funding	198
Tranche B	263
Technical cooperation	9
Total mobilization of third-party resources	469
Portfolio sales	18

As of the end of 2021, with regard to the mobilization of resources to third parties, it was possible to attract \$469 million to the region, through A/B loans, parallel co-funding and technical cooperation funds.



1 ARGENTINA
AySA Drinking Water Basic Works Program - Phase IV
 Amount: \$245 million

2 BARBADOS
Sector Wide Approach Program for the Support of Barbados Ground Transport
 Amount: \$50 million

3 BOLIVIA
Program furthering food sovereignty using irrigation technology
 Amount: \$35 million

4 BRAZIL
State of São Paulo Project - Expansion of Green Line 2 and Procurement of Rolling Stock
 Amount: \$550 million

5 COLOMBIA
Support Program for the Digital Transformation of the State for Reactivation
 Amount: \$500 million

6 COSTA RICA
Line of Credit to the Costa Rican Electricity Institute
 Amount: \$100 million

7 ECUADOR
Sector Wide Approach Loan to Decrease Chronic Child Malnutrition under a Performance-based Budget Approach, Phase II
 Amount: \$200 million

8 MEXICO
Gender-Focused Government Financial Inclusion and Digital Innovation Program
 Amount: \$300 million

9 PANAMA
Support Program for the Digital Transformation and Inclusion Strategy in Panama
 Amount: \$350 million

10 PARAGUAY
Support Program for Economic Reactivation and Strengthening of State Institutions
 Amount: \$250 million

11 PERU
Project for the expansion and improvement of drinking water and sewer systems - Nueva Rinconada
 Amount: \$52 million

12 TRINIDAD AND TOBAGO
Trinidad Drainage and Flooding Minimization Program
 Amount: \$40 million

13 URUGUAY
Uruguay Energy Sector Strengthening Program - Phase III
 Amount: \$300 million

The CAF's Special Cooperation Funds for development and other mechanisms

The CAF continued its work in 2021 providing support through operations involving non-reimbursable technical cooperation to the countries of the region by funding initiatives aligned with the strategic objectives of our shareholder countries; as well as resolutions and guidelines as indicated with the objective of directing support where it is most needed. This is done always with a comprehensive approach aimed at building skills and transferring know-how, as well as providing support through projects and studies aimed at the growth and consolidation of the CAF's credit portfolio, both in its initial phases of structuring and in its execution. As happened in 2020, the CAF's Special Funds maintained a high degree of flexibility by the timely funding of Technical Cooperation operations aimed at mitigating the effects generated by the emergency situation arising from the COVID-19 pandemic, through actions aimed at strengthening and improving the response capacity of governments in the face of the crisis, as well as assisting the populations directly affected by the adverse effects of the virus. Likewise, during 2021, the CAF has supported humanitarian aid operations, seeking to provide early and timely support in the face of registered emergencies, such as the support provided to Argentina, Bolivia, Brazil, Paraguay and Peru in response to disasters they have suffered in their territories and the case of Haiti, for which, although it is not a CAF shareholder country, the Board of Directors has taken steps to approve support for the emergency it has had to face because of the earthquake that occurred on August 14, 2021.

The work carried out throughout 2021 reaffirms the CAF's interest in contributing to the development of the region, generating added value for the countries and seeking improvements in efficiency, equity, sustainability, institutionality and integration.

A total of 130 operations of technical cooperation were approved with resources from the CAF's Special Funds, the funding of which totaled \$28.07 million, which allowed for supplementing the institution's financial action and its support for regional development and integration.

Resources from the Technical Cooperation Fund (Fondo de Cooperación Técnica, FCT), including the funds intended for the CAF's Pre-Investment Programs, funded 93.5% of the year's total approvals, while the remaining 6.5% was funded with funds from the Human Development Fund (Fondo para el Desarrollo Humano, FONDESHU).

During 2021, CAF has supported humanitarian aid operations, seeking to provide early and timely support in the face of recorded emergencies, such as the support provided to Argentina, Bolivia, Brazil, Paraguay and Peru.

TABLE 3 || Special funds - Approvals by Fund 2021 (number of operations and in US\$ millions)

Special Fund	No. Operations	Approved amount
FCT	121	26.25
FONDESHU	9	1.82
Total	130	28,07

Approvals were focused on addressing the shareholder countries' priorities and needs, as well as initiatives aimed at strengthening regional action through multinational projects and programs. Of the total approvals, \$4.94 million (17.6%) funded regional initiatives, while the remaining \$23.14 million (82.4%) funded projects and programs in the shareholder countries. The multinational initiatives included the "Andean Community Interoperability - Intercom" Project for the Implementation of Digital Infrastructure; the Latin America Energy Panorama - the Energy Transition Challenge; the Project to Strengthen the Health Systems of the Andean Sub-region in order to face COVID-19 and other Health Emergencies; Training Program in Public Innovation and Governance for Leaders in Latin America and the Caribbean; LAB Digital Transformation and the CAF Virtual Training Program for the Digital Transformation of SMEs; Improving Public Management, and others.

Within the scope of the Preinvestment Programs, operations approved in 2021 amounted to \$11.14 million, of which \$4.75 million correspond to three relating to the Regional Infrastructure Pre-investment Program (the CAF-PPI) and \$6.39 million correspond to nine operations of the Preinvestment Program for the Water Sector (the CAF-PPSA), according to the following detail:

INFRASTRUCTURE

CAF-PPI Brazil (\$145 million):

West Railway Network: Sao Paulo – Corumbá (Bolivia)/ Ponta Porã (Paraguay).

The CAF-PPI Ecuador (\$3 million):

Comprehensive improvement of functionality and enablement of digital management in the development of the Quito – Guayaquil integration logistics corridor and extensions to borders.

The CAF PPI Panama (\$1.6 million):

The CAF-PPI: Pan-American Highway Project – Santiago and Penonomé variants.

WATER SECTOR

CAF-PPSA Paraguay (\$1 million):

Feasibility studies and basic designs of Sanitation Systems for Intermediate Cities – Phase III.

The CAF PPSA Bolivia (\$989.65 million):

Final designs for the Construction of the Kellhuani Dam and Adduction Channel, the Tacora Potosí Potable Water System, and the Expansion and Improvement of the Potable Water System and Water Treatment Plant for the City of Tupiza.

The CAF PPSA Argentina (\$800.71 million):

Designs and Bidding Documents for Drinking Water Projects and Sewage Networks in Prioritized Localities – Province of La Rioja.

The CAF PPSA Ecuador (\$800 million):

Final for Water, Sanitation and Decontamination of Rainwater in Manta.

The CAF-PPSA Colombia (\$800 million):

Final designs and bidding documents for Urban Sewage (Stage II) and Rural Aqueducts in the District of Buenaventura.

The CAF PPSA Brazil (\$600 million):

Update and revision of the Basic Project of the Alagoan Sertan Canal from km 150 to km 200.

The CAF PPSA Brazil (\$500 million):

Designs of Wastewater Collection and Treatment, Urban Drainage and Water Treatment in Itapipoca, Ceará.

The CAF-PPSA Dominican Republic (\$500 million):

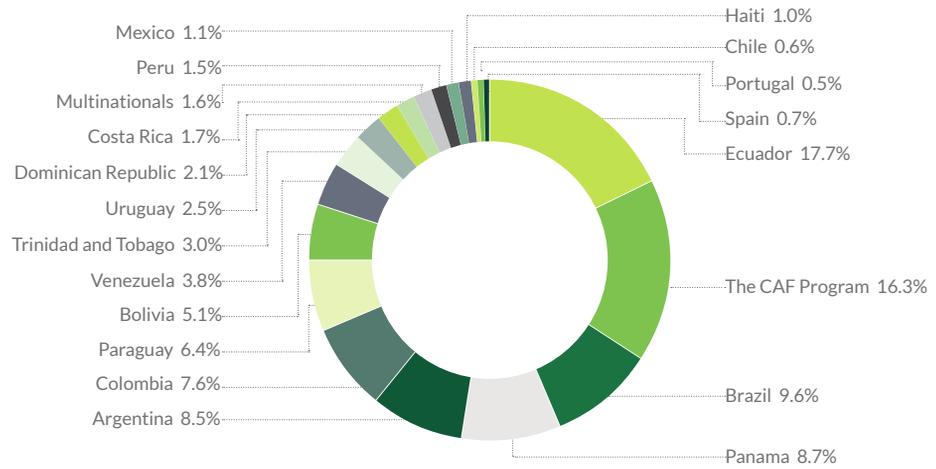
Final Design for the Improvement of Demand Management in Specific Areas of the City of Santo Domingo.

The CAF PPSA Multinational (\$400 million):

External supervision and bidding agent services for PPSA studies.

Both programs seek to open the doors to the future investment and execution phase of loans capable of improving and increasing the region's integration infrastructure, as well as strengthening the CAF's agenda for the water sector through the funding of quality studies and related support tasks during the pre-investment stage.

CHART 2 || Special funds - Approvals according to beneficiary 2021



The CAF serves its public and private sector customers in the shareholder countries by providing financial support through technical assistance. The 2021 approvals by institutional sector were represented by 98.9% (\$27.77 million) for the public sector, while 1.1% funded private sector operations (\$0.3 million).

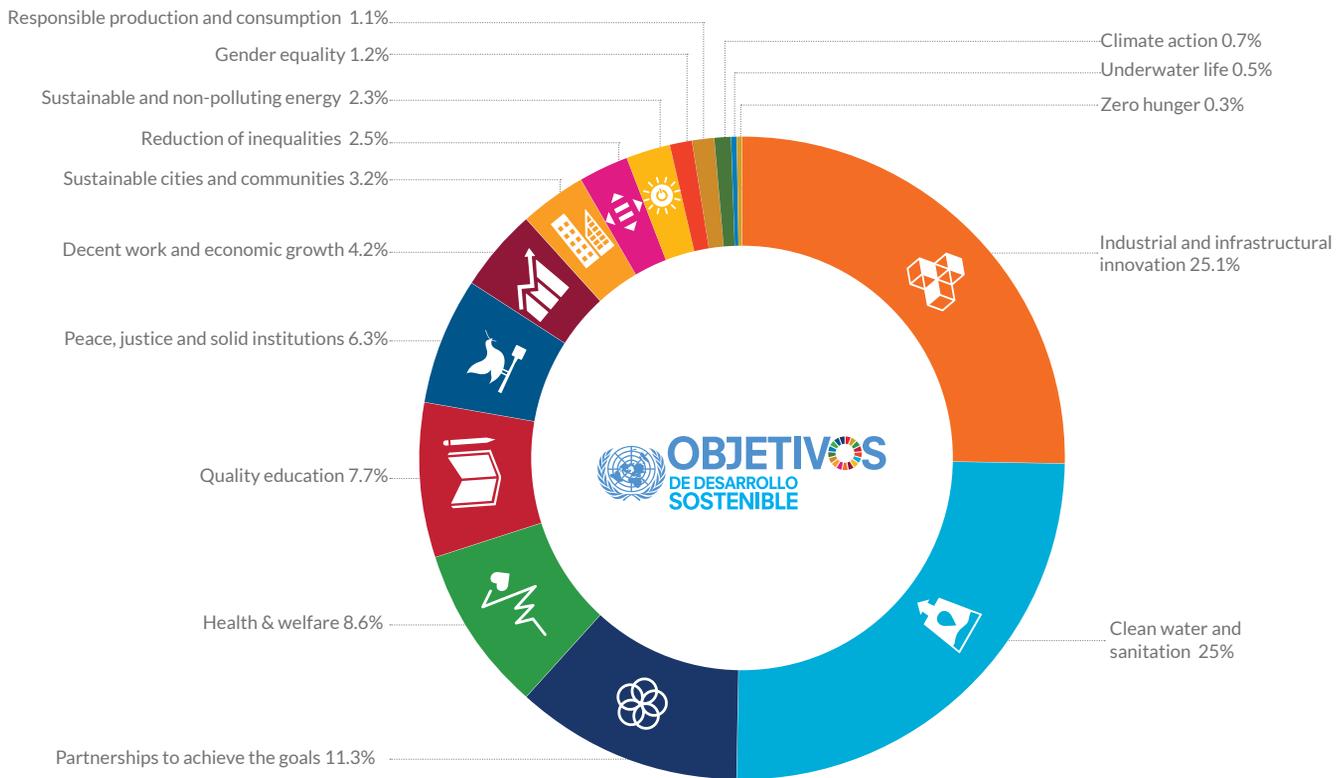
CHART 3 || Special Funds - Approvals by institutional sector 2021



The CAF serves its public and private sector customers in the shareholder countries by providing financial support through technical assistance.

It is worth highlighting the approval of the CAF's resources in 2021 within the scope of the Goals for Sustainable Development, particularly for projects dealing with the goals of Industry and Infrastructural Innovation with 25.1%, Clean Water and Sanitation with 25.0% and Education and Welfare with 8.6%. The following graph shows the approvals under the scope of the SDGs.

CHART 4 || Special Funds - Approvals by SDG 2021



In 2021, projects in Industry, infrastructure innovation, Clean Water and Sanitation, Education and Wellness stand out.

Third-party Cooperation Resources for Development

In order to complement financial resources and generate a greater impact on the sustainable development of its member countries, the CAF manages and executes Third Party Resources.

A total of seven operations were approved in 2021 for a total amount of \$8.73 million, which mainly concentrated on operations with a multinational scope (74%) in three countries: Ecuador (20%), Paraguay (3%) and Colombia (3%).

CHART 5 || Third Party Resources - Approvals by Country 2021

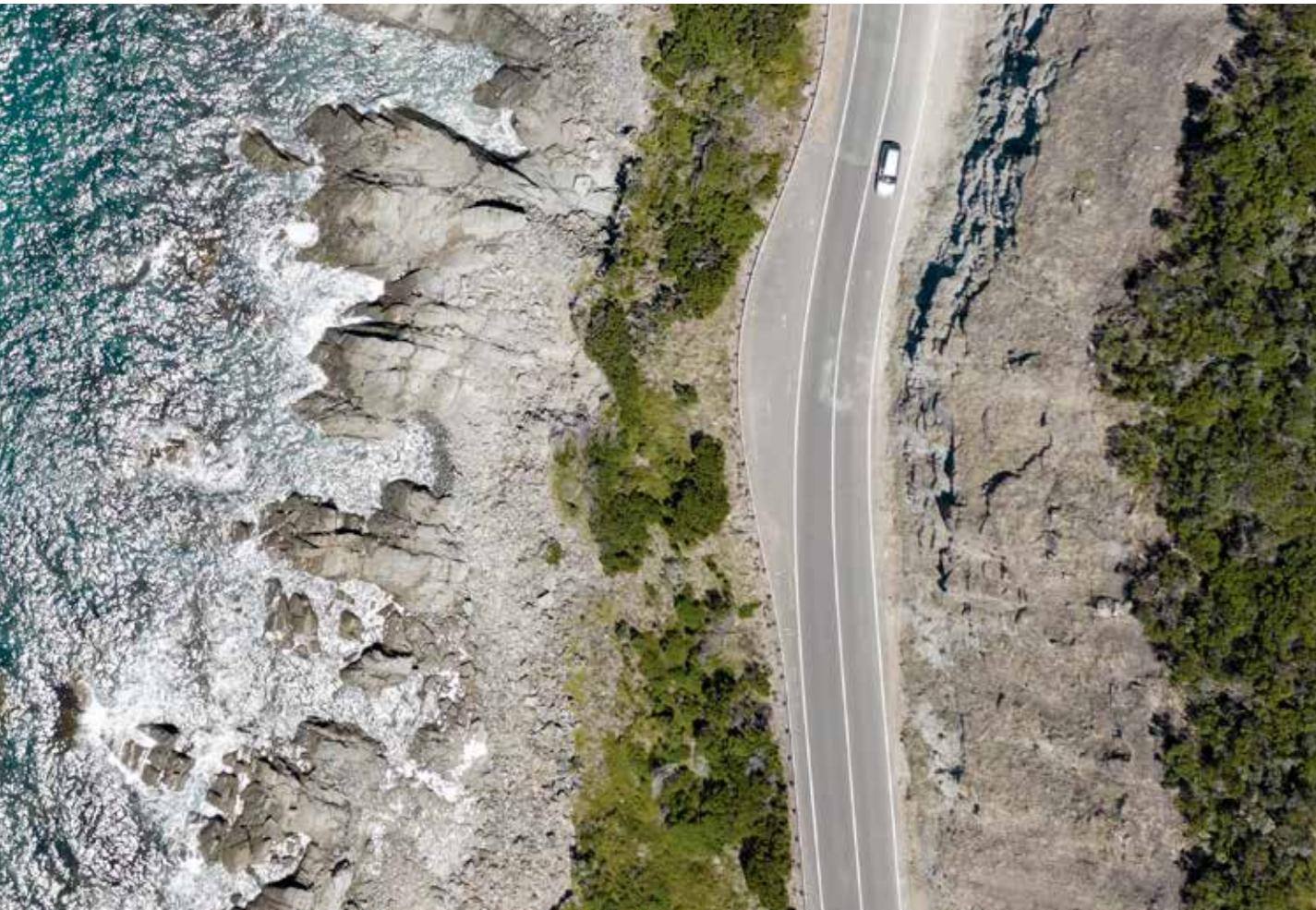


The most relevant facts that should be highlighted in 2021 include the following:

- Within the scope of the British Prosperity Fund (FPB) for Colombia, an operation was approved for \$215,000, with the aim of training producers, agricultural extension workers and agricultural technical assistants and institutional actors in Agroclimatic Risk Management in prioritized agricultural systems in Colombia.
- With resources from the Global Environment Fund (GEF), the operation for the effective conservation of protected areas of the Galapagos Islands was approved, through reinforcement of the control and surveillance of the Galapagos Marine Reserve and the eradication of invasive predators from Floreana Island for the amount of \$1.78 million.
- This year, the allocation of the resources received by the German Cooperation Agency (GIZ) for €527,450 (\$597,200) was finalized for the approved operation that finances studies and projects seeking resilience in water management. in the community and schools of the region.
- Continuing with the work and rapprochement with the German Cooperation Agency (GIZ), the agreement was signed to receive €708,300 (\$801,970) to finance the implementation of the TUMI Digital Mobility Hub Project, which was assigned, through the approval of resources to the operation, with the same name.
- A donation of \$57,800 was received this year, from Telefónica to support the CAF project "Promotion of the strategic use of data and artificial intelligence in the public sector to generate economic and social value in Latin America".
- With the support of resources from the Credit Bank for Reconstruction of the Federal Government of Germany (hereinafter "KfW"), the "Technical Economic Study for Cybersecurity in the Energy Infrastructure of Paraguay" operation was approved for an amount of €250,000 (\$283,060)
- Approval of the first operation in the CAF in this period, that combines resources from the Green Climate Fund (GCF) through the AMA was completed and signed in November 2019 and the operation approved in 2021 to receive a Grant of \$5 million, to be used within the scope of the Regional Program for Local Financial Institutions (IFLs) and SMEs.



7 transactions approved for \$8.7 million
6 donors (FBP, GCF, GEF, KFW, GIZ, TELEFÓNICA)

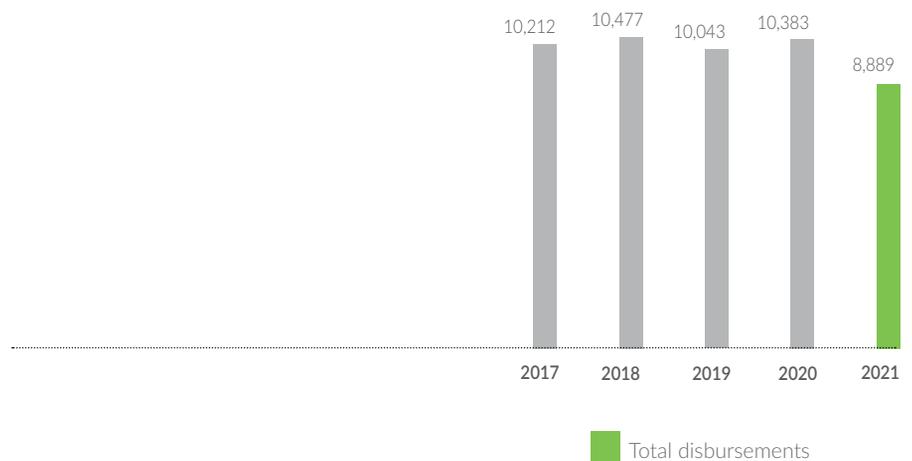


A total of seven operations were approved in 2021 for a total of \$8.73 million, which mainly concentrated on operations with a multinational scope.

Disbursements

The amount disbursed in 2021, by the CAF to its shareholder countries amounted to \$8.889 billion, a lower figure than the \$10.383 billion disbursed in 2020, which was a particularly complex year marked by the challenges arising from the global COVID-19 pandemic, which required resources to be redirected to alleviating the most immediate effects of the health crisis.

CHART 7 || Total disbursements (in US\$ millions)



However, for the purpose of supporting the expansion of the fiscal spaces of countries in the short and medium term, in the face of the prolongation of a complex and uncertain global and regional economic context, sovereign disbursements totaled \$5.182 billion, with emphasis on loans framed in the various contingent credit lines offered by the CAF and the modalities of policy-based loans and loans with a broad sectoral approach, which absorbed \$3.118 billion. On the other hand, disbursements through financial credit lines with commercial banks and public development banks, mainly aimed at channeling resources to the sector of small and medium-sized enterprises, totaled \$4.222 billion.

48% of disbursements were concentrated in Brazil, Colombia and Peru, given the greater use of revolving lines of credit by financial institutions in these countries.

TABLE 4 || Disbursements by product 2021 (in US\$ millions)

Sovereign	5,181
Loans	3,522
Investment programs and projects	1,464
Policy-based loans (PBLs) and Swaps	2,058
Contingent lines of credit	1,060
Financial lines of credit	600
Non-sovereign	3,680
Corporate loans	51
Lines of credit	3,622
Corporate	125
Financial	3,497
Shareholder equities and investment funds	7
Development cooperation funds	27
Total disbursements	8,889

Consolidated portfolio

The CAF consolidated portfolio, consisting of the sum of the portfolio of loans, equity investments and bonds/guarantees, stood at \$30.158 billion at the end of 2021, representing an annual growth of 5.2% and a net increase of \$1.478 billion. Of this amount, \$29.595 billion relate to loans, \$434 million to equity participation and quasi-equity investments, and \$128 million to guarantees. Regarding the distribution of the portfolio by type of risk, 88% of the consolidated portfolio corresponds to operations with sovereign guarantee and the remaining 12% to operations with the private sector, public companies, sub-national governments and other initiatives without sovereign guarantee. In the last two years, the proportion of the sovereign-guaranteed portfolio increased by 8 percentage points, mainly due to fast-disbursing budget support loans to support governments' fiscal management and help promote the availability and timely execution of public resources for addressing the economic and social impacts caused by the COVID-19 pandemic, strengthening the countercyclical effect of fiscal policy and reaffirming the agility of response and impact of the CAF's action in the region.

For its part, the CAF continued in 2021 to diversify the geographical distribution of the portfolio, which allowed the relative participation of each country to be below 14% of the total consolidated portfolio.

88% of the consolidated portfolio corresponds to operations with sovereign guarantee and the remaining 12% to operations with the private sector, public companies, sub-national governments and other initiatives without sovereign guarantee.

CHART 8 || Portfolio by country 2021 (in % of the total)

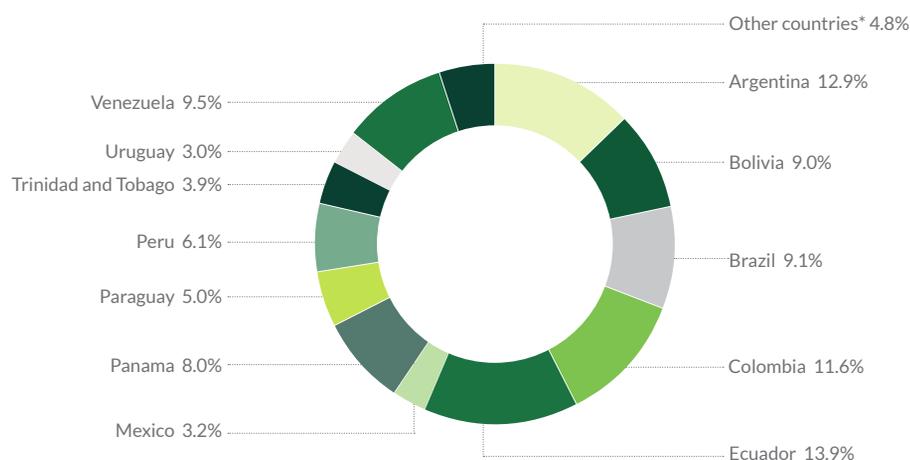
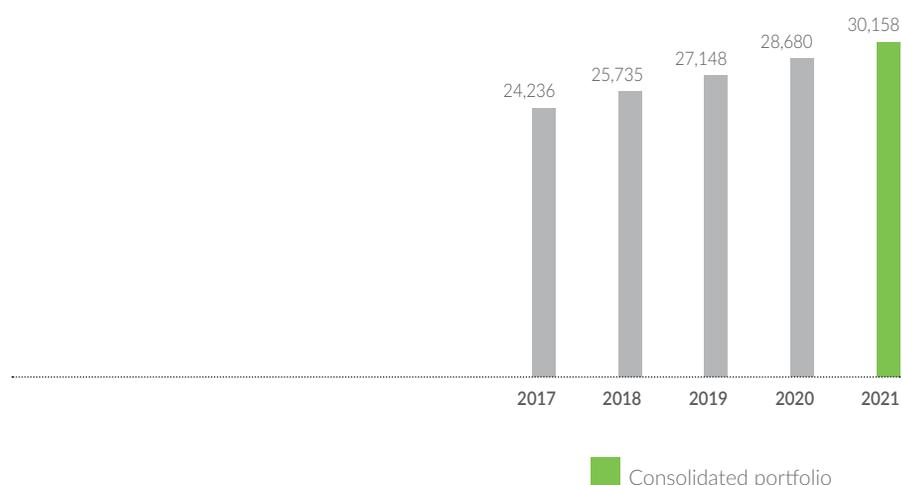


CHART 9 || Consolidated portfolio (in US\$ millions)



Finally, in relation to the distribution of the portfolio by economic sector, as mentioned above, the countercyclical budget support operations approved and disbursed between 2020 and 2021 caused the public administration sector to accumulate 31.2% of the CAF's total consolidated portfolio. However, the portfolio related to productive infrastructure (energy, transportation, and telecommunications) and social infrastructure (mainly water and sanitation, education, health and social protection) continues to account for 57.4% of the total, confirming the CAF's strategic interest in promoting the development of sustainable and resilient infrastructures and addressing the key issues in the region, such as climate change, digitization, increased productivity, integration, the greater role of the private sector and the reduction of inequalities.

It should be noted that in 2021 the CAF's Board of Directors approved by consensus the largest capitalization in the institution's history, for \$7 billion, which will allow it to double its portfolio by 2030. The new resources will support economic reactivation in the shareholder countries and will help consolidate the multilateral organization like the green bank of Latin America and the Caribbean.

CHART 10 || Consolidated portfolio by economic sector 2021

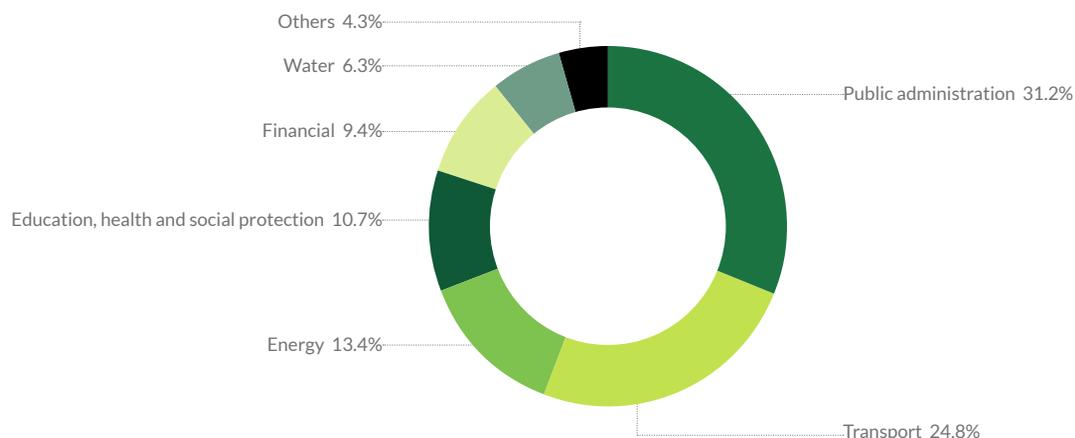


TABLE 5 || Approvals by Country (in US\$ millions)

Country	2017	2018	2019	2020	2021	2017-2021
Argentina	996	1,626	626	964	1,378	5,589
Bolivia	489	532	243	554	398	2,216
Brazil	1,253	1,476	1,591	1,675	1,493	7,487
Colombia	1,791	1,544	2,059	1,693	1,712	8,799
Ecuador	755	754	969	992	1,159	4,629
Mexico	1,007	656	950	503	1,101	4,217
Panama	650	694	598	561	511	3,013
Paraguay	497	476	710	947	881	3,511
Peru	2,306	2,551	2,191	2,616	2,062	11,726
Trinidad and Tobago	0	300	200	351	231	1,082
Uruguay	661	890	965	1,351	1,101	4,968
Venezuela	501	600	0	1	1	1,103
Other countries*	1,354	1,564	1,907	1,797	1,165	7,787
Total	12,259	13,663	13,010	14,003	13,192	66,129

* Other countries include: Barbados, Chile, Costa Rica, Spain, Portugal, Dominican Republic and Multinational operations.

In 2021, the CAF's Board of Directors approved by consensus the largest capitalization in the institution's history, for \$7 billion, which will allow it to double its portfolio by 2030.

TABLE 6 || Disbursements by country (in US\$ millions)

Country	2017	2018	2019	2020	2021	2017-2021
Argentina	1,012	1,014	574	536	699	3,836
Bolivia	536	381	491	213	467	2,088
Brazil	2,536	621	1,130	1,747	2,003	8,037
Colombia	1,638	2,855	2,075	1,721	1,322	9,611
Ecuador	550	706	748	992	534	3,531
Mexico	475	585	772	1,323	603	3,758
Panama	266	498	430	448	542	2,184
Paraguay	152	117	118	629	494	1,511
Peru	1,688	1,614	1,361	695	966	6,324
Trinidad and Tobago	300	300	200	301	160	1,261
Uruguay	187	112	95	97	291	782
Venezuela	130	529	514	1	30	1,203
Other countries*	743	1,144	1,534	1,681	777	5,879
Total	10,212	10,477	10,043	10,383	8,889	50,004

* Other countries include: Barbados, Chile, Costa Rica, Spain, Portugal, Dominican Republic and Multinational operations.

TABLE 7 || Consolidated portfolio by country (in US\$ millions)

Country	2017	2018	2019	2020	2021
Argentina	3,208	3,578	3,781	3,764	3,879
Bolivia	2,496	2,574	2,728	2,558	2,700
Brazil	2,161	1,747	2,285	2,672	2,757
Colombia	2,608	2,938	2,970	3,036	3,492
Ecuador	3,438	3,587	3,728	4,123	4,202
Mexico	414	661	666	1,022	960
Panama	1,411	1,710	1,843	2,060	2,422
Paraguay	419	466	514	1,087	1,512
Peru	2,292	2,052	2,095	1,630	1,844
Trinidad and Tobago	300	600	789	1,049	1,164
Uruguay	1,028	978	935	925	899
Venezuela	3,285	3,514	3,672	3,200	2,872
Other countries*	1,002	1,165	1,143	1,554	1,454
Total	24,236	25,735	27,148	28,680	30,158
Annual variation	7.5%	6.2%	5.5%	5.6%	5.2%

* Other countries include: Barbados, Chile, Costa Rica, Spain, Portugal, Dominican Republic and Multinational operations.

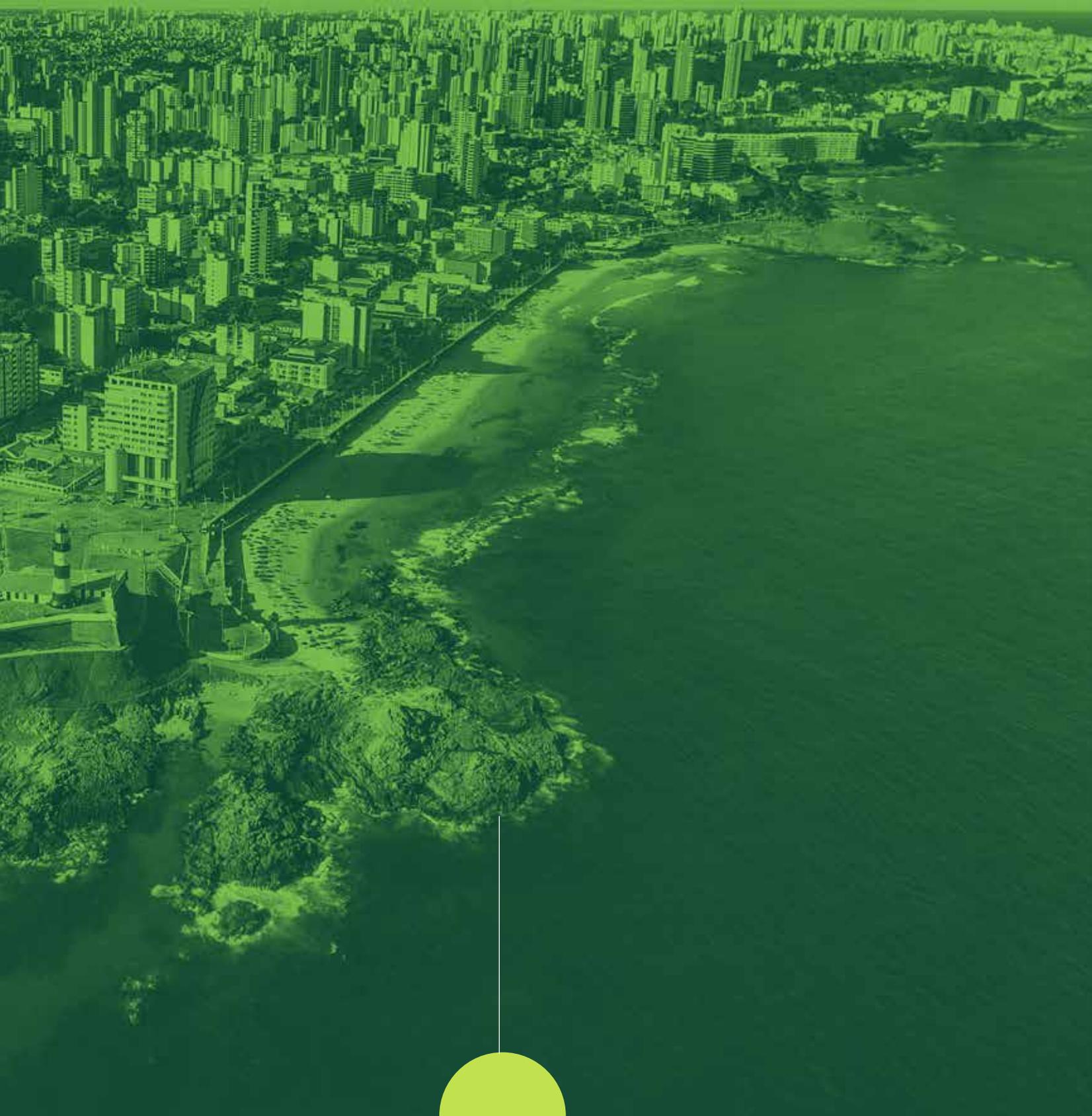
Shareholder countries and multinational operations



38	Argentina
40	Bolivia
42	Brazil
44	Colombia
46	Ecuador
48	Mexico
50	Panama
52	Paraguay
54	Peru
56	Trinidad and Tobago
58	Uruguay
60	Venezuela

**Other shareholder
countries and
multinational operations:**

63	Barbados
63	Chile
64	Costa Rica
65	Spain
66	Portugal
67	Dominican Republic
68	Other actions in Europe
69	Multinational





Argentina

CAF's strategy seeks to support high-impact projects in the mitigation of social gaps, contributing to the recovery and maintenance of economic growth in the country.

During 2021, CAF approved operations in favor of Argentina for \$1.3754 billion of which \$1.0004 billion corresponded to sovereign risk operations and \$375 million to non-sovereign risk operations. In terms of non-refundable technical cooperation operations (Cooperación técnica no reembolsable, CTNR), \$2.4 million was approved. This year, the investment projects and programs are focused on strengthening the country's infrastructure, education programs, support for children's nutrition issues and basic drinking water work programs.

In this context, the approvals in 2021 are for the Logistic Brokers Program for \$100 million which will benefit 130,000 inhabitants with the intervention on 47 km of routes; the Air Transit System Modernization Program for \$40.4 million which will benefit more than 30,000,000 passengers transported per year and the Road System Support Program for \$100 million.



Approvals

- 1 **Program for the expansion and improvement of school infrastructure in the province of Buenos Aires**
Client: Province of Buenos Aires
Amount: \$75 million
- 2 **Integration Logistics Corridors Program**
Client: Republic of Argentina
Amount: \$100 million
- 3 **Project to Modernize the Air Transit Monitoring System**
Client: Republic of Argentina
Amount: \$40 million
- 4 **Support Program for the National Argentina against Hunger Plan in the COVID-19 Social and Health Emergency, Phase II**
Client: Republic of Argentina
Amount: \$300 million
- 5 **Aysa Drinking Water Basic Works Program – Phase IV**
Client: Republic of Argentina
Amount: \$160 million
- 6 **Support Program for the Argentine Road System**
Client: Republic of Argentina
Amount: \$100 million
- 7 **Sector Wide Approach Loan for Support of the COVID-19 Vaccination Strategic Plan in the Republic of Argentina**
Client: Republic of Argentina
Amount: \$75 million
- 8 **University Infrastructure Program - Phase IV**
Client: Republic of Argentina
Amount: \$75 million
- 9 **Program for the recovery and development of agro-export complexes**
Client: Republic of Argentina
Amount: \$75 million
- 10 **Corporate Loans**
Client: YPF S.A.
Amount: \$300 million
- 11 **Non-pledged Revolving Credit Line**
Client: Banco de Inversión y Comercio Exterior-BICE
Amount: \$75 million
- 12 **Cooperation funds**
Client: Miscellaneous
Amount: \$2 million

Additionally, the Basic Drinking Water Works Program (Agua y Saneamientos Argentinos, AySA) was supported for \$245.3 million, with its objective being to contribute to the expansion and improvement of the efficiency of drinking water supply services in the south and west region of Greater Buenos Aires, in order to improve safe and quality access to drinking water for 2,000,000 inhabitants.

With the University IV Program, for \$75 million, 50 infrastructure works are planned to be carried out at national universities and in five professional education schools benefiting 123,000 students.

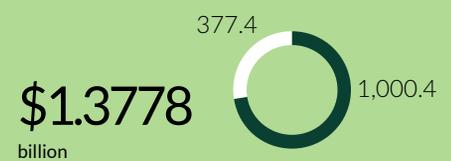
Additionally, the following were approved: the regional credit line for health systems for \$75 million to support the COVID-19 emergency; a SWAp to support the \$300 million Food program that will benefit 1,945,047 boys and girls, 45,710 people with disabilities and 49,524 pregnant women; the program for

the recovery and development of agroexport complexes for \$75 million; an A/B YPF S.A. loan of \$300 million and an uncommitted credit line by the Investment and Foreign Trade Bank (Banco de Inversión y Comercio Exterior, BICE) of \$75 million.

Also, technical cooperation was approved for a total of \$2.14 million. These technical cooperations covered a broad spectrum of support, covering CAF strategy issues and of interest to the Argentine Republic. Among the primary operations, those linked to the development of executive projects in water improvement, digital government, development of cultural industries, strengthening for the improvement of university education, among others, stand out.

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)

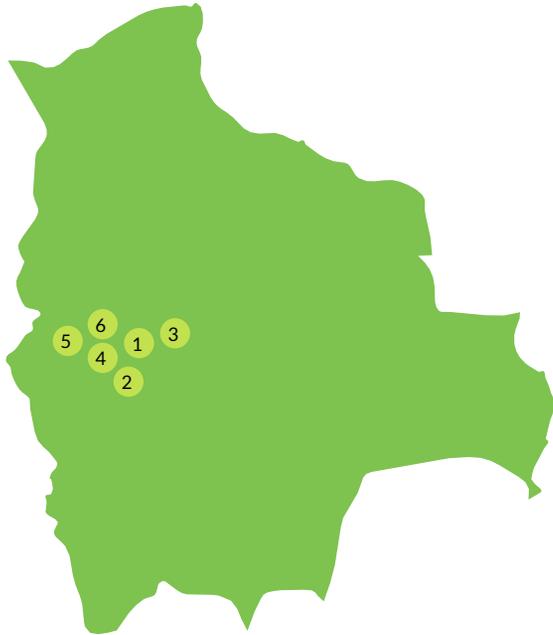


Bolivia

The CAF strategy in Bolivia is aimed at consolidating its role as a multilateral support entity for the country's development.

During the course of 2021, CAF approved operations in favor of Bolivia for \$397 million. Additionally, with respect to support to the country in the form of non-refundable resources, a total of two transactions were approved which amounted to \$1.2 million.

This year focused on the economic reactivation of the country in a context of immunization of the population and continued attention to the pandemic (third and fourth waves). The country continued to prioritize infrastructure and attention to productive and social development in addition to public investment projects in management. A credit operation was approved to reinforce Bolivia's efforts in the attention of vaccination of the population for an amount of \$130 million. In the same manner, the first of the Program Seeking Food Sovereignty was advanced using irrigation technology for three basic products in the family basket such as potato, onion and tomato for an amount of \$35 million and continued with the support of the



logistical, productive and economic infrastructure of the country by promoting the construction of the double lane road from Caracollo – Colomi, Section Confital - Bombeo as support for the main route of the country's exports of \$88 million.

With respect to support for the country's private sector, CAF continued to be significantly positioned in the Bolivian financial sector, through the approval of a total of \$144 million. The resources allocated to credit lines will allow us to leverage projects in the country's productive sectors, with an emphasis on small and medium-sized enterprises and micro-enterprises, as well as the strengthening of the export sector. Within the framework of these approvals, it is important to highlight an equity contribution to the Productive Development Bank [Banco de Desarrollo Productivo] of \$6 million.

During this year, technical cooperation approvals amounted to \$1,439,654, among which three operations stand out. The

first contributes with transversal support to the country's medium-term investment planning, through a training program of the Economic and Social Development Plan (Plan de Desarrollo Económico y Social, PDES 2021-2025) with national, regional and local levels of scope. The second technical cooperation focuses on the allocation of Pre-investment Program (CAF - PPSA) resources in its Phase III, to finance the final design of three projects; a) Dam Construction, b) Drinking Water System and, c) Treatment Plant. And finally, the cooperation of humanitarian aid for the response to early emergencies in the face of recurring rain and hailstorms in various regions of the country.

Approvals

- 1 **Program for supporting the COVID-19 Vaccination Plan and strengthening the health system of the Plurinational State of Bolivia**
Client: Plurinational State of Bolivia
Amount: \$130 million
- 2 **Caracollo – Colomi Two-lane Road Construction Project Tranche 2B: Confital – Bombeo, Phase II**
Client: Plurinational State of Bolivia
Amount: \$88 million
- 3 **Program furthering food sovereignty using irrigation technology**
Client: Plurinational State of Bolivia
Amount: \$35 million
- 4 **Increase in Equity Investment**
Client: SAM Productive Development Bank (BDP)
Amount: \$6 million
- 5 **Financial lines of credit**
Client: Miscellaneous
Amount: \$138 million
- 6 **Cooperation funds**
Clients: Miscellaneous
Amount: \$1 million

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Brazil

During 2021, CAF supported the efforts of federal and subnational authorities for the country's economic resumption, through financing for federal, state, municipal, public regional development banks and commercial banks. In particular, resources of \$350 million were disbursed to the National Treasury for the counter-cyclical support and emergency program for economic reactivation, the execution of investment programs and projects of subnational entities was continued, and coordinated action with local development banks for loans aimed at small and medium-sized enterprise initiatives was increased, with disbursements of \$129 million.

The CAF strategy in Brazil was developed under two service windows: sovereign window and non-sovereign window.

At the sovereign window, it works with states and municipalities in long-term financing operations for economic and social infrastructure programs guaranteed by the Federative Republic of Brazil. During 2021, CAF made disbursements corresponding to 26 operations with municipalities aimed at investment programs and projects for the transformation of cities in areas such as urban regeneration, mobility, sanitation and drainage, education, health, environmental sustainability, climate change, citizen security, digital government and financial and social inclusion. Multi-sector support work begins with a shared origination exercise, in which CAF specialists and the subnational government team hold exchange sessions to structure high-impact and beneficial programs for the population which are most in need.

In the case of the States, approvals in 2021 were assigned to the State of Ceará to finance a basic sanitation program in coastal locations, and to the State of Sao Paulo to finance



the expansion of the #2 Green line of the Sao Paulo Metro, which will connect system users to the Congohnas airport, this being the largest CAF loan operation in Brazil.

Taking Federal Government priorities into account, CAF increased its activity with the non-sovereign sector as a strategy to reactivate the economy. During 2021, CAF continued with credit operations for commercial banks and regional development banks with credit lines aimed at micro, small and medium-sized enterprises, and the productive sector. In addition to the current lines with Banco do Nordeste (BNB), Minas Gerais Development Bank (Banco de Desenvolvimento de Minas Gerais, BDMG), the Bank of Development of the Extreme of the Sul (Banco de Desenvolvimento do Extremo Sul, BRDE) and the Development Agency of the State of Sao Paulo (Agência de Desenvolvimento do Estado de São Paulo, Develop SP), a line was approved for Parana Development aimed at financing operations of entrepreneurs and rural producers and MSMEs, aimed at mitigating the effects of the

crisis generated by COVID-19 and supporting the process of recovering the State of Parana's economic activity.

During 2021, CAF supported Brazil with non-refundable technical cooperation resources for \$2.8 million, across 15 operations. These include three operations aimed at funding project studies for the treatment and collection of water in two states within the country, which were funded using PPSA resources. In addition, projects aimed at improving the administration of cities such as the management of landfills, digital transformation, plans for arborization and urban revitalization, among others, were approved. The emergency humanitarian aid from a donation to the Federal Government being approved to help those affected by rain and floods in the State of Bahia is noteworthy.

Approvals

- 1 **Coasts of Ceará Municipalities Sanitation Program**
Client: Ceará State
Amount: \$60 million
- 2 **State of São Paulo Project - Expansion of Green Line 2 and Procurement of Rolling Stock.**
Client: São Paulo State
Amount: \$340 million
- 3 **Credit Line**
Client: Agência de Fomento do Paraná S.A. ("Fomento Paraná").
Amount: \$50 million
- 4 **Financial lines of credit**
Client: Miscellaneous
Amount: \$1.04 billion
- 5 **Cooperation funds**
Clients: Miscellaneous
Amount: \$3 million

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Colombia

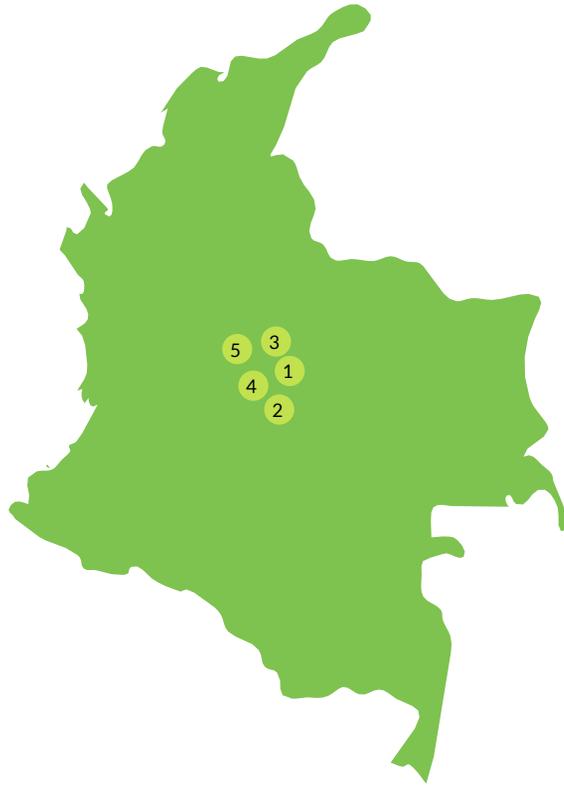
In Colombia, CAF continues to implement its strategy of State modernization and digital transformation, environment and climate change. In 2021, impact actions were prioritized to mitigate the effects produced by COVID-19 in 2020, in support of small and medium-sized enterprises, as well as the national government's response capacity.

The approvals of 2021 include a sovereign loan for the support program for the Digital Transformation of the State for reactivation of \$500 million, whose objective was focused on contributing to the efforts that the Colombian Government has been making to promote the digital transformation of the State, accelerate the implementation of trustworthy and quality digital citizen services, and finally leverage data and artificial intelligence to improve public policies, given its enhancing effect upon the generation of social and economic value, stimulation of productivity and promotion of well-being of the population, which in turn contribute to the country's economic reactivation strategy.

Along the same lines, but from the point of view of non-sovereign risk operations, the revolving and non-committed line of credit in favor of Bancóldex of \$100 million, intended for the financing of companies, in particular SMEs, aimed at mitigating

the effects of the crisis and supporting the process of recovering economic activity under the facility for development banks, stands out. The renewal of \$1.194 billion of the non-committed revolving credit lines in favor of five commercial banks and two microfinance institutions, to finance investment projects, green and foreign trade financing of the SME segment of commercial bank clients, and address the needs and access to financing of micro-entrepreneurs with financial services tailored to their needs, providing greater possibilities to increase the productivity of their businesses and improve household income also stands out.

On the other hand, a capital investment of \$13.5 million was approved in the Senior Debt Fund for Infrastructure in Colombia Ashmore CAF-AM II, aimed at continuing to support the development of infrastructure in the country, increasing the funding capacity to finance projects with a direct impact



on the country's development, and allowing institutional investors to participate in the financing of this type of infrastructure project, with longer terms and in keeping with their needs.

Additionally, through technical assistance to incentive reactivation, the structuring of the Agricultural Infrastructure Project Type was supported, as well as the comprehensive structuring of infrastructure projects that contribute to economic growth and equality in Colombia, prioritized in economic reactivation plans.

This year, non-refundable technical cooperation resources financed a total of 11 operations in the amount of \$2.3 million, 10 of which were financed with CAF resources (\$2.1 million). The support to the government by means of an aid granted to carry out the final designs and bidding documents for urban sewerage (stage ii) and rural aqueducts in the Buenaventura

district, Colombia stands out. This operation was approved within the framework of the pre-investment program for the water sector (programa de preinversión para el sector agua, CAF - PPSA) aimed at accelerating the cycle of projects arising from the sector planning processes in the countries of the region. Support in the structuring of infrastructure projects that contribute to economic growth and equality in the country, and the support in the implementation of the national data infrastructure plan and the implementation of digital citizen services in territorial governments also stands out. While for operations financed with third-party resources, the operation with resources from the British Fund aimed at training producers, agricultural extensionists/technical assistants and institutional actors in agroclimatic risk management in prioritized agricultural systems in Colombia stands out.

Approvals

- 1 **Support Program for the Digital Transformation of the State for reactivation, Colombia**
Client: Republic of Colombia
Amount: \$500 million
- 2 **Direct equity investment through the purchase of ordinary shares**
Client: Sempli S.A.S. - FIDE
Amount: \$2 million
- 3 **Equity investment**
Client: Colombia CAF-AM ASHMORE II Senior Debt Fund
Amount: \$14 million
- 4 **Financial lines of credit**
Client: Miscellaneous
Amount: \$1.194 billion
- 5 **Cooperation funds**
Clients: Miscellaneous
Amount: \$2 million

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)

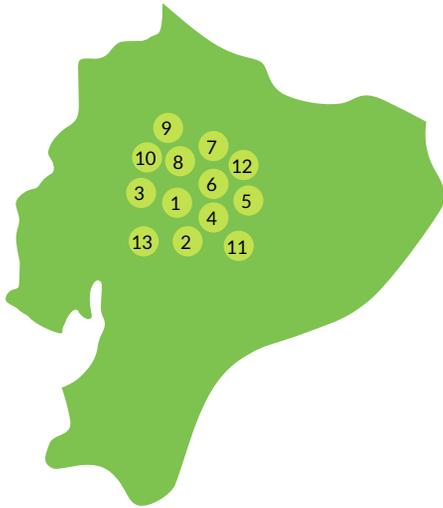


Ecuador

CAF's strategy in Ecuador is focused on supporting the country's sustainable development, with an emphasis on the axes of equity and social inclusion; post-pandemic reactivation of production; and macroeconomic stability.

Ecuador needs to build a sustainable growth model, of higher quality, which converges on higher levels of development. To do this, the country needs to undertake structural reforms aimed at creating greater opportunities for the entire population; the development of its human capital; the recovery of its productive capacity; the generation of formal employment; and as a result and at the same time, as the foundation of these factors, greater political and economic stability.

In this context, in 2021, the national government and CAF agreed to prioritize sovereign sector approvals with an emphasis on the following programs: i) strengthening public health policies, to support the country's successful vaccination campaign, and the strategy to combat chronic childhood malnutrition; and to support the establishing of agendas for educational, drinking water and



Approvals

- 1 **Financial Inclusion Program through Savings and Loan Associations, with a Gender and Green Business approach, within the framework of the crisis generated by COVID-19 and subsequent economic reactivation**
Client: National Corporation for Popular and Solidarity Finance (Corporación Nacional de Finanzas Populares y Solidarias, CONAFIPS)
Amount: \$100 million
- 2 **Comprehensive Program for roadways, mobility, drinking water and sewerage in the populated areas of the urban sector of the city of Guayaquil**
Client: Very Illustrious Municipality of Guayaquil
Amount: \$20 million
- 3 **Program for Road Works and Drinking Water in Densely Populated Areas of Guayaquil, Phase V**
Client: Very Illustrious Municipality of Guayaquil
Amount: \$33 million
- 4 **Program to Decrease Chronic Child Malnutrition under a Performance-based Budget Approach (PbB), Phase II**
Client: Republic of Ecuador
Amount: \$170 million
- 5 **Ecuador Logistics Infrastructure Program**
Client: Republic of Ecuador
Amount: \$162 million
- 6 **Sector Wide Approach Loan for the Support and Sector Strengthening Program of Health Systems in the framework of the COVID-19 Pandemic in Ecuador**
Client: Republic of Ecuador
Amount: \$75 million
- 7 **Program for Productive Reactivation, Social Protection, and Sustainability of Public Finances 2021-2025**
Client: Republic of Ecuador
Amount: \$200 million
- 8 **Support Operation for the Implementation of the National Development Plan in the Education Sector 2021-2025**
Client: Republic of Ecuador
Amount: \$20 million
- 9 **Sector Wide Approach Program for Roads, Irrigation Water and Provincial Drainage**
Client: Republic of Ecuador
Amount: \$67 million
- 10 **Ecuador Production Reactivation Support Program, "Reactivate Ecuador"**
Client: Republic of Ecuador
Amount: \$50 million
- 11 **Cuenca United Program of the Municipality of Cuenca**
Client: Republic of Ecuador / Municipal Decentralized Autonomous Government of the Canton of Cuenca.
Amount: \$48 million
- 12 **Financial lines of credit**
Client: Miscellaneous
Amount: \$208 million
- 13 **Cooperation funds**
Clients: Miscellaneous
Amount: \$7 million

sanitation, and financial inclusion for small and micro entrepreneurs, with a gender-based approach; ii) logistics infrastructure projects; and iii) support for the fiscal stability plan and economic reactivation of the government.

It also highlights the support for territories (cities and provinces) within the framework of their competences, to provide goods and services for their inhabitants, including urban roads, secondary and tertiary roads, drinking water systems, sewerage and wastewater treatment, and irrigation and drainage systems in the rural sector.

During 2021, 17 technical cooperation operations were approved for an amount of \$6.7 million, among which the following stand out: comprehensive improvement of functionality and enabling of digital management

in the Development of the Quito – Guayaquil Integration Logistics Corridor; conservation of protected areas of the Galapagos Islands financed with resources from the Global Environment Facility; improvement of sectoral governance and management capabilities of several public institutions. CAF's action in cooperation and technical assistance was also focused on strengthening institutions on priority issues for the country's development, including the development of improved capabilities for accessing green financing, efficiency of the public procurement system, support the Ministry of Economy and Finance in matters of reforms and economic policy, development of the multi-year strategy of the Development Bank of Ecuador, support for the development of water and education sector intervention agendas, strengthening the National Planning System and financial inclusion programs.

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Mexico

CAF has outlined a strategy in Mexico to drive the closing of regional economic gaps both internally and at the southern border level. To this end, initiatives have been proposed to support development projects in the South/Southeast, prioritized in the national government program. To this end, operations have been promoted that seek to build a portfolio of strategic interventions, capable of triggering the development of vulnerable communities and regions with high economic potential, either through institutional strengthening or preparation of investment projects.

During 2021, the second policy-based loan for Mexico was approved, executed together with the Ministry of Finance and Public Credit (SHCP) for \$300 million. The objective is to finance the execution of the Financial Inclusion and Digital Innovation Program with a Gender Focus, the priority of which being to achieve the implementation of the reform agenda contemplated in the framework of the National Policy of Financial Inclusion (PNIF), with the objective of strengthening the economic-financial competencies of the Mexican population, to improve access to the services offered by the financial system and promote an efficient use of the available instruments, as well as the empowerment of the user, taking advantage of the benefits of digitization in the financial world.

In addition, the credit lines in favor of the National Foreign Trade Bank (BANCOMEXT) and National Finance



Approvals

- 1 **CFE Public Company Line**
Client: Federal Electricity Commission (Comisión Federal de Electricidad, CFE)
Amount: \$200 million
- 2 **Gender-Focused Government Financial Inclusion and Digital Innovation Program**
Client: United Mexican States
Amount: \$300 million
- 3 **Direct Equity Investment in Company - FIDE**
Client: Patia Biopharma, SA de CV
Amount: \$1 million
- 4 **Financial lines of credit**
Client: Miscellaneous
Amount: \$600 million
- 5 **Cooperation funds**
Clients: Miscellaneous
Amount: \$0.3 million

Bank (NAFIN) were renewed to finance strategic projects for the SME sector, both those aimed at production for the domestic market and those companies with an export orientation. The first opted to disburse up to \$200 million of the non-committed revolving credit line granted by CAF, while NAFIN used \$400 million throughout the year. The renewal of the credit line with Trusts Instituted in Relation to Agriculture of \$100 million, allocated to the Special Fund for Agricultural Financing (Fondo Especial para Financiamientos Agropecuarios, FEFA) which successfully drives the productive and technological development of the agro-productive sector also stands out.

In the same manner, in order to assist with the management of the liquidity levels of the Federal Electricity Commission (Comisión Federal de Electricidad, CFE) which, like other companies offering public services

in the region, faced an impact on its income as a result of the slowdown of the economy resulting from the COVID-19 pandemic, a non-committed, revolving Line of Credit to the entity was approved for \$200 million. This operation is part of CAF's regional counter-cyclical facility of \$1.2 billion directed at companies providing public electricity, gas and water utilities.

Three technical cooperation operations were approved for projects prioritized by the Ministry of Finance and Public Credit, with the support to identify the development engines of the South/Southeast to close the gap with other regions of Mexico (Piloto Veracruz), the support for the study of mechanisms for generating energy with solid waste in cities located on the route of the Mayan Train and the preparation of the Framework of Reference for the issuance of a Social Bonus for Financial Inclusion in favor of FEFA standing out.

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)

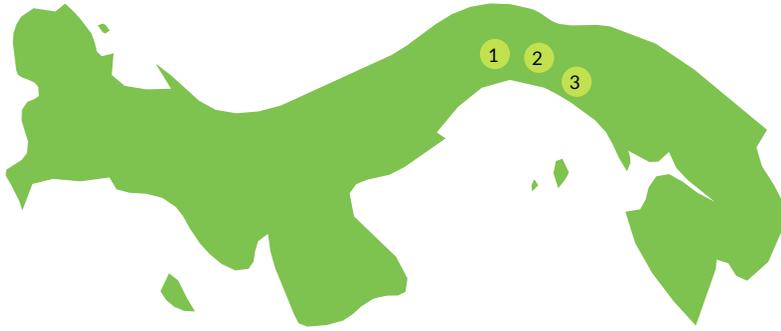


Panama

The CAF strategy focuses on supporting the closing of social gaps, diversification of the economy and the long-term vision of sustainable development in order to achieve greater social and territorial action by leveraging the advantages of connectivity and services offered by the country and its integration into the rest of the region and global markets, as well as supporting country challenges associated with the challenge posed by climate change.

From the year's approvals, a loan for the Sector Wide Approach Program for the Panama Digital Transformation and Inclusion Strategy for a total of \$350 million focused on the implementation of public policies and initiatives of the national strategic framework, that seeks to promote digital transformation and innovation of the State and the productive sector, the closing of digitization gaps through the provision of universal access infrastructure for broadband services at the national level and the consolidation of Panama's digital and logistic *Hubs* stands out.

In the financial sector, lines of credit for \$159 million were renewed, where the lines of financing for foreign trade, agro-industry and productive micro-finance operations stand out. Additionally, with Green Climate Fund (GCF) Funds, resources



Approvals

- 1 **Support Program for the Digital Transformation and Inclusion Strategy**
Client: Republic of Panama
Amount: \$350 million
- 2 **Financial lines of credit**
Client: Miscellaneous
Amount: \$159 million
- 3 **Cooperation funds**
Clients: Miscellaneous
Amount: \$2 million

worth \$5 million were catalyzed for a Regional Program for Local Financial Institutions involving private banks in Panama, with the aim of reducing barriers to access climate financing, benefiting small and medium-sized enterprises in obtaining credits for the adoption of technology that facilitates a significant reduction in their greenhouse gas emissions.

With resources from Stage II of the 2021 CAF Pre-Investment in Infrastructure Program, the amount of \$1.6 million was allocated in favor of the Pan-American Highway Project, Santiago and Penonomé Branches, a physical integration project that will allow greater efficiency with regional reach.

During the year, a total of nine technical cooperation operations were approved for an amount of \$2.45 million. The operations include: the Pan-American Highway Project – Santiago and Penonomé Branches funded with PPI resources, in addition to other initiatives aimed at supporting government actions in response to economic reactivation, the social and territorial inclusion through studies and road maps to address the main challenges in subjects such as education, early childhood, e-commerce, social living conditions, App financial inclusion and strengthening of public and private sector capabilities.

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)

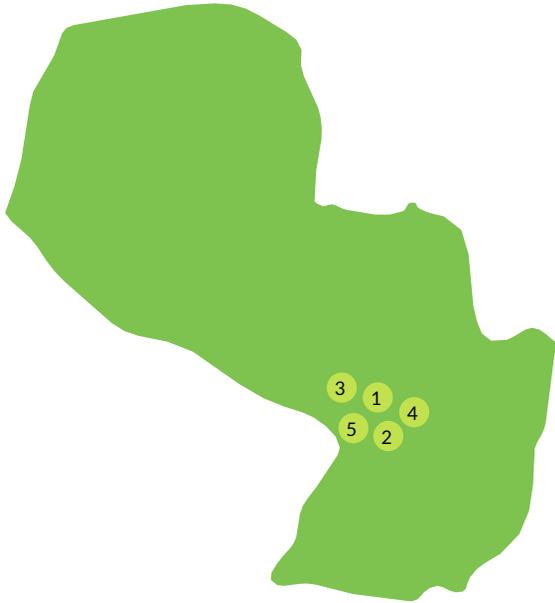


Paraguay

The CAF strategy aims to contribute with a high impact on the country's development, mainly through interventions that allow the strengthening of the productive environment and the maintenance of macroeconomic stability.

2021 was marked by the need to support the mitigation of impacts of the pandemic, economic reactivation and macroeconomic sustainability.

In this sense, the approval of two loans based on countercyclical budgetary support policies stands out in Paraguay, the first one aimed at contributing to addressing the economic and social impacts caused by the pandemic and the second one aimed at supporting the fiscal management of the government and to support sustainability and gradual convergence with the parameters of the Fiscal Responsibility Law.



Approvals

- 1 **Support Program for Economic Reactivation and Strengthening of Paraguayan State Institutions**
Client: Republic of Paraguay
Amount: \$250 million
- 2 **Liquidity Contingent Line of Credit Renewal**
Client: Republic of Paraguay
Amount: \$300 million
- 3 **Support Program for the Strengthening of Fiscal Policy and Improvement of Public Expenditure**
Client: Republic of Paraguay
Amount: \$200 million
- 4 **Financial lines of credit**
Client: Miscellaneous
Amount: \$129 million
- 5 **Cooperation funds**
Clients: Miscellaneous
Amount: \$2 million

The execution of the projects from the investment loan portfolio in Paraguay contributed to job creation and boosted the economy.

With regard to the non-sovereign sector, the approvals that total \$129 million stand out, consisting of credit lines for commercial banking and for development banking, which are aimed at contributing to the post-pandemic economic reactivation of the country, especially in the SMEs sector.

During the year, a total of nine technical cooperation operations

were approved for an amount of \$2.45 million. The operations include: the Pan-American Highway Project – Santiago and Penonomé Branches funded with PPI resources, in addition to other initiatives aimed at supporting government actions in response to economic reactivation, the social and territorial inclusion through studies and road maps to address the main challenges in subjects such as education, early childhood, e-commerce, social living conditions, App financial inclusion and strengthening of public and private sector capabilities.

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Peru

During 2021, the strategy in Peru focused on supporting the fight against the effects of the pandemic caused by COVID-19; closing gaps in access to basic services such as drinking water; maintaining access to credit for micro, small and medium-sized enterprises; and strengthening the institutions of the State institutional and financial institutions.

CAF's interventions in Peru during 2021 focused on addressing needs related to the battle with the pandemic, closing of gaps in basic services and following the execution of the institutional strategy in the country.

In the sovereign sector, CAF directed its actions to the provisioning of basic public services with the Nueva Rinconada project, which will provide new drinking water and sewer connections to Lima Sur. Additionally, a loan was structured with the purpose of strengthening the Government-led COVID-19 Vaccination Plan and a donation of \$250,000 was granted to help mitigate the devastating effects of the earthquake that occurred in November in Amazonas.



Approvals

- 1 **Contingent, non-committed and non-revolving liquidity credit line granted to the Republic of Peru**
Client: Republic of Peru
Amount: \$400 million
- 2 **Uncommitted and non-revolving contingent line of credit for attention to disasters caused by natural phenomena**
Client: Republic of Peru
Amount: \$300 million
- 3 **Project for the expansion and improvement of drinking water and sewer systems - Nueva Rinconada**
Client: Republic of Peru
Amount: \$52 million
- 4 **Sector Wide Approach Loan for Support of the COVID-19 Vaccination Plan in the Republic of Peru**
Client: Republic of Peru
Amount: \$120 million
- 5 **Line of credit**
Client: PETROPERÚ S.A. Petróleos del Perú
Amount: \$75 million
- 6 **Financial lines of credit**
Client: Miscellaneous
Amount: \$1.115 billion
- 7 **Cooperation funds**
Clients: Miscellaneous
Amount: \$0.4

In the non-sovereign sector, efforts focused on economic reactivation through credit lines granted to financial institutions to support foreign trade and working capital operations for the SMEs, and support for strategic State enterprises to strengthen the country's energy security.

During 2021, a total of four technical cooperation operations were approved, including: support for the marketing of cocoa with Blockchain technology and collaboration with the financial market regulatory entity to expand

financial inclusion, through financial education using mobile technology. Additionally, the Emergency Humanitarian Aid granted to support the population affected by the earthquake in the northern area of the country is also noteworthy.

In numbers

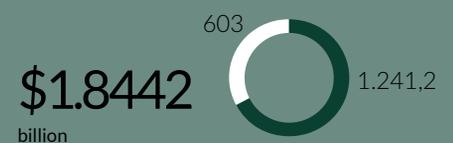
Approvals



Disbursements



Portfolio



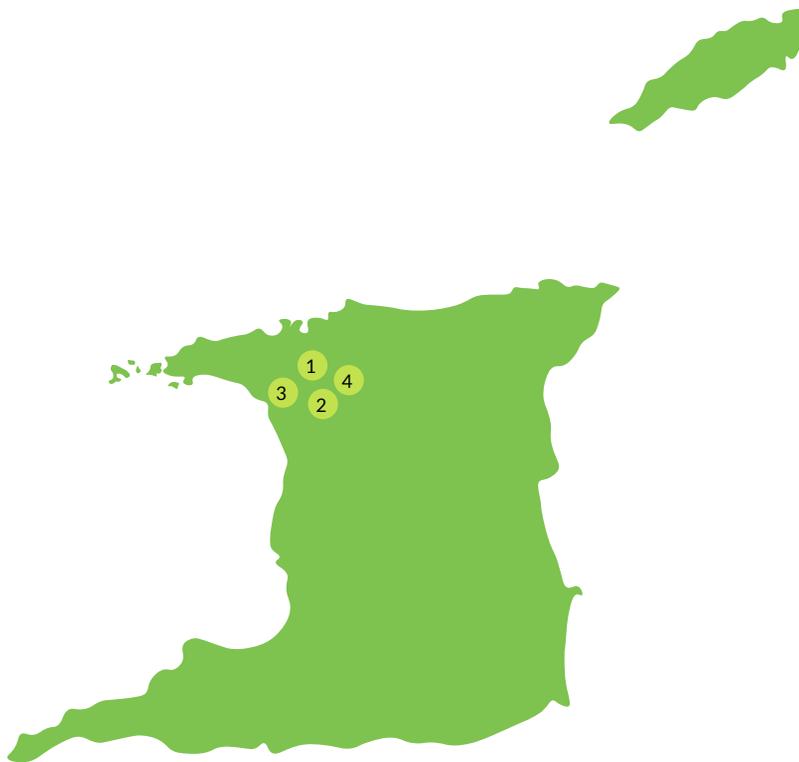
- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Trinidad and Tobago

The CAF strategy in Trinidad and Tobago was intended to support the modernization of economic and social infrastructure, productive diversification and the country's capacity to adapt to climate change.

During 2021, CAF aimed to promote the transition towards the digitalization of public services and education in order to satisfy the technological needs arising in the context of the pandemic. The approval of a sector wide approach program for the modernization of the transport infrastructure, an investment program for coastal protection and the development of sustainable tourism in Tobago and a drainage investment and flood mitigation program on the island of Trinidad which will help cope with the adverse effects of the climate stand out.



Additionally, CAF has been administering the health emergency loan approved in 2020 and supported with other technical and financial assistance instruments to the health sector to address the pandemic.

During 2021, four operations were approved, among which the initiatives in the field of digitization to facilitate online tax payments and to improve the competitiveness of the value chains in agribusiness in alliance with FAO stand out. In addition, in favor of productive diversification, technical

cooperation was approved for the strengthening of the capacities of Eximbank T&T, which will benefit SMEs and the exporting sector, and a prospective project for the revitalization of the maritime services sector.

Approvals

- 1 **Transport Sector Support Program**
Client: Republic of Trinidad and Tobago
Amount: \$175 million
- 2 **Tobago Coastal Protection Program**
Client: Republic of Trinidad and Tobago
Amount: \$15 million
- 3 **Flood Drainage and Mitigation Program in Trinidad**
Client: Republic of Trinidad and Tobago
Amount: \$40 million
- 4 **Cooperation funds**
Clients: Miscellaneous
Amount: \$1 million

In numbers

Approvals



Disbursements



Portfolio



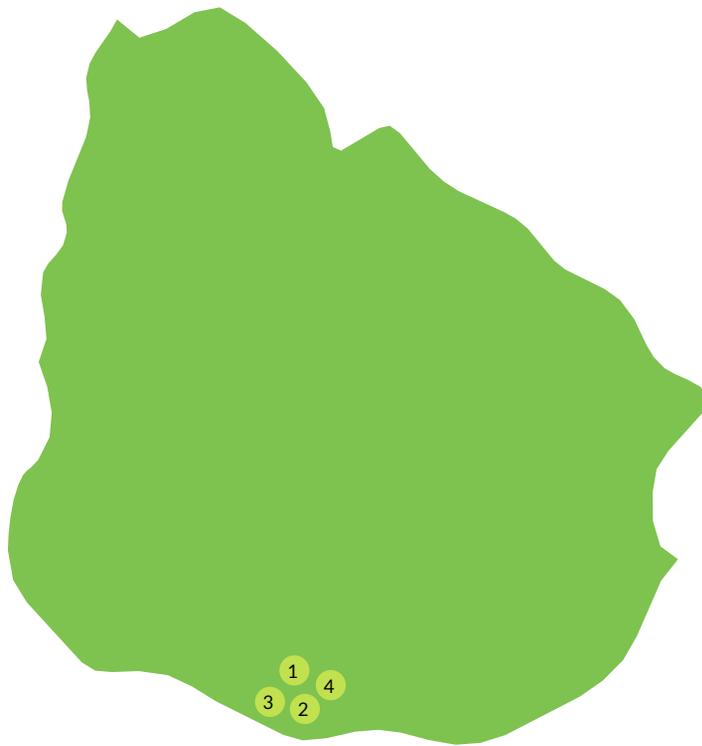
- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Uruguay

CAF's strategy in Uruguay is focused primarily on the following areas: macroeconomic stability as a requirement for driving sustainable growth; infrastructure logistics and services to increase productivity and export development; and equity, education and professional training.

In 2021, approvals for the sovereign sector include: (i) the renewal of the Liquidity Contingent Credit Line for \$750 million, (ii) the approval of \$300 million that were made available to the Usin and Electrical Transmission Administration (UTE) to address a Program to Strengthen Uruguay's Electricity Sector. The execution of this program seeks to increase electrical reliability (quality and safety), as well as the capacity for energy transfer with neighboring countries, and strengthen the autonomy of the Uruguayan Electric System.



In 2021, the technical cooperation resources financed the approval of six operations for a total amount of \$700.643 million aimed at providing support in various priority sectors for the country, among the approved transactions, support to the energy sector to strengthen and consolidate the regulatory body (URSEA) incorporating digital innovation and developing sector economic regulation instruments; support for strengthening Comprehensive Care for Early Childhood based on a results-based management model; as well as, the support to contribute to the

comprehensive reform process of the current Uruguayan social security and pension system which will benefit the entire population stand out.

In relation to the non-sovereign sector, a credit facility was approved for Banco Hipotecario del Uruguay ("BHU") for \$50 million for liquidity operations, with a sub-limit of up to \$25 million that can be applied to energy efficiency operations.

Approvals

- 1 **Electricity Sector Strengthening Plan, Phase III**
Client: Republic of Uruguay
Amount: \$300 million
- 2 **Non-Committed Contingent and Non-Revolving Liquidity Line of Credit in favor of the Oriental Republic of Uruguay**
Client: Oriental Republic of Uruguay
Amount: \$750 million
- 3 **Credit Line**
Client: Banco Hipotecario del Uruguay (BHU), Uruguay
Amount: \$50 million
- 4 **Cooperation funds**
Clients: Miscellaneous
Amount: \$1 million

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Venezuela

The CAF strategy in the country has been oriented mainly to accompanying the execution of investment programs and projects, as well as at strengthening the productive sector and comprehensively addressing vulnerable populations.

During 2021, CAF assisted with the execution of investment programs and projects, among these the start of the contract for engineering, procurement, construction and start-up for the rehabilitation of the drinking water treatment plant “La Mariposa” in the Capital District stands out.

Additionally, during the year, significant progress was made in the homologation of the commercial management system and technology renewal in regional hydrological companies, achieving the implementation of the system in 60% of the hydrological companies.

Within the framework of the corporate strategy for supporting



the productive sector in the region, CAF continued to promote the strengthening of small cocoa producers in the east of the country, as well as the relationship with various actors in the agroindustrial sector and other development agencies with initiatives in the sector, including actors with binational impact on the border with Colombia.

During the year, technical cooperation resources financed seven operations totaling \$1.08 million, aimed at providing improvements in water, sanitation, hygiene and nutrition services to vulnerable populations in various regions of the country, as well as at strengthening the economic resilience of women who are at risk or survivors of gender violence

and promoting best practices in the productive sector, in coordination with other development agencies.

In addition, the approved technical cooperation resources will also promote the development of an action agenda for the Integrated Management of Water Resources (Gestión Integrada de Los Recursos Hídricos, GIRH) in Venezuela, which will allow the country to have a road map for comprehensive and sustainable action for the resource.

Finally, in the energy sector, the approved resources will support the execution of the "Rehabilitation of units 1 to 6 of machine room 1 of the Simón Bolívar - Guri Hydroelectric Power Plant".

Approvals

- 1 **Cooperation funds**
Clients: Miscellaneous
Amount: \$1 million

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)

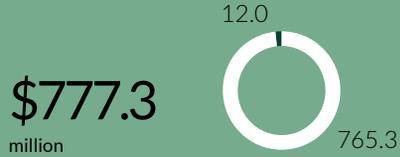
Other shareholder countries and multinational operations

In numbers

Approvals



Disbursements



Portfolio



- Sovereign Risk
- Non-Sovereign Risk (approvals and disbursements includes technical cooperation funds)



Barbados

In 2021, CAF approved a sector wide approach program of \$50 million for the modernization of Barbados' road system. The operation seeks to support the management, planning and public investment for the development of land transport, through the updating of the planning, regulatory and management framework of the sector; improvements to the quality of the infrastructure, signaling, road safety

and low carbon transport strategy and institutional strengthening.

Additionally, CAF is about to conclude the execution of an investment project for the modernization of the tax system for \$15 million. It also carried out a program for the rehabilitation of water and sanitation networks with the national water company for \$10 million.



Approvals

- 1 **Sector Wide Approach Program for the Support of Barbados Ground Transport**
Client: Government of Barbados
Amount: \$25 million

Chile

In 2021, CAF has reinforced the support strategy for the Chilean banking sector. Throughout the year, six credit lines directed at the financial sector have been renewed, for an aggregate amount of \$580 million, where the main clients benefited have been Banco del Estado de Chile, BCI, BICE, Santander, ITAU Corpbanca, Scotiabank and Tanner Servicios Financieros.

On the other hand, in August 2021, CAF approved the start of the assessment of an equity investment in one or more specific purpose companies (SPVs), for up to \$24 million, to partially finance the "Humbolt Project," a project that aims at the deployment of a digital infrastructure (submarine optical fiber) that connects South America, through Chile, with Oceania, constituting a digital integration system for the region.

In September 2021, a non-refundable technical cooperation

was approved in favor of the Financial Market Commission (FMC) for the execution of the project "Survey of financial capacities to individuals and survey of financial capacities of micro companies and SMEs", which aims to develop a diagnosis that allows to identify the knowledge, skills, attitudes and behaviors of the individuals and the Chilean micro companies and SMEs in relation to financial issues. Additionally, in December 2021, the operation "First Congress of Cities from the Chilean Senate" was approved with the purpose of discussing, agreeing upon and disseminating the main challenges and proposals to address regarding the habitability of Chilean cities.

Additionally, progress was made successfully with the execution of the project granted to Atacama Solar, consisting of the construction, operation and maintenance of a photovoltaic solar park in northern Chile.



Approvals

- 1 **Financial lines of credit**
Client: Miscellaneous
Amount: \$580 million
- 2 **Cooperation funds**
Clients: Miscellaneous
Amount: \$0.2 million

Costa Rica

In February 2021, Costa Rica signed the agreement to be a member country of CAF, and this inclusion as a Series A shareholder will facilitate greater access to long-term financial resources, as well as technical cooperation for its sustainable development, among other benefits.

As part of the support granted in the face of the health emergency caused by COVID-19, in July 2021, a non-revolving and non-committed credit line was approved, for \$100 million, to the Costa Rican Institute of Electricity (ICE), within the regional counter-cyclical facility aimed at companies providing public electricity, gas and water services.

During 2021, two technical cooperation operations were approved. The first is framed in CAF's financial inclusion agenda, and aims to support the Vice-Presidency of the Republic and the National Institute of Women (Instituto Nacional de las Mujeres, INAMU) in implementing the "Guidelines for closing the financial gap between women and men in Costa Rica" and implementing a pilot program with three financial entities, in order to implement the

axes of the guidelines as a public policy to promote the financial inclusion of women. The second is in favor of the Ministry of Public Education and seeks to support the implementation of a Virtual Learning Platform that provides a secure, accessible and adaptive digital space for at least 500,000 students and 20,000 teachers for the interaction, development of skills and building knowledge within hybrid education environments (virtual and face-to-face).

With regard to the accompaniment of the private sector, the approval of a non-committed revolving credit line was renewed, for \$15 million, for Banco Improsa, which is aimed at providing financing to small and medium-sized Costa Rican enterprises.

Finally, from CAF Asset Management Corp. (CAF-AM) is progressing in the creation of a closed investment development fund to invest in debt for infrastructure projects in Costa Rica. In recent months, meetings have been held with the main actors in the country and a very favorable reception for the initiative has been noted.



Approvals

- 1 ICE Public Companies Line**
Client: Costa Rican Electricity Institute - ICE
Amount: \$100 million
- 2 Credit Line**
Client: Banco Improsa S.A.
Amount: \$15 million
- 3 Cooperation funds**
Clients: Miscellaneous
Amount: \$0.5 million



Spain

In 2021, two technical cooperation operations were approved on issues associated with the regulatory development of governance, digital rights and the exchange of experiences that will strengthen the capacities of operators of water and sanitation companies for some countries within the region.

In addition, the deployment of the “Resilient Digital Schools” Project was carried out by Action Aid with CAF technical cooperation resources, which was received an award from the Spanish Association of Foundations Awards. Thanks to the project, the digital transformation process was promoted in 13 educational centers, benefiting more than 3,200 students and 350 teachers. The model developed and the lessons learned will serve to replicate similar actions in the region.

At the institutional level, relations were strengthened with the Ministry of Ecological Transition and Demographic Challenge and the Ministry of Economic Affairs and Digital Transformation, through the renewal of the memorandum of understanding, to join efforts in the development of training, scientific and technical initiatives related to water. Additionally, agreements

were renewed with Telefónica, ICEX, BBVA, the Organization of Ibero-American States for Education, Science and Culture (OEI) and the Corporate Institute; and new working alliances were established with the World Tourism Organization (WTO) to promote sustainable tourism; and with Universidad Complutense of Madrid (UCM) to strengthen the training of officials and students in the region.

To promote the exchange of knowledge and good practices, the VII Dialogues of Water in Latin America - Spain; the CAF-Bank of Spain forums on economic perspectives; the presentation of RED2020 together with Casa América and RED2021 at Banco de España; the discussion with the Conference of Ibero-American Water Directors (CODIA) on the detection of COVID-19 in wastewater; the Future Forum in Spanish in Valencia; the “Un CAFé con” talks on Latin American news; the event “Energy transition in Latin America: challenges, opportunities and program vision based on Colombian success” with President Iván Duque, coinciding with the first institutional visit of the Executive President of CAF to Spain; and the event “Experiencia: Data and Artificial Intelligence in the Public Sector” were held as part of the Regional AI Initiative sponsored by Telefónica with €50,000.



Approvals

- 1 **Direct equity investment - FIDE**
Client: Mecwins, S.A.
Amount: \$0.5 million
- 2 **Direct equity investment - FIDE**
Clients: The Social Coin, S.L.
Amount: \$0.5 million

Portugal

In 2021, the First CAF Conference in Portugal (2022) stands out, which seeks to strengthen and strengthen the relationships between CAF and the country, an operation that will be accompanied by a recurring technical-business mission in Lisbon to promote collaboration, the exchange of knowledge, good practices and the search for opportunities with institutions and companies in Portugal.

for the *Promotion of Latin America and Caraíbas (IPDAL)*, his support as a partner for the third edition of the *"Ideas for the Future" University Trial Competition* was counted on, and the X Meeting "Strategic Triangle: Latin America – Europe – Africa" as a mechanism to promote the relationship between Portugal and Latin America.



The official launch and publication of the report "Portugal: The Jump to Digital Transformation" made by CAF together with the *Agency for Administrative Modernization (AMA)* with the objective of sharing Portugal's experience in the implementation of its digital transformation strategy and offering lessons learned, recommendations and good practices for Latin America and the Caribbean.

On the other hand, as part of the existing alliance with the Institute



Dominican Republic

In October 2021, the agreement for the incorporation of the Dominican Republic as a CAF Member Country was signed. Being a Series “A” a shareholder will allow the country to have greater access to long-term financial resources and non-refundable cooperation funds, as well as to have greater representativeness in the governance of the institution.

During the first quarter of the year, a long-term sovereign risk loan under the policy-based credit (PBL) modality was signed, for \$300 million, to assist and supplement the fiscal measures that the Government is applying to mitigate the economic, financial and social impacts generated by the pandemic.

In August of this year, another long-term sovereign risk loan of \$97 million was executed to finance the “Eastern Aqueduct, Salinity Barrier and Transfer to Santo Domingo Norte Expansion Project”, which aims to provide the continuous and quality drinking

water service, to a population of approximately 1.1 million inhabitants in the municipalities of Santo Domingo Este and North. During 2021, two technical cooperation operations were approved. The first for the improvement of demand management in specific areas of the City of Santo Domingo with PPSA resources, and the second seeking to strengthen the technical capacities of the General Directorate of Public-Private Alliances (Dirección General de Alianzas Público-Privadas, DGAPP) in the identification, planning, evaluation, structuring and supervision of infrastructure projects under the APP scheme.

With regard to the private sector, a non-committed revolving credit line of \$20 million was approved, in favor of Banco BHD León, to finance the growth of the bank’s loan portfolio in the SME sector, led by women from the Dominican Republic.

Additionally, from CAF Asset Management Corp. (“CAF-AM”) is progressing in the creation of a closed investment development fund to invest in debt for infrastructure projects in the Dominican Republic.



Approvals

- Credit Line**
Client: Banco BHD
Amount: \$20 million
- Cooperation funds**
Clients: Miscellaneous
Amount: \$1 million



Other activities in Europe

In 2021, at the meeting of the EuroLat Parliamentary Assembly of the European Parliament, the Euro-American Foundation and the Ibero-American Business Foundation presented the report sponsored by CAF “Latin America, An Agenda for Recovery”. In addition, CAF held the virtual workshop “Cooperation between CAF and the European Union” and, in addition, held technical sessions and workshops to work with the INTPA (*International Partnerships*) Directorate to explore new collaboration opportunities and strengthen the mobilization of resources through the instruments of the European Union.

In Andorra, CAF was present at the XXVII Ibero-American Summit of Heads of State and Government.

In Italy, CAF participated in the “X Italy – Latin America – Caribbean Conference” which is organized, biannually, by the Ministry of Foreign Affairs and International Cooperation

(Ministerio de Asuntos Exteriores y Cooperación Internacional, MAECI) in collaboration with the International Italy-Latin American Organization (IILA) as the high-level reference meeting between Italy and Latin America. At a more technical level, the CAF-*Cassa Depositi e Prestiti* (CDP) Workshop was held to explore opportunities for Italian companies in Latin America. During 2021, CDP reinforced its support to the region through CAF, expanding the existing line of credit by an additional €100 million.

In the United Kingdom, CAF maintained an important presence within the framework of COP-26; CAF officials participated in the *Sustainable Infrastructure Course* held by the *Infrastructure and Projects Authority* (IPA); and together with Canning House the “*Education and the Digital Divide*” event was held.

In France, CAF participated in the Biarritz Festival Economic Forum “Water in Latin America: Challenges and Opportunities”.

Approvals

1 Financial lines of credit

Clients: Miscellaneous
Amount: \$410 million

2 Cooperation funds

Clients: Miscellaneous
Amount: \$12 million



Multinational

CAF, in 2021, approved the donation for Emergency Humanitarian Aid in favor of Haiti in support of the government, to mitigate the negative impacts generated by the earthquake of August 14, 2021, which affected the southern area of the country and also by the heavy rains and floods caused by tropical storm Grace, which affected the country on August 17, 2021.

Approvals

- 1 Credit Line**
Client: BLADEX
Amount: \$150 million
- 2 Credit Line**
Client: Corporación Interamericana para el Financiamiento de Infraestructura S.A. (CIFI)
Amount: \$15 million
- 3 Regional Counter-Cyclical Support Facility for National or Sub-national Development Banks in Response to COVID-19**
Client: Financial Fund for the Development of the Cuenca Del Plata - FONPLATA
Amount: \$150 million
- 4 Credit Line**
Client: Financial Fund for the Development of the Cuenca Del Plata - FONPLATA
Amount: \$75 million
- 5 Credit Line**
Client: Latin American Agribusiness Development Corporation S.A. "LAAD"
Amount: \$20 million
- 6 Cooperation funds**
Client: Miscellaneous
Amount: \$12 million



Comprehensive development agenda





The CAF Comprehensive Development Agenda aims to achieve a greater focus on the institution's activities on the most relevant topics for sustainable development and the integration of Latin America and the Caribbean, through the offer of financial instruments and knowledge services. This agenda seeks to promote Latin American growth that allows for reducing productivity gaps with respect to high-income economies within a framework of environmental sustainability. This is based on the formulation of initiatives that promote higher levels of human development and financial inclusion, strengthen the management capacity of public institutions, stimulate regional integration and foster spaces for discussion and consensus among countries in the region.



Private Sector

In 2021, resources of more than \$4.1 billion were disbursed, benefiting more than 16,000 SMEs, 409 companies and 130,108 micro-entrepreneurs through facilities granted to national and sub-national development banks, commercial banks and microfinance institutions. In this way, financial intermediaries became our main allies in our goal of allocating resources for the productivity and competitiveness of MSMEs in the region. In response to the needs of the business fabric in the post-crisis recovery stage, it was necessary to include facilities aimed at funding short-term working capital and not just for investment and growth projects. The implementation of the Regional Support Facility for Local Development Banks approved in 2020, as a response to the crisis caused by the pandemic, made it possible to reinforce the strategic relationship with the CAF, reaching a portfolio of more than \$1.3 billion to be used for funding SMEs in the economic reactivation.

An important milestone in 2021 was the approval of the Regional Program for Local Financial Institutions (LFIs), in co-funding with the Green Climate Fund, for an amount of \$150.2 million with the participation from the CAF of \$50.2 million and a catalytic amount of \$100 million, with the aim of promoting a financial sector committed to sustainability and productive transformation in the region and promoting the reduction of greenhouse gases from the operations of financial institutions.

This year it was also necessary to adjust the conditions of the funding operations of large infrastructure projects, to meet the new market circumstances imposed by the crisis. In this sense, the negotiations with Terminal de Puerto Paracas (Peru) and the negotiation for the refinancing of the Central Railway (Uruguay) stand out.

In the structuring of new operations, the following stand out (i) the execution of the operation of Line 6 of the São Paulo metro, where the CAF will act as guarantor of the “completion risk” to BNDES, granting it a partial credit guarantee for up to \$150 million equivalent in BRLs with a term of 6.5 years.

In terms of non-financial services and knowledge for the private sector, financial advice was provided to Compañía Verdú SA, for the award of the PPP Chongón-Santa Elena road concession in Ecuador and the structuring of the funding that has allowed it to attract several local banks and also to the Gransolar/Total Eren/Tesla consortium, which will be responsible for the renewable energy network for the islands of Santa Cruz and Bartra (Galapagos – Ecuador).

Five virtual workshops were also held in Bolivia, Costa Rica, Ecuador, Mexico and Uruguay on innovation management, attended by more than 100 SMEs in the region and around 400 people trained in business innovation management tools. The CAF's first Innovation Summit was also held in Valencia, Spain, attended by representatives of Science and Technology Secretariats and Rectors of the main universities of eight countries, in order to promote the culture of innovation in Latin America among the heads of the regional decision-making processes in the promotion, design and deployment of policies and instruments for innovation.

One should also highlight the third edition of the Financial Inclusion Laboratory, which this time focused on Argentina, Chile, Paraguay and Uruguay. Eight winners were selected out of 79 applicants, who are contributing with technological solutions to reduce gaps of financial inclusion in vulnerable populations and MSMEs.

An important milestone in 2021 was the approval of the Regional Program for Local Financial Institutions (LFIs) in co-funding with the Green Climate Fund for an amount of \$150.2 million.

Transport, Integration, Logistics, Communications and Energy Infrastructure Agenda

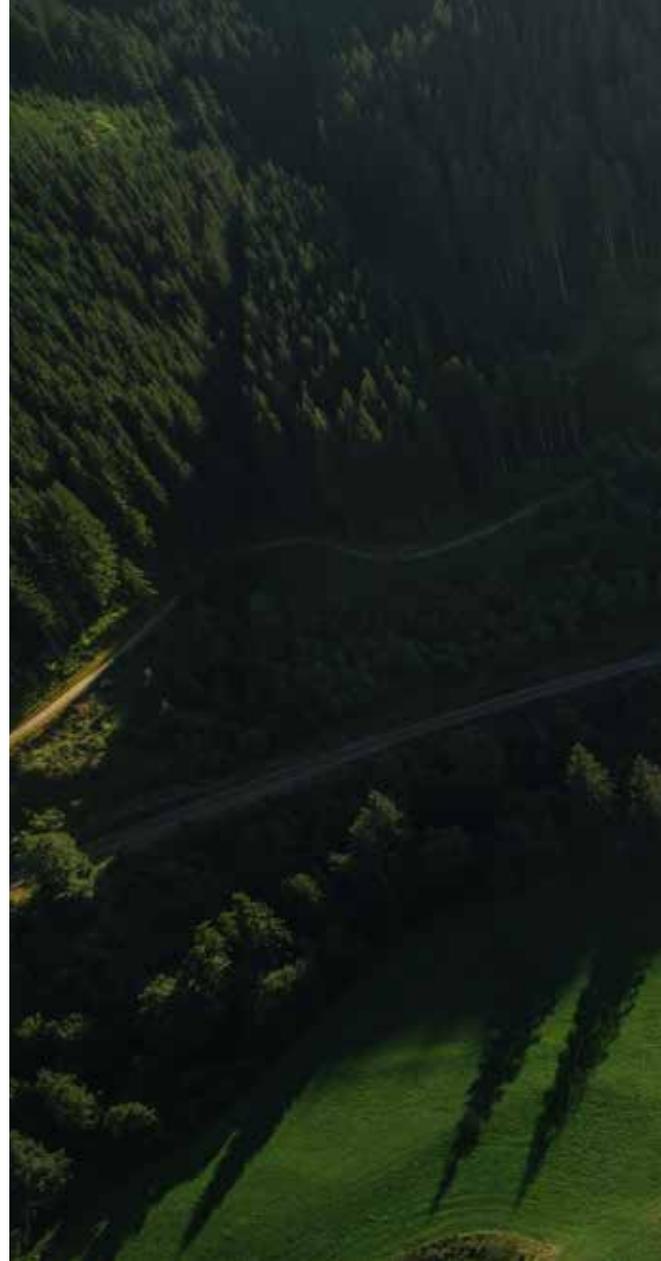
Latin America and the Caribbean will grow in 2021, although the pandemic is still present, and to sustain this path of economic growth it is necessary to increase the investment and productivity of the economies, being the key infrastructure in the economic reactivation. CAF, through its Infrastructure Agenda, seeks to contribute to improving the provision, quality, functionality, digitalization and integration of strategic, sustainable and resilient infrastructure to promote more productive and connected economies and societies, with access to public services and competitive in a region more articulated between the different regions of Latin America and within each of the countries, highlighting the following actions in 2021:

To guide the CAF's action in **terrestrial transport infrastructure** with the focus on integration, the methodology for prioritizing projects of the IIRSA portfolio in the highway and railway sectors was developed, through the application of the concept of quality infrastructure.

In this context, pre-investment studies are being financed for the road components of the Logistics Integration Corridors of the projects: Route 9 – Transchacho and Access to the Second International Bridge over the Paraná River in Paraguay; various bridges in Brazil and Uruguay; the Central Bioceanic Railway Corridor in Bolivia; the New Concession of the Western Railway Network of Brazil; the variants of Penonomé and Santiago in Panama plus two road projects within the surroundings of the Quito-Guayaquil axis in Ecuador.

With the aim of incorporating digitization, modernization and transparency processes in the construction sector, we are starting a new study that will allow us to have a diagnosis of the implementation of the BIM (Building Information Modeling) methodology in public investment projects.

Through its Infrastructure Agenda, the CAF seeks to contribute with the countries of the region to improve the provision, quality, functionality, digitization and integration of strategic, sustainable and resilient infrastructure to promote more productive and connected economies and societies.





In the framework of collaboration with the World Road Association (PIARC), the development of a MOOC course was started that covers the entire road infrastructure provision cycle - design, construction, maintenance and management.

The conditions of the pandemic highlighted the importance of urban distribution of goods and the need to address the impacts that urban logistics generates in the **mobility and in the functioning of cities**. For this reason, work was carried out on the CAF LOGUS strategy to identify potential projects in cities that have logistics infrastructure in the urban area as their axis.

Regarding the GHG emissions generated by transport in many Latin American countries, which represent a higher proportion than the world average, efforts continue to promote the decarbonization of transport through the regional electric mobility and low-carbon transport initiative - E-MOTION - for 11 countries (Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Panama, Paraguay, Peru, and Uruguay).

At the regional level, the Public Transport Quality Standards Initiative is being developed in response to the impacts generated by the pandemic, measuring the quality of service that there would be by having the same level of supply as prior to the pandemic. This initiative is being developed in Brazil, Mexico, Panama and Uruguay for the CDMX and Panama City Metrobús systems, the Panama Metro system and the Rio de Janeiro and Montevideo bus systems.

In addition, it contributed to the design and implementation of the MOOC "Mobility and Gender in Latin America for Urban Women Leaders", co-funded by ADF and GIZ, training 60 women from the public and private sectors of Latin America.

With regard to **energy**, the study titled *Energy Integration in Latin America. A Vision of Development to 2040* was concluded. This seeks to identify and evaluate electrical interconnection projects in some Latin American countries (Costa Rica, Colombia, Ecuador, Panama and Peru). Specifically for the Colombia-Panama electrical interconnection, marine impact studies are being funded to contribute to the project's pre-investment studies.

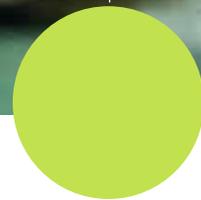
In terms of energy efficiency, Mexico is developing the "Diagnosis of the Energy Efficiency of the Monterrey Water and Drainage System (SADM) and a comprehensive strategy to increase the level of its efficiency".

In Paraguay, ANDE is being supported in the development of a study on cybersecurity in energy infrastructure to eliminate gaps and vulnerability in the operation of the country's electrical system, associated with the modernization and digitization of infrastructures. supporting the implementation of Intelligent Systems for control and measurement in the electrical distribution network.

Understanding that closing the **digital divide** in Latin America and the Caribbean continues to represent a structural challenge (31% of the population has no internet access), the CAF's Digital Agenda is developing various programs for universal access to the internet and educational digital transformation in financial inclusion on mobile connectivity.

In Argentina, progress is being made in actions to develop, manufacture, launch and put into orbit the first high-performance Argentine satellite, providing high-speed internet cover for a million people, and in the Province of Santa Fe, it is planned to expand and modernize the infrastructure of 3,400 kilometers of fiber. In Peru, the roll-out of the Internet for All (IFA) network continues, which seeks to cover nearly 20,000 rural locations, benefiting 4 million people. In Panama, the feasibility study for the development of the Panama 100% Digital Strategy and for spectrum management began. In Brazil, within the framework of the operation to improve the connectivity of the São Paulo Metro, interventions are being financed to allow greater efficiency in the system through the automated management of collection and the fleet. In Chile, support is being given to the assistance that will develop the "Digitalization Strategy for the reinforcement of the decentralized public management of the Regional Governments of Chile - SUBDERE" [Subsecretaría de Desarrollo Regional y Administrativo (Under-Secretariat of Regional and Administrative Development)].

Progress is also being made in the development of the Regional Digital Market in Latin America that facilitates the exchange of goods and services online. In this regard, the feasibility study of the Asia-South America Digital Door Submarine Cable Integration Project was completed; Support to the Government of Panama began for the implementation of the Digital Interconnection Hub in Panama, which would give the region the opportunity to improve the capacity and quality of internet connectivity; together with the Pacific Alliance, progress was made in the first phases of the technical study for the elimination of international *roaming* charges in the countries of the bloc, which would allow the integration of a single telecommunications market; and support was given to the Andean Community of Nations (ACN) for the implementation of the





Andean Community Interoperability - INTERCOM, which aims to develop a standardized and unified digital infrastructure for the exchange of information on foreign trade between customs of the member countries of the ACN.

At the regional level, the CAF, together with the Center for the Fourth Industrial Revolution (C4IR) of Colombia, launched a study that lays down the guidelines for moving forwards *Towards a comprehensive agenda for the adoption of technologies for learning 4.0 in Latin America*.

The regional study titled "Towards the Functional Digitization of Infrastructure Services in Latin America" was also launched, which analyzes the disruptive potential of digitizing electrical, urban mobility and logistics infrastructures.

The study for the development of 5G networks in Latin America with applications for use in closing the digital divide, connectivity of productive ecosystems and development of smart cities also began.

In promoting the **Regional integration**, the Regional Infrastructure Preinvestment Program (CAF-PPI), which finances preinvestment studies for integration infrastructure projects, financed 11 integration projects in eight shareholder countries (Argentina, Bolivia, Brazil, Colombia, Chile, Mexico, Panama and Paraguay), including support for rail and road infrastructure projects, digital connectivity, binational electrical interconnection, and integration programs for the development of integration logistics corridors; helping to speed up the implementation of the portfolio of regional integration projects.

Within the framework of the Strategic Integration Logistics Corridors Program (CLI), the application of the CAF-CLI methodology in Mexico in the Tehuantepec Isthmus Integration Corridor (CIIT) was completed.

The CAF LOGRA Regional Logistics Development Program continues to advance with the objective of identifying, promoting and carrying out projects and programs to improve the performance of national logistics systems, highlighting the preparation of a technical note to design CAF's strategy in Agrologistics in Colombia. In addition, two new Logistics Roadmap experiences were implemented: (i) Integrated Sustainable and Safe Logistics in Insularity (in Ecuador, Galapagos Islands), and (ii) promotion of the competitiveness of Logistics Clusters as a basis for economic recovery in Panama.

The study was started for the development of 5G networks in Latin America with applications for use in closing the digital divide, connectivity of productive ecosystems and development of smart cities.

Through its Comprehensive Border Management Program (PROGIF), the first phase of implementation of the Tabasco Comprehensive Development Program, on the southern Mexican border, was completed in close collaboration with federal, state and municipal authorities. CAF is also carrying out other interventions in border areas, such as the Colombia-Venezuela border to stimulate the economic development and commercial integration of Táchira and Norte de Santander, through a comprehensive regional development program with an emphasis on the corn chain.

CAF also seeks to promote the development of local populations by carrying out complementary studies on infrastructure projects with influence on the region's borders. There are several initiatives currently underway: (i) the granting of technical assistance to optimize the processes in the Rumichaca CEBAF within the framework of the Logistics Infrastructure Program on the Colombia-Ecuador border, (ii) the studies to analyze the impact of works related to the Second Bridge over the Paraná River in the towns near the triple border Argentina-Brazil-Paraguay and (iii) the complementary studies to the Lagunas Merín and Los Patos waterway project to design a Cross-Border Economic Development Plan with the aim of facilitating trade and maximizing local economic impacts on the Brazil-Uruguay border.

Within the framework of its Customs Strategy, studies were awarded to support the Mexican Tax Administration System (SAT) to carry out a review of the infrastructure, technology, equipment and process requirements to strengthen Mexico's trade with its neighboring countries.

At the inter-institutional level, through ILAT - Alliance for the Integration and Development of Latin America and the Caribbean, the new alliance between IDB, CAF and FONPLATA, the following activities were carried out: study on the physical integration of

South America: the next Steps; analysis and portfolio proposal of 26 projects for an estimated value of \$3.18 billion; design of the Comprehensive Project Support Program; and launch of the web platform.

Within the framework of the CAF's support for the logistics development of the member countries, support was provided via technical cooperation: the structuring of the Coffee Airport in Colombia, the feasibility study of the Barrancabermeja Logistics Platform in Colombia, and studies to strengthen the functionality and digitization of the Quito-Guayaquil structuring trunk axis and extensions to borders in Ecuador.

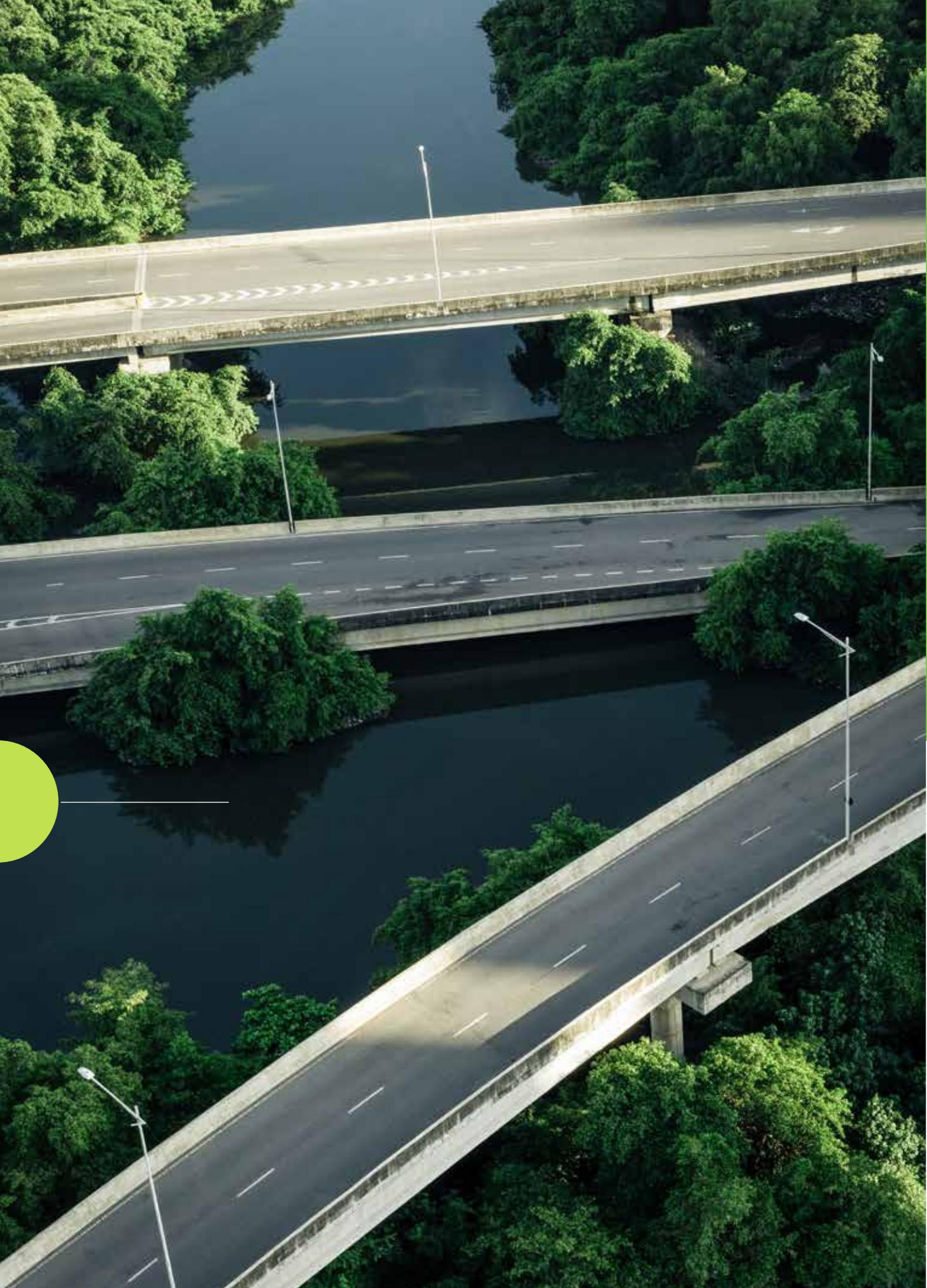
In addition, the funding of projects related to the logistics sector stands out: Parcel Project in Paraguay; Barranquilla Airport and Puerto Bahía in Colombia; Port of Paracas in Peru; Panama Canal expansion project; logistics infrastructure in Ecuador and Project for the Modernization of the Air Traffic Surveillance System in Argentina.

In support of the development of PPPs in the region, the CAF Alumni PPP Network was created as a space for relations and consultation between public officials in Latin America, holding thematic workshops on private initiatives, conflict resolution, digitization and BIM implementation, and the impacts of COVID-19 on PPP projects.

In knowledge management, two publications were produced: *Impact of COVID-19 on PPP projects* and *Ideas and Reflections for the implementation of PPP projects in Latin America*; and supported the preparation and dissemination of the CAF document on public policies *Governance of the infrastructure sector and the PPP*.

In matters of institutional strengthening and improvement of technical capacities, support is being given to Panama, the Dominican Republic and Ecuador, mainly in the reinforcement of their regulatory and institutional frameworks.

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CAF-funded physical integration projects in the last 25 years

Composition as of 2021*



*The values reported for the year 2020 reflect a revision of the base.

Credit operations with integration components approved in 2021

BOLIVIA

Construction of the Caracollo – Colomi Double Track: Section 2b Confital – Bombeo

The general objective of the operation is to improve and increase the national road infrastructure and favor the conditions of regional integration through the partial duplication of the Ruta Vial Fundamental No. 4 route between Confital and Bombeo towns.

ARGENTINA

Air Traffic Control System Modernization Project

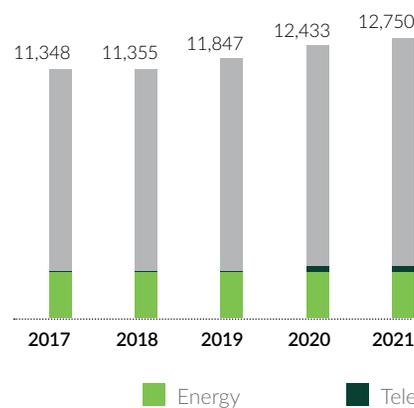
The objective of the operation is to contribute to reinforcing the physical and digital infrastructure of the Argentine airspace surveillance systems and the National Airport System, through modernization of the Argentine air traffic control system.

ARGENTINA

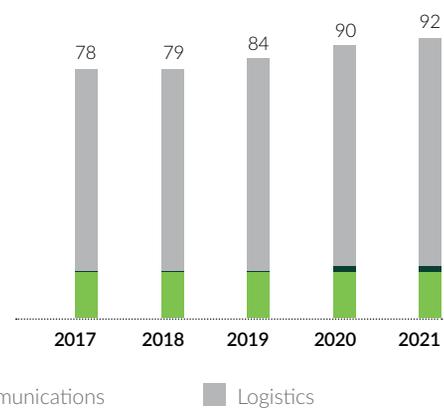
Integration Logistics Corridors Program

Its objective is to contribute to the consolidation of road corridors, favoring national and regional integration, by expanding the infrastructure capacity of roads that are part of logistics corridors.

THE CAF'S CONTRIBUTIONS
(in US\$ millions)



PROJECTS
(number)



Contributions to Development

LOGISTICS INFRASTRUCTURE

36,742	Km of track
2	bridges
479	Km of rail track
2	CEBAF
25	Radar systems
5	Docks
2	Terminal
12	barges
1	set of dock-gates

ENERGY

3,198	Km of gas pipeline
4,906	Km of transmission line
4,558	MW of installed capacity
10,000,000	m ³ of production capacity
17,000,000	m ³ dredging

TELECOMMUNICATIONS

1,800	Km of cable
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92 physical integration projects with a total contribution of \$12.75 billion, for a total investment of \$32.549 billion



This map has been prepared by the CAF for illustrative purposes only. Therefore, the borders, colors, denominations or other information shown do not imply any judgment on the legal situation of any territory, nor recognition of borders by the institution.



Within the strategic sphere of equity, the CAF drives actions framed in five fundamental axes: (i) water; (ii) education; (iii) urban development; (iv) health and nutrition; and (v) social inclusion and gender equality. To this end, it offers different mechanisms for the comprehensive funding of investment projects and programs, specialized technical assistance and knowledge management applied to strengthening skills, improving projects and spreading international best practices.

Water

The CAF's strategic vision of this sector is based on and integrated focus on **Water Safety**. This includes guaranteeing access to water and sanitation for populations, reducing water pollution and preserving ecosystems, ensuring physical availability for sustainable and productive development, improving water governance and reducing the risks associated with the lack or excess of water.

In 2021, water, sanitation, flood management, coastal erosion control and sector support operations were approved throughout the region, worth \$276 million and benefiting millions of Latin Americans.

In addition, a fourth phase of the Water Sector Pre-investment Program (CAF-PPSA) was approved for \$5 million, which, added to the previous three, allows countries to be supported with \$20 million in pre-investment studies. To date, the PPSA develops 22 instances of technical cooperation for the benefit of nine countries.

The CAF continued to be a relevant actor at the international level, increasing its presence at the Stockholm World Water Week, in addition to holding the VII Edition of the Dialogues on Water on "Management and Governance in Aquifers". Furthermore, as a member of the board of governors of the World Water Council, the CAF organized the Water Finance and Governance regional conference in Latin America and the Caribbean.



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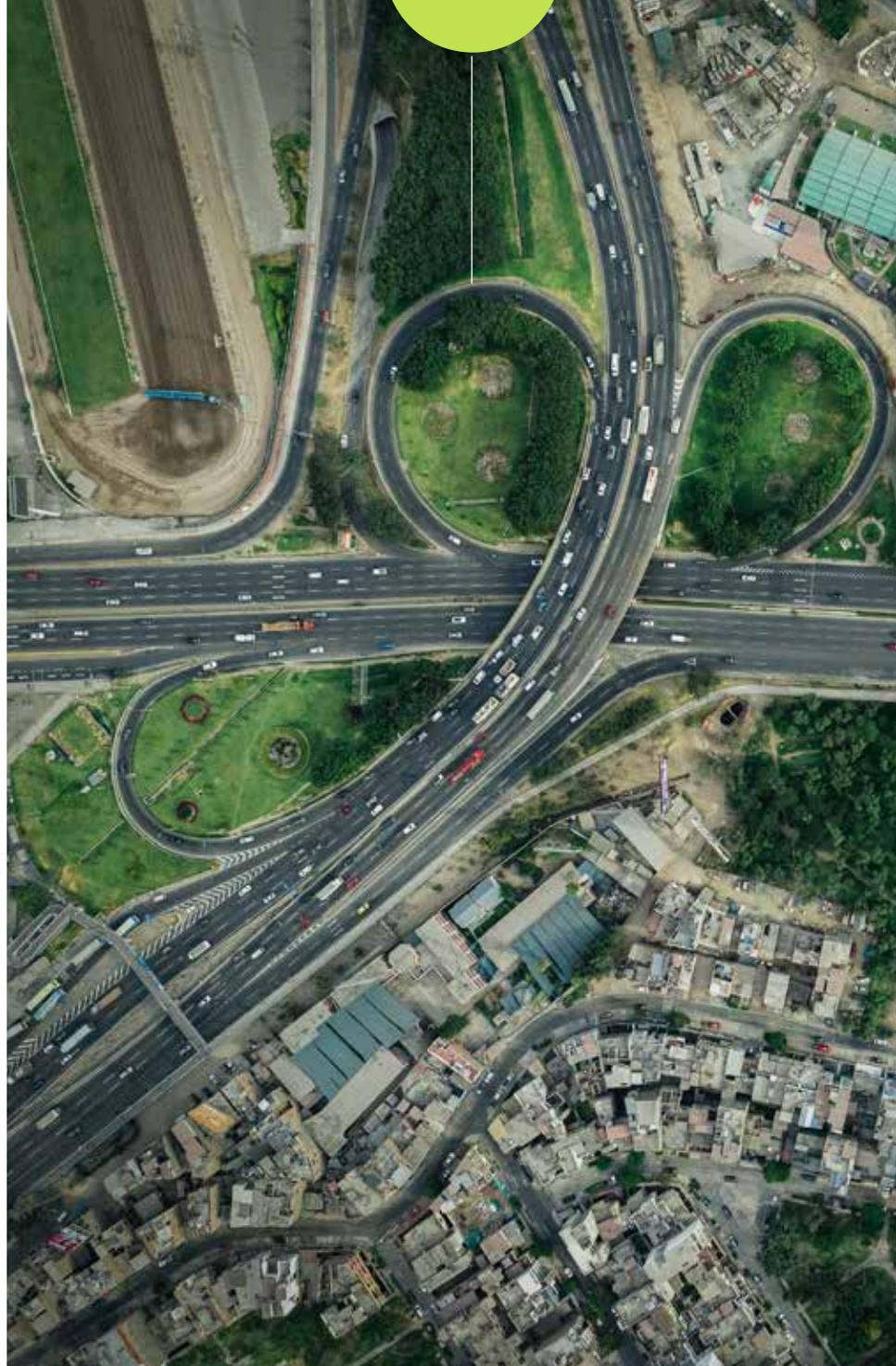
Urban Development

The CAF's strategy in cities is aimed at helping to improve the levels of inclusion and productivity of Latin America. In particular, the objective in urban development is to promote and strengthen a sustainable city model focused on habitat improving and urban management, with special emphasis on housing, public spaces and citizen safety.

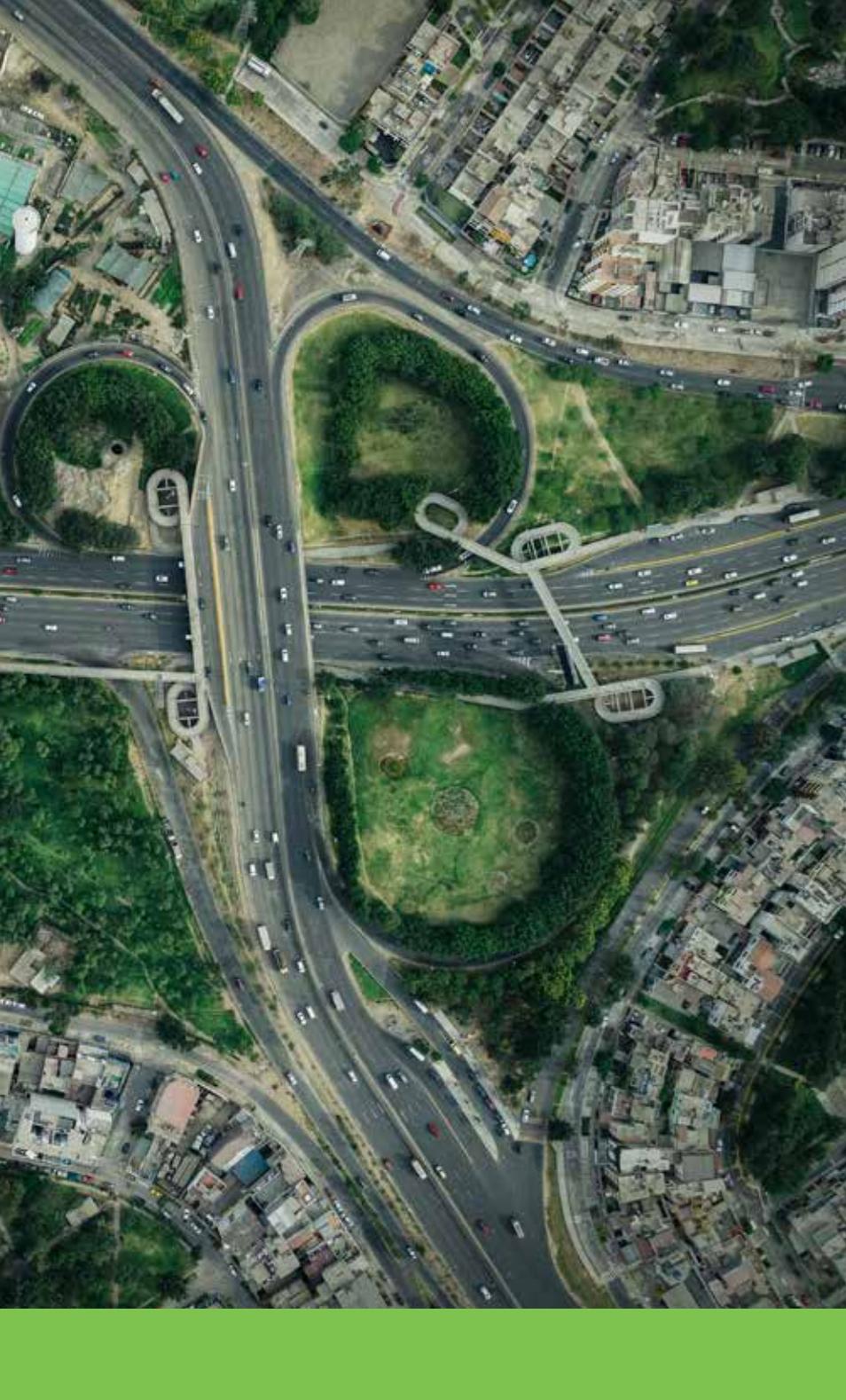
In 2021, support was given to the evaluation and approval of credit transactions in Brazil and Ecuador, while technical assistance was provided during the administration phase to credit transactions and technical cooperation in Argentina, Brazil, Colombia, Ecuador, Paraguay, Peru and Uruguay.

In terms of knowledge and alliances, the relationship with the Avina Foundation, Lincoln Institute, OAS and UNHabitat was consolidated. During the year, the safety agenda and the guide for safer cities were disseminated to more than 500 officials from regional and local governments in Latin America, and capacities for crime prevention and analysis were strengthened. Also of note is the holding of the Latin American and Caribbean Biodivercities Forum, organized together with the Barranquilla mayor's office, which brought together mayors from across the region to share experiences about promoting cities that place biodiversity and the environment as key facets of their planning and development.

The Cities with a Future initiative continued to be strengthened, conceptualizing and disseminating the preparation of operations with this approach, as well as creating profiles of access to opportunities in cities throughout the region.



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Education

Through its Educational Agenda, the CAF contributes to closing the gaps in access, quality and relevance of education, with an emphasis on the most vulnerable population, promoting comprehensive interventions and recognizing the specific conditions of each educational system.

In 2021, operations valued at \$215 million were approved, which will contribute to strengthening the provision of educational services in the basic cycle, improving the conditions of educational infrastructure and the university level with better infrastructure and relevance of learning.

Support was also provided to Argentina, Brazil, Costa Rica, Panama, Trinidad and Tobago, and Uruguay with various products of technical cooperation and applied knowledge on issues of educational infrastructure, efficient incorporation of technology in learning, technical education and professional training, care in early childhood and bilingualism.

In the field of education, the CAF's position was strengthened through virtual training in educational infrastructure and digital tools for teachers. The work of the Agenda is also highlighted through the publication of various technical documents that address issues related to full-time schools, best practices for the transition from education to work, successful cases of educational infrastructure, analysis of supply and demand for the technology sector in Panama, a guide to guarantee safe schools, alternative models of connectivity for rural schools and bilingualism.

Nutrition and Health

Through its action in health and nutrition, the CAF contributes to improving nutrition and health conditions in the region with an emphasis on vulnerable populations and early childhood, as well as supporting countries in developing skills to face critical health events

In 2021, a regional facility worth \$1 billion was approved for reinforcing the health systems of Latin America and the Caribbean, especially to accelerate vaccination processes. Within the framework of this facility, applications were approved in Argentina, Bolivia, Ecuador and Peru. Likewise, a second phase was approved for \$200 million to continue supporting the reduction of chronic child malnutrition in Ecuador and the second stage of the AlimentAR Card Program in Argentina for \$300 million.

The relationship with institutions such as PAHO/WHO, WFP or UNICEF was strengthened with knowledge and technical assistance activities that promote intersectoral approaches to the care of children and vulnerable populations.



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Social and Gender Inclusion

The CAF systemically integrates the gender and social inclusion perspective in its operations, knowledge management and technical assistance, in order to accompany partner countries with interventions that promote the exercise of rights and equality, and extend benefits to all groups of the population.

In 2021, a loan for \$100 million was approved in favor of the popular and solidarity economy sector of Ecuador, and 56% of the resources will be oriented to the funding of operations with a gender perspective and financial inclusion of women. Moreover, 67% of the operations approved in the sustainable development sector include considerations of gender and social inclusion. At the same time, within the framework of the funding of the Renewal Program of the Faculty of Natural, Exact Sciences and Technology of the University of Panama, technical assistance was granted for the design of a course on teacher training and diversity and another for the Improvement Project of School Infrastructure "Back to the classroom" in Argentina, on gender criteria and eco-efficiency in educational infrastructure.

Three instances of technical cooperation were approved for a total of \$425,000 in favor of Colombia, Costa Rica and Venezuela that will seek to address gender in mobility patterns, gender gaps in financial inclusion and community prevention of gender violence.

In terms of knowledge, five publications were developed on topics such as gender gaps in the CAF's financial capacity surveys, guidelines to mitigate the risk of gender violence in public works projects, mobility with a gender perspective, maternity and flexible work, and challenges of social protection and health systems in the framework of the COVID-19 crisis. In addition, three online events were held on financial skills, motherhood, corporate governance, safety, and gender. Workshops were also held for financial sector officials on the application of the gender perspective and behavioral economics in financial education programs in Ecuador, Bolivia and Colombia.



Social Innovation

The CAF continued with the generation of practical knowledge in 2021 through the consolidation and testing of models with the potential to become useful solutions to the social challenges of vulnerable groups.

With the **Focus on Ecosystems** the following alliances are highlighted, among others: With Ilusión from Grupo Once, the preparation of content for the workshop, in Argentina and Uruguay, on inclusive mobility, social innovation and disability. With Fundación Paraguaya, in the exchange of learning from its pedagogical model of Agricultural Schools with La Salle University of Colombia. The 2021 SAS Award for Innovation and Impact in Argentina and the Compromiso y Transparencia Foundation co-funded the fifth edition of the “10 most innovative initiatives in Latin America” contest. In addition, with EHAS, progress was made with the online training of doctors and nurses in pulmonary ultrasound.



The CAF continued with the generation of practical knowledge in 2021 through the consolidation and testing of models with the potential to become useful solutions to the social challenges of vulnerable groups.



With **the focus on Territory** skills and opportunities for the social inclusion of vulnerable populations were reinforced:

- Argentina: four operations were closed:
 - i) Neighborhood Centers Training School in alliance with Cáritas Argentina that comprehensively addresses situations of exclusion, documented intervention in the case study Life as it Comes; ii) Creative Environments for youths at high risk and the reinforcement of their socio-emotional skills; iii) UMANA in community health that starts a new response in the province of Córdoba; iv) Diagnostic study and design of public policies for vulnerable sectors in the context of COVID-19 in Greater Buenos Aires: The Voice of informality.
- Bolivia: training began for public officials in the health sector in the use of portable kits to alleviate maternal and neonatal mortality in rural areas of the department of Cochabamba.
- Colombia: in La Guajira, the exchange of organic waste for food continued, accompanied by community sessions on environmental education. In Casanare, a pedagogical model of rural development was strengthened, with a focus on business. The digital platform “Oportunidad Emprender” was developed in partnership with the CRAC, in support of people with visual disabilities. In the Colombian Caribbean, financial education was promoted through the Bankomunal model and its new BK app.
- Paraguay: The “Gran Chaco Trinacional” project closed with the exchange of teaching workshops with the community and public officials, in addition to successfully testing a beekeeping production model and procedures for its organic certification were initiated, an intervention with a high potential for replication in communities of the Transchaco route. In Cerrito, Colombian rural technicians from the Utopía project were trained in sustainability techniques.
- Peru: Talks are advancing to expand the Napo Network, with its telecommunications and health services, to communities along the Santiago River, while distance medical consultations in the Napo River Basin are increasing.
- Uruguay: the “climatization” model was documented, which trains workers to carry out audits in low-income homes and carry out repairs to improve the conditions of comfort in these homes, a methodology documented in a useful technical manual for replication by other actors. As an unprecedented experience, a virtual training in financial education and entrepreneurship was carried out for the inmate population of the Punta de Rieles prison.
- Venezuela: Support was provided for the marketing of the Candiluz biscuit, which showed significant nutritional recovery rates in children between 3 and 12 years of age. With the Venezuelan Health Observatory, health personnel were trained in the prevention of COVID-19 contagion.

In addition, it participated in more than 12 international events and the experience of the area was documented in seven case studies.

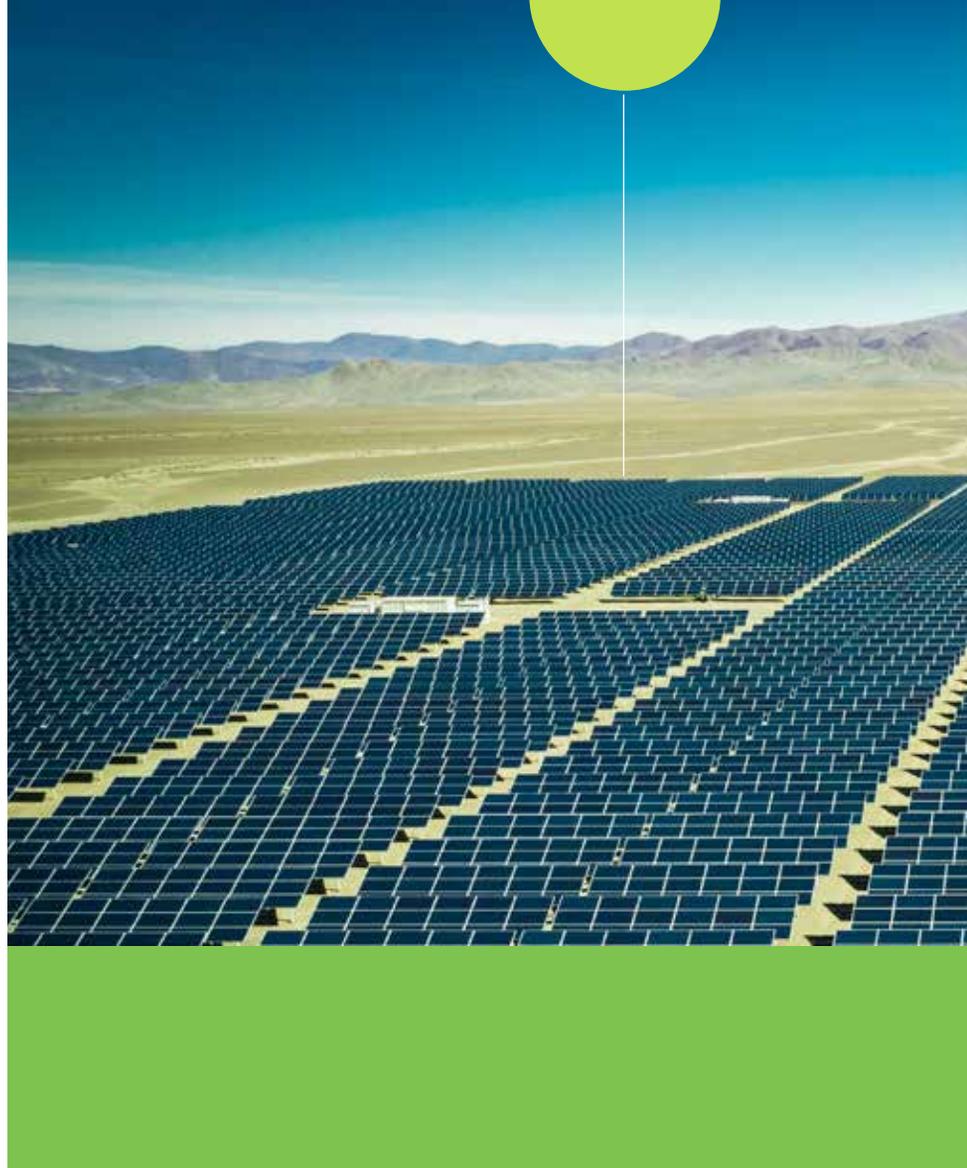
Sustainability, climate change and environmental management

The Green Agenda occupies a central place in the CAF's determination to become the Green Bank of Latin America and the Caribbean that promotes the transition of shareholder countries towards a resilient, low-carbon economy, through the enhancement of capital and the development of effective and efficient climate measures, incorporating the environmental component in all the CAF's operations and mobilizing resources for green funding, under principles of inclusion and equity. The CAF's Green Agenda has as its basic principle the link between the management of biodiversity and climate change, as it is key to guaranteeing the integration and alignment of environmental activities and investments. Aside from these two chapters, the agenda includes environmental management and risk analysis in the CAF's operations and internal environmental management. In addition, thanks to its high standards of environmental and social performance, the CAF is accredited as a project implementing agency before the Green Climate Fund (GCF), the Global Environment Fund (GEF) and the Adaptation Fund (AF).

The Biodiversity agenda combines a territorial focus on strategic ecosystems, with five components designed to facilitate the prioritization of actions, with the support of technical assistance and knowledge management in: (C1) Biodiversity, sustainable forests, clusters and productive landscapes; (C2) Biodiversity and competitiveness of SME(s); (C3) Biodiversity, blue economy and ocean health; (C4) Biodiversity and sustainable cities; and (C5) Biodiversity and funding.

In matters of **climate change**, the CAF's action focuses on energy, resilient and low-carbon cities, water, risk management, agriculture and the productive sector, and climate funding.

The CAF's Green Agenda has as its basic principle the link between the management of biodiversity and climate change, as it is key to guaranteeing the integration and alignment of environmental activities and investments.



In 2021, progress was made in the formalization of the co-funding contract between the CAF and the GCF to establish the Regional Facility for climate funding aimed at SMEs through Local Financial Institutions in Chile, Ecuador, Panama and Peru for \$150 million, of which \$50 million are funding from the CAF, \$95 million co-funding from the GCF and \$5 million in non-reimbursable operations of technical cooperation also from the GCF. \$4.7 million of GCF co-funding resources were disbursed for the Atacama Solar project in Chile and \$5 million of non-refundable resources for technical assistance from the Adaptation Fund for projects in Chile, Ecuador and Peru.



Studies were completed during the year to prepare *Readiness* of the GCF in Costa Rica, Chile and Paraguay and resources are being managed for the preparation of *Readiness* GCF for resilience in the Patagonian grasslands of Argentina. At the same time, the implementation of the initiatives of the Latin American Investment Facility of the European Union (LAIF) continued to encourage the reduction of emissions in projects, and for the resilience of cities in the face of climate change.

In terms of the international agenda, the CAF's participation in COP 26 in Glasgow stands out, in which it presented the main lines of action to become the Green Bank of Latin America and the Caribbean to support the countries of the region in their commitments to environmental conservation, preservation of natural ecosystems and energy transition. During the summit, the

institution announced that over the next five years, it will mobilize \$25 billion to promote green growth in the region.

The portfolio was also consolidated with the Global Environment Facility (GEF) with a total of 12 projects in execution associated with \$56.1 million, which include the five projects approved in this management for the service of Costa Rica, Ecuador, Panama and Peru and at a regional level in the Caribbean for a total amount of \$20.1 million.

During the year, the BIOCAF, CAF Forests and Bio Finance initiatives were reinforced for the 2021-2026 period. The network of strategic allies was also strengthened in the publication of case studies, manuals and guides, as well as the organization of courses for the service of the community working on biodiversity value chains, green financial instruments, blue economy and forests.

In terms of environmental and social management and risk analysis in the CAF's operations, the processes were reinforced in 2021 to ensure that the funded operations, both new ones and those in execution, are socially responsible, environmentally sustainable and climate-resilient, through the application of local regulations and the CAF's Environmental and Social Safeguards.

Finally, the CAF performs environmental management internally in order to maintain "carbon neutrality", create a culture of efficient management and report transparently to the international community on its environmental performance at the institutional level. To achieve this, its actions are supported by the Institutional Environmental Management System (IEMS) that adopts the international standard ISO 14001, and the CAF's Sustainability Report. The CAF's carbon footprint in 2020 (2,677 tCO₂e) was offset in 2021 through the acquisition of carbon certificates from the Bajo Calima - La Plata Bahía Málaga project, owned by nineteen Afro-Colombian Community Councils and a Major Indigenous Council of the Chocó area, Antioquia, Valle del Cauca, Nariño of Colombia. Various awareness and dissemination activities were also carried out in the CAF's offices and among the institution's officials.



The acceleration of the State's digital modernization for reactivation

The CAF, through the State's Directorate for Digital Innovation of the created in 2019, promotes the digital modernization of the State by promoting more agile, open and innovative governments, leveraging new technologies and data intelligence to improve the efficiency of public management and the quality of the services offered to citizens. To achieve this, the CAF continued throughout 2021 to work on the following agendas: i) digital government and public innovation, ii) govtech and data leverage, iii) regulatory improvement and administrative simplification, iv) government transparency and public integrity, and v) smart cities and digital municipalities.

The pandemic forced countries to redouble their efforts regarding the digital transformation of their national and sub-national governments. Within the framework of strategies for economic reactivation, the CAF became a relevant partner for governments to reinforce their public policies for the digital transformation of the public sector, particularly in some niches with differentiating added value. In 2021, ongoing projects were continued and new initiatives were designed, synergistically combining different instruments (actionable knowledge, sector dialogue, technical cooperation and loan operations).

The CAF contributed to State digital transformation with three credit operations totaling \$1.15 billion, with a focus on the digital modernization of the State, the Support Program for the Digital Transformation of the State for the Reactivation of **Colombia** (\$500 million), the Sector-Wide Approach Program to Support the Digital Transformation and Strategy Inclusion of **Panama** (\$350 million) and the Financial Inclusion and Digital Innovation Program of the Government of **Mexico** (\$300 million). Thirteen instances of technical cooperation were approved in favor of seven countries (Argentina, Brazil, Colombia, Ecuador, Spain, Trinidad and Tobago and Uruguay) for a total of \$1,461,200.

In matters of **digital government and public innovation** through the initiative known as *the Strategic Use of Data and Artificial Intelligence in the Public Sector*, the CAF became a relevant actor on the regional agenda, promoting the responsible use of artificial intelligence to streamline public management and facilitate data-based decision-making. In collaboration with Telefónica, Microsoft and C4RI, Experiencia, an international hybrid event, was organized and a regional report on this subject was published. Technical advice was provided to the governments of Chile, Colombia and Peru for the development of their AI strategies to, for example, develop a regulatory sandbox for AI in Chile.

Within the framework of this agenda, one should highlight the approval of non-reimbursable technical cooperation to expand the digitization of the payment of taxes and duties in Trinidad and Tobago stands out. As a result of the CAF-OECD joint work, the reports *Going Digital: The State of Digital Government* on the acceleration of the digital transformation of the governments of the region and *The State of Artificial Intelligence in the public sector* that will offer an overview of the use of AI in Latin America and the Caribbean.

CAF became a relevant government partner in strengthening its public sector digital transformation policies.

It is worth highlighting the support given to Colombia through, among others, the non-reimbursable technical cooperation of *Support for the State Digital Transformation Agenda*, which included the development of the Ethical Framework for AI and support for the AI Task Force and the AI Expert Mission. Colombia has managed to position itself as a leader in the region in terms of its public policy on artificial intelligence, which has been recognized in different international rankings. The technical assistance that the CAF has provided has been essential to achieve this position.

Regarding the **govtech agenda**, the CAF consolidated its service platform, the govtechlab, through which it strengthened the design and implementation of govtech policies and initiatives with national and local governments, highlighting the development of the govtech Strategy and the implementation of the Govtech Laboratory of Colombia, the model for the Córdoba Smart City Fund (Argentina), and the Open Public Procurement System of Mexico City. The Govtech Observatory was presented, which is a collaborative platform for identifying and analyzing high value govtech startups. In September 2021, the CAF launched the Global Alliance of Govtech Leaders chaired by Colombia, to promote exchange between government accelerators. It also made its first direct investments in three govtech startups: Citibeats (Spain), OS City (Argentina) and Cívica Digital (Mexico) to accelerate innovation in governments, particularly municipal ones. In addition, the Guide for the Preparation of Govtech Strategies was prepared and research began for the report titled "Public Procurement of Innovation as a Catalyst for the Govtech Ecosystem" and the Govtech Index of Latin American Cities, which will measure the progress of 30 cities.

In 2021, the CAF launched the Global Alliance of GovTech Leaders chaired by Colombia, to promote exchange between government accelerators.





Regarding **data intelligence**, the CAF supports Colombia's National Data Infrastructure Plan, and approved non-reimbursable technical cooperation on digital rights in Latin America aimed at internationalizing Spain's experience. There was a *call for papers* on the new challenges of data governance and its value for post-pandemic reactivation, with a view to preparing a report on the new regional data agenda.

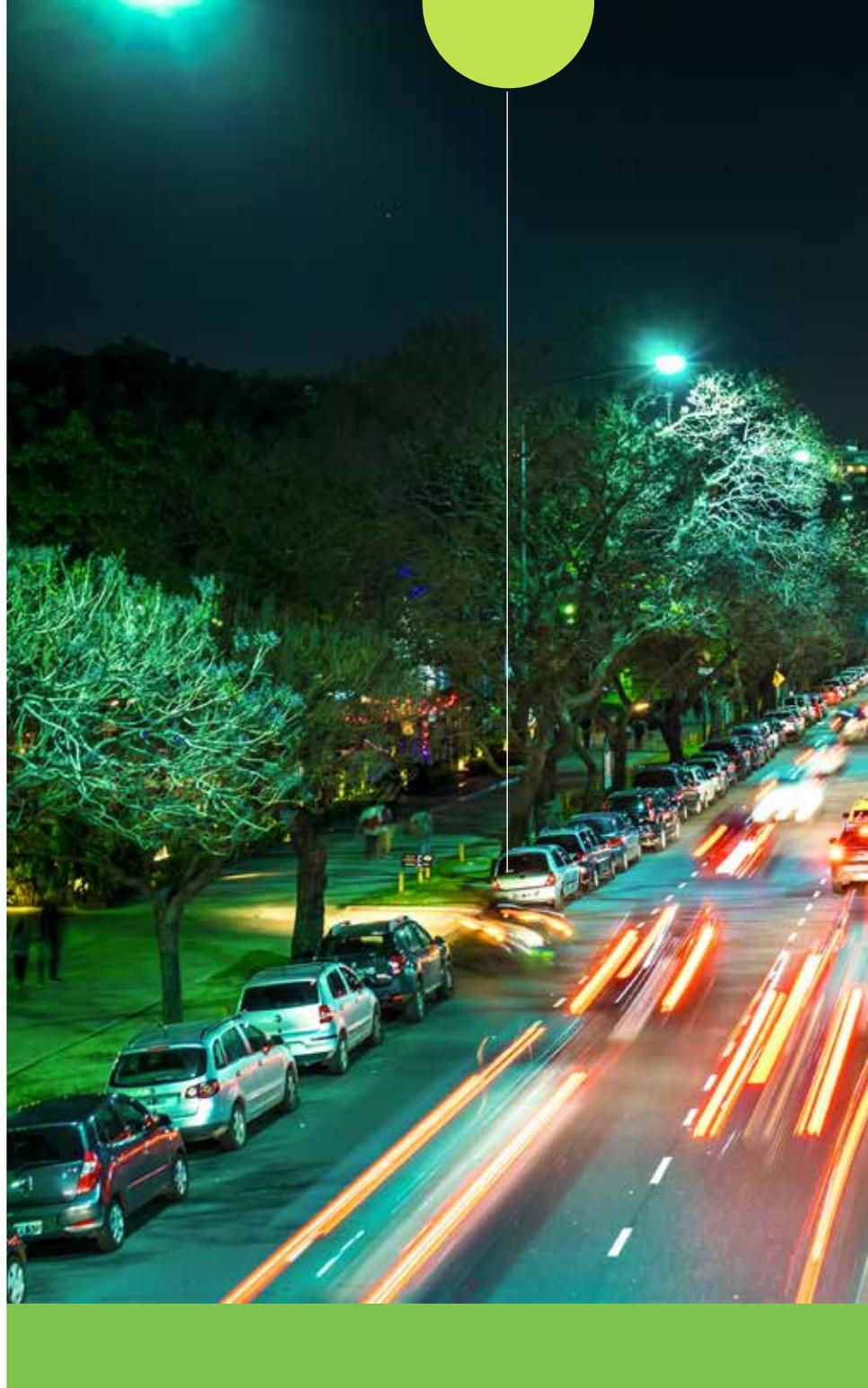
In matters of **integrity and the fight against corruption**, in 2021, the CAF supported sub-national governments (Bogotá and Jalisco) in the implementation of open data in the infrastructure sector, under the CoST (*Construction Sector Transparency Initiative*) standard. In matters of integrity for public procurement, together with the Inter-American Government Procurement Network (RICG), a pilot was carried out, based on a new guide agreed with the Public Procurement Agencies, for the implementation of data analytics techniques in the public contracting systems of Paraguay and Ecuador. In a similar line of work, the governments of Colombia, Ecuador, Panama and Paraguay are being supported in the implementation of open contracting standards for public contracting during the emergency. Thanks to the cooperation between the CAF and the Open Contracting Partnership (OCP), the Open Information Platform for Public Procurement in Ecuador was launched.

The open data agenda was consolidated by supporting the government of Ecuador, through the Ministry of Telecommunications, in the implementation of the Inter-American Open Data Program to prevent and combat corruption (PIDA).

Also to be published is the report titled *DIGIntegrity: The digital transformation of the fight against corruption*, which presents a comprehensive analysis of the opportunities offered by digital technologies as devices for public integrity and the fight against corruption in the region, updating the content of some *policy briefs* published in previous years, while documenting the CAF's experience in the application of these technologies in matters of integrity, and assisting countries.

At the CAF, we understand that the integrity and digital transformation of States are also vehicles for the economic reactivation of the member countries, since they prevent the waste of public resources and help public spending to be allocated more efficiently. In this regard, support for initiatives of digital innovation for the integrity and use of open data will allow governments to continue advancing, decisively, in this recovery process.

In the agenda for regulatory reform, the CAF organized with the Colombian government the *First Best Regulatory Practices Contest*, with the participation of 17 Colombian public institutions with more than 50 initiatives. This contributed to generating greater consensus around this agenda, particularly in view of the commitments with the OECD. Colombia was also supported in updating its regulatory improvement policy. Progress was made in the regional digital innovation initiative for regulation with the approval of two non-reimbursable instances of technical cooperations with economic regulators in Uruguay and São Paulo, both focused on the creation of data interoperability platforms between the regulator and the regulated company to reduce the costs of compliance for companies. Work was done on analytical products aimed, on the one hand, at sharing best practices of governments in the region and, on the other, at promoting key aspects of the regulatory improvement agenda. In the first sense, progress was made with the publication and dissemination of documents on strategies for simplifying administration in Peru and improvement to Colombia's regulatory agencies. In the second sense, the report *Agile states for recovery: Implications for governments in Latin America* was published. In addition, the report titled *The regulatory reform from within* will be presented, which will document experiences of implementation.





Regarding the agenda of **smart cities and digital municipalities**, the line of work with the main sub-national digital innovation centers was consolidated with several instances of technical cooperation, especially in Bogotá, Buenos Aires, Mexico City, Córdoba, Recife and São Paulo. Dialogue was promoted with national bodies responsible for disseminating government digital initiatives and public innovation at the sub-national level in Brazil, through activities aimed at developing a strategy for *engagement* with municipalities within the scope of *rede.gov.br*, and Colombia, through the development of a smart city co-funding model for the country. In addition, there has been a contribution to the development of the *Technology and Smart City Plan* of Salvador (Brazil), part of CAF investment loan that also has a component of non-reimbursable technical cooperation dedicated to systematizing the lessons learned in the process. Note should be made of the approval of two other instances of non-reimbursable technical cooperations to support the incorporation of digital transformation components in the CAF investment loans in Brazil and the digital acceleration of Brazilian cities and municipalities, through the development of activities aimed at boosting local economies through the development of govtech strategies.

Work was also done at the level of **generation of actionable knowledge** aimed at sharing best practices of governments in the region and promoting key aspects of the State's agenda for digital modernization. 13 *studies or policy briefs* and 30 blogs were published; 11 events were organized, and DIDE specialists exhibited at another 80 local, national or international events. At the same time, in order to help public officials to improve their skills in regard to the digital transformation of the state, two MOOCs were designed and launched, one on govtech - unique worldwide - and another on data and public purchases.

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Global engagement

and alliances for the development of the region



The cooperation and construction of alliances for development are vital to meeting the goals of the 2030 Agenda – ending poverty, protecting our planet and guaranteeing peace and prosperity. In that context, CAF has established itself as a key partner for the development of Latin America and the Caribbean with global projection and presence in all priority areas. Throughout 2021, CAF continued promoting a comprehensive agenda of external relations and advancement of partnerships for development around three strategic axes: promoting the global presence of the bank; fostering exchange spaces for the generation of knowledge about major global trends and their impact on the region; and, supporting fundraising and generation of trade and investment opportunities.

CAF global presence

CAF's external action is aimed at supporting the international projection of the region. This implies promoting a multidimensional interaction - on all relevant platforms - with public entities, international organizations, companies, academic institutions and civil society organizations, to address issues related to the development of the region that allow promoting their interests and influencing the global agenda for development. Consequently, this dimension of CAF's external action is oriented towards the diversification and articulation of its relations with the main regional constituents and the international system.

In 2021, the start of a process of strengthening the institution's equity was approved, which will allow member countries to increase their credit capacity. At the same time, the future incorporation of Costa Rica, the Dominican Republic and El Salvador as full members of CAF (Series A shareholders) will allow it to have greater access to long-term financial resources, as well as technical cooperation for its sustainable development, among other benefits.

CAF participated in spaces such as the **OECD Regional Program for Latin America and the Caribbean** and the **Joint Summit Working Group**, coordinated by the OAS General Secretariat in the face of the upcoming Summit for the Americas to be held in the United States in 2022. CAF also participated in the fifty-first **Ordinary Session Period of the General Assembly of the Organization of American States** (OAS) held virtually on November 10-12, 2021. During this year, CAF signed a memorandum of understanding with the World Tourism Organization to attract, promote and mobilize tourism investments in Latin America and the Caribbean, in order to accelerate the change of tourism towards greater sustainability. In addition, CAF signed an agreement with the Andean Community for the implementation of the "Andean Community Interoperability -INTERCOM" project, which will facilitate and digitize foreign trade between Bolivia, Colombia, Ecuador and Peru.

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Seventh edition of the "Water Dialogues".

In Europe, the seventh edition of the **"Water Dialogues"** was organized on October 6, in hybrid form. This joint initiative of CAF and the Kingdom of Spain is part of a long-term strategic collaboration platform formed by CAF and the Kingdom of Spain, through the Ministries for Ecological Transition and Demographic Challenge (MTERD), Economic Affairs and Digital Transformation (MAETD), and Foreign Affairs, European Union and Cooperation (MAEUEC). It also has the support of Casa de América and iAgua.



Third Meeting of the Forum of Ministers of Foreign Affairs of the Community of Latin American and Caribbean States (CELAC) with the People's Republic of China

Our representative in Europe also participated in the **10th Italy-Latin America and the Caribbean Conference** held in Rome on October 25 and 26. This conference, organized by the Instituto Ítalo - Latino Americano (IILA) and the Italian Ministry of Foreign Affairs, on a biennial basis, focused on **“People, Prosperity and Planet”** addressing the future of the relationships between Italy, Europe, Latin America and the Caribbean in the post-pandemic scenario.

With Chatham House, an important home of thought with which CAF has maintained a close relationship since 2018 in the United Kingdom, the participation of Pablo Sanguinetti, Vice-President of Knowledge of CAF, in the conference entitled **Latin America 2021 is highlighted: Elections, economic recovery, foreign policy and COVID-19** effect, which took place on November 30.

In France, CAF participated in the **“The Water Challenges in Latin America”** Economic Day that was held within the framework of the Biarritz Latin America Festival on October 1, 2021, in Biarritz.

In the Asia-Pacific region, CAF

continued to deepen its relationship with China during the **Third Forum of Foreign Affairs Ministers of the Community of Latin American and Caribbean States (CELAC)** with the People's Republic of China, which was held on December 3, 2021 with the participation of the Executive President of CAF, Sergio Díaz-Granados. In addition, CAF initiated an internship program with the diplomatic academy of the Ministry of Foreign Affairs of Japan, and in June 2021, CAF signed a memorandum of understanding with the KCLAC (Korean Council for Latin America and the Caribbean) with the main objective of strengthening the relationship between the Republic of Korea and Latin America and the Caribbean, through the promotion and development of projects and joint actions on various issues.

Partnerships and exchange spaces for knowledge generation



Sergio Díaz-Granados, executive president, and Enrique García, former executive president, during the 25th Annual CAF Conference.

CAF promotes the generation of knowledge and exchange spaces that foster a regional reflection on development through conferences, partnerships and networks with leading universities and thought centers worldwide.

25th CAF Conference in Washington DC

Throughout its 25 years of life, the CAF Annual Conference has brought together more than 700 speakers and more than 20,000 participants, becoming one of the most relevant discussion spaces at the inter-American level.

Organized together with the Inter-American Dialogue and the Organization of American States, this year it gathered, in hybrid format, important leaders, among which we may highlight Presidents Laurentino Cortizo, Iván Duque, and Alberto Fernández, the former president of Costa Rica, Laura Chinchilla, and the former president of CAF, Enrique García. The sessions addressed issues of utmost relevance for a region hit by the pandemic: education, economic recovery, compliance with the 2030 Agenda, challenges for our democracies and the importance of addressing climate emergency.

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Launching of the 2021 Report on Economics and Development - RED in November 2021. Panama City.

The Development Challenge in Latin America

On Monday, March 3, CAF launched the publication *The Development Challenge in Latin America*, which proposes policies for a more productive, integrated and inclusive Latin America. Within the framework of the launch, a discussion was held on the response capacity of the States to address a triple health, economic and social crisis. COVID-19 has put new challenges, limits and challenges to the actions of the State and public bureaucracies in evidence, both in terms of their ability to react to meet demands in a changing world, and to regulate, make transparent and oversee decision-making in times of emergency.

RED 2021: Roads for integration: Facilitation of Trade, Infrastructure and Global Value Chains.

The launch of the 2021 Economy and Development Report- RED took place in a hybrid manner, on November 18, 2021, from Panama City. The report explores the hypothesis that the low international integration of companies in Latin America is due in part to the little use of the regional space as a complement to a global export expansion strategy. To achieve this greater regional and global insertion, the report proposes acting on three specific areas: trade facilitation, physical infrastructure and productive integration.

Energy transition in Latin America: challenges, opportunities and programmatic vision based on Colombian success

On September 17, the Energy Transition event was held in Madrid in Latin America: challenges, opportunities and programmatic vision based on Colombian success, organized by CAF together with the Presidency of the Republic of Colombia, which addressed the energy transition in the region with its challenges, opportunities and programmatic vision generated through the success of the Colombian case. This important meeting included the special participation of the President of the Republic of Colombia, Iván Duque, the Executive President of CAF, Sergio Díaz-Granados and the Third Vice- President and Minister for Ecological Transition and the Demographic Challenge of Spain, Teresa Ribera.

Ideas for the future

For the third consecutive year, all students belonging to the universities of the 19 CAF shareholder countries were invited to participate in the “Ideas for the Future” university essay contest, which aims to gather the vision of young university students on the development challenges faced by Latin America and the Caribbean. This year the theme focused on addressing the opportunities to build a sustainable recovery in the region, which help to overcome the health, economic and social crisis that is currently being experienced as a result of COVID-19.

The results of this edition were encouraging, with a record number of registrations that exceeded 4,000 students from more than 200 universities in our region. Moreover, more than 300 essays were received from the 19 CAF shareholder countries.

Tyler Alexander, a student at the University of the West Indies in Trinidad and Tobago, was the winner of the first place, earning the Guillermo Perry award with his essay entitled “Cooperative Enterprises and Community-Based Tourism as the Gateway to Social and Economic Revitalization in the Caribbean in the Aftermath of COVID-19”. In second place, the winner was Melissa Miranda, from the University of the Americas of Ecuador, with her essay entitled “The Challenge of Strengthening Education in Latin America and the Caribbean Post COVID-19: the Role of Technology and Digitalization”. Reysbel Ramos of the Catholic University of Andrés Bello of Venezuela is the third winner with his essay entitled “Labor markets in Latin America. Towards the construction of a sustainable model through digital platforms”.

Fifth International Seminar “Latin America and the Caribbean and China: Conditions and challenges in the 21st century”

Since 2018, CAF has been the main sponsor of the International Seminar “Latin America and the Caribbean and China: Conditions and challenges in the 21st century” organized by the Latin American and Caribbean Academic Network and China (ALC-China Network) and the Union of Universities of Latin America and the Caribbean (UDUAL). The fifth edition of the International Seminar “Latin America and the Caribbean and China: Conditions and challenges in the 21st century” took place on June 14, 15 and 16, 2021 in virtual format. About 140 specialists from more than 20 countries came together to share experiences, contribute reflections and proposals on the relationship of the People’s Republic of China with Latin America and the Caribbean.

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Fundraising and generation of trade and investment opportunities

The political, diplomatic and institutional accompaniment carried out through official visits, investor forums and business meetings, among others, is indispensable to supplement CAF's successful financial strategy, opening doors and approaching potential new partners in order to ensure a comprehensive approximation to allied countries and regions. This year, CAF participated again in the **"Euromoney Global Borrowers & Investors Forum"**, an event that took place virtually on June 22 and 23, with the participation of government and banking institutions, which examined the impact, response and recovery of capital markets due to COVID-19, among other topics.

CAF also participated in the **COP26, held in Glasgow** between November 1 and 12, 2021. As part of the delegation, the participation of Julián Suárez, Vice President of Sustainable Development of CAF and Jorge Arbache, Vice-President of Private Sector, is highlighted.



CAF participated in COP26, held in Glasgow between November 1 and 12, 2021.

At this meeting, CAF had an important presence and ratified its commitment to becoming the green bank of Latin America and supporting the countries of the region in their commitments to environmental conservation, preservation of natural ecosystems and energy transition. During the summit, it was announced that over the next five years CAF will mobilize \$25 billion to promote green growth in the region, and the goal of its financing being 40% green for 2026 was set.

In COP 26, it was announced that during the next five years CAF set the goal of 40% of its funding being green by 2026

Training

virtual





The virtual training program has been consolidated as a strategic institutional project, supplementing and adding value to the various CAF interventions and being highly requested by officials and economic agents of the region. The objective of the program, based on institutional strategic guidelines, is to contribute to sustainable growth and development of the region, promoting equitable and inclusive reactivation in all CAF countries.

The training has focused on three routes of transmission of applied knowledge, considering thematics and change agents. On the one hand, it includes the training of public officers who work at the different levels of government (national or sub-national), dedicated to the design of policies, planning and programming, management, execution and evaluation of public policies and programs, in order to promote efficiency and improvement in the provision of public services.

A second area includes the training of young people and small and medium-sized enterprises in digital transformation and innovation, a key element for increasing productivity, expanding value chains, efficiency and competitiveness and therefore achieving sustainable growth in the region.

Finally, the program includes strengthening the university education in economics as a mechanism to increase human capital and therefore productivity in the professional life of current students and thus the labor market in the region.

The CAF knowledge program, through training, is characterized by being applied so that the student learns by doing (*learning by doing*). To do this, case studies, practical work, examples, lessons learned, experience and knowledge generated by CAF, as well as theoretical concepts are used. In this way, a mechanism for effective knowledge transfer, skills training and generation of specialized contact networks is created.

In 2021, the training program presented four training modalities: MOOCs (Massive Open Online Course); itinerary courses, courses completed with tutors and certification courses, reaching 18,459 admissions in the aggregate.

MOOCs

They are virtual, free, massive and open courses, designed and developed by CAF, taught by CAF officials and international experts. The courses are short in duration, from 20 to 36 hours, applied and focused on topics of interest for public officers, who work on the management and execution of public policies and programs or private agents related to public topics.

In 2021, 38 MOOCs and two itinerary courses composed of five MOOCs were taught, reaching 17,858 admissions in the aggregate.

Considering the results since 2017, 96 MOOCs and four itinerary courses were delivered, reaching more than 98,000 admissions. The courses taught throughout the period indicated covered the topics of: Govtech and the future of the government, the role of data and digital innovations in the integrity of public procurement, digital transformation of teaching, digital transformation for young people, roadmap for the digital transformation of SMEs, national investment system, water and rural sanitation, management of energy projects, safety of dams and reservoirs, chronic childhood malnutrition, educational infrastructure, impact assessment, Public-Private Associations, sustainable roads, low traffic roads, business innovation for SMEs, patents, productive chains and clusters, financial inclusion, business development, project management, and gender, among others. The courses have been given in Spanish, Portuguese and English.

Regarding the satisfaction of the participants in the MOOCs, the courses obtained an average (weighted) rating of 8.95/10 in a survey conducted in November of this year. Likewise, 92% of the students stated that they would recommend the course they took.

One of the most relevant aspects is that 90% of the participants were Latin Americans, with a profile of university graduates (46%) and master degrees (43%).

It is also important to note that 38% are public officers and that we have 34% participation by women, and 75% of students are over 35 years of age.

In 2021, 38 MOOCs and two itinerary courses composed of five MOOCs were taught, reaching 17,858 admissions in the aggregate.

Original courses (first edition) issued in 2021



Govtech and the future of the government

EDITIONS: 1
TOTAL ENROLLED: 1,292
PUBLIC OFFICERS: 388



Roadmap for Digital Transformation: Everything your SME needs to survive in the digital environment

EDITIONS: 1
TOTAL ENROLLED: 753
PUBLIC OFFICERS: 256



Digital transformation of teaching: Urgent tools and resources for online teaching

EDITIONS: 1
TOTAL ENROLLED: 3,263
PUBLIC OFFICERS: 979



Provision of road infrastructure: 1. Planning

EDITIONS: 1
TOTAL ENROLLED: 870
PUBLIC OFFICERS: 261



Role of data and digital innovations in the integrity of public procurement

EDITIONS: 1
TOTAL ENROLLED: 798
PUBLIC OFFICERS: 240



National Multi-Year Programming and Investment Management System I and II

EDITIONS: 1
TOTAL ENROLLED: 636
PUBLIC OFFICERS: 192



Digital Transformation for young people: Digital skills to improve your employability

EDITIONS: 1
TOTAL ENROLLED: 2,021
PUBLIC OFFICERS: 607

Re-editions of courses taught until 2021



How to develop sustainable systems for water and rural sanitation? Basics notions and practical cases

EDITIONS: 5
TOTAL ENROLLED: 8,472
PUBLIC OFFICERS: 2,544



Energy project management

EDITIONS: 5
TOTAL ENROLLED: 5,091
PUBLIC OFFICERS: 1,530



CAF method for accelerated patent development

EDITIONS: 5
TOTAL ENROLLED: 6,041
PUBLIC OFFICERS: 1,814



Construction of sustainable roads: how to prevent and solve damage to flexible pavements

EDITIONS: 5
TOTAL ENROLLED: 6,041
PUBLIC OFFICERS: 1,814



Financial Inclusion in Latin America: challenges and opportunities

EDITIONS: 4
TOTAL ENROLLED: 3,580
PUBLIC OFFICERS: 1,075



Business development with a gender perspective

EDITIONS: 4
TOTAL ENROLLED: 2,615
PUBLIC OFFICERS: 786



Design, Exploitation and Safety of Dams and Reservoirs

EDITIONS: 3
TOTAL ENROLLED: 3,290
PUBLIC OFFICERS: 988



How to implement programs to reduce chronic child malnutrition in Latin America?

EDITIONS: 3
TOTAL ENROLLED: 2,835
PUBLIC OFFICERS: 851



Basic notions of electrical systems and introduction to the evaluation of energy projects

EDITIONS: 2
TOTAL ENROLLED: 1,345
PUBLIC OFFICERS: 405



Energy Efficiency in Buildings

EDITIONS: 3 Spanish, 2 English and 1 Portuguese
TOTAL ENROLLED : 6,158
PUBLIC OFFICERS: 1,850



Micro-credential: Public-Private Partnerships Contract Management Expert

EDITIONS: 5 Spanish, 2 Portuguese
TOTAL ENROLLED: 23,493
PUBLIC OFFICERS: 7,062

Short courses with tutor

During 2021, four virtual courses lasting 24 to 30 hours were given:

- Road audit for Argentina (1st ed.) with 17 students
- Formulation of innovation challenges (1st ed.) with 87 students
- Chronic malnutrition Ecuador C1 (1st ed.) } with 170 students
- Training in Road Safety Engineering (1st ed.) with 35 students



Introduction to the impact assessment for public management

EDITIONS: 4
TOTAL ENROLLED: 77,77 (sic)
PUBLIC OFFICERS: 2,334



Evaluation of impact for public management (intermediate level)

EDITIONS: 4
TOTAL ENROLLED: 2,578
PUBLIC OFFICERS: 775



Project Management Applied to the Public and Private Sector in Latin America

EDITIONS: 3 Spanish, 4 Portuguese
TOTAL ENROLLED: 8,892
PUBLIC OFFICERS: 2,672





Certification Courses

The CAF virtual certification courses, aimed at public officers of the region, seek to strengthen skills and technical capabilities to improve their professional performance and the management of the institutions where they work.

The Certification Courses have a duration of six months (180 course hours) and are taught through closed virtual courses with tutors on the CAF educational platform. They are characterized by being practical so that the student learns by doing, using practical cases, examples and case studies of Latin American cases, and foster the active participation of students through debate with their classmates and teachers. They also generate a network of specialists among the participants.

In 2021, the following certification courses were given:

- Certification Course in Public-Private Partnerships
- Certification Course in Financial Inclusion
- Certification Course in Applied Public Management



Certification Course in Public-Private Partnerships

In the three editions, we have had 834 admissions from public (81%) and private (19%) institutions in Latin America and 54 CAF students.



Certification Course in Financial Inclusion

In the two editions we have had 483 admissions, of which 53% belong to public institutions and 47% to private ones.



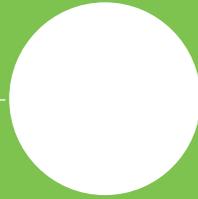
Certification Course in Applied Public Management CAF-INAP

In this first edition, we have 214 admissions from public institutions (91%).

The Certification Courses have a duration of six months and are taught through closed virtual courses with tutors on the CAF educational platform.

Management

of knowledge



Knowledge services are an essential complement to the financial services provided by CAF to the region. On the one hand, they aim to improve the impact of operations by helping them to be based on appropriate diagnoses on the developmental constraints of countries. On the other hand, knowledge management seeks to incorporate learning agendas into the process of implementing the projects, which allow recording the challenges encountered and the lessons derived from them to return them to the areas and improve decision-making in the future.

In addition, knowledge services seek to directly advise and support countries in the design, implementation and assessment of public policies and also support the generation of institutional capacities that result in better public management. Additionally, CAF's knowledge agenda also aims to promote an open discussion of different policy alternatives that, based on evidence, enrich public debate and generate the necessary consensus for their implementation by governments and societies.

Knowledge management is the way in which the generation, capture, classification, analysis, dissemination and use of knowledge is promoted with the aim of improving the impact of CAF activities on development. Activities include:

- Applied academic research on development determinants.
- The analysis and monitoring of the macroeconomic situation and trends in the international economy.
- The advice and collaboration with countries on institutional strengthening issues through, for example, digital transformation initiatives of the State and the impact assessment of policies and projects.
- Sectoral studies and analysis (in economic and social infrastructure, and the financial system and productive activities).
- The production of primary information and databases; the publication of reports, books and policy notes; the development of repositories with detailed information of documents related to CAF's operations both of loans and technical cooperation.
- The administration of a repository with external CAF publications.
- Organizing lectures and seminars, both internal and external.

Different areas within CAF are involved in knowledge management. On the one hand, there are those who have an explicit responsibility and mandate in the generation of knowledge and the directions of sectoral specialization. On the other hand, in the areas that are responsible for the origination, assessment and management of projects there are also opportunities to generate knowledge, by documenting the lessons and learnings from those operations. Given the high degree of decentralization of these activities, there is a task of coordination and articulation of the various offices and initiatives developed to focus issues, homogenize messages and ensure quality standards.

Knowledge services seek to directly advise and support countries in the design, implementation and assessment of public policies and also support the generation of institutional capacities that result in better public management.

The crisis generated by the COVID-19 pandemic has posed significant challenges to the institution's strategy and knowledge management. In order to guide CAF's actions, for loans and other emergency aid, the urgent need for mechanisms to monitor the progress of infections and conditions was imposed, the ability of health systems to respond to them, the progress of vaccination processes, differences in existing risk conditions, and especially, the responsiveness of public finances to alleviate what has become the largest global economic crisis since the Great Depression.

In 2021, among other activities, repositories were updated with health and public policy information that governments implemented to alleviate the crisis that included topics associated with strengthening health systems as well as monetary aid and other policies supporting families and businesses. Performance of activity indicators and labor markets was continuously monitored to assess recovery progress in the region's countries. Governments also collaborated on digitization and data usage initiatives (administrative and other sources) to increase the capabilities of providing services in social distancing settings.

Faced with the challenges for recovery consolidation, policy and reform analysis was promoted to support the recovery in a broad set of strategic areas, such as employment and productivity, social assistance and policy, support for sectors strongly affected by the emergency (e.g., tourism) and state capacities. In particular, a special series of 19 articles on post-pandemic recovery public policy was published covering cross-sectional policies to re-boost productivity; policies for strengthening employment and inclusion; policies for strengthening state capabilities; policies for key sectors such as agribusiness, digitization and tourism; and policies to strengthen public finances. The results and recommendations of the papers were disseminated through five webinars with the authors of the publications.

Finally, our regular publications were continued. A 2021 Economics and Development Report (RED 2021) was launched, *Roads for integration: Facilitation of Trade, Infrastructure and Global Value Chains*. In addition, the dissemination agenda of the 2020 Economic and Development Report (RED 2021) was finalized *The pension and health systems in Latin America* and the 2021 Infrastructure and Development Report in Latin America (IDEAL 2021) was launched - *The impact of digitization to reduce gaps and improve infrastructure services*, among other publications.

A special series of 19 articles on post-pandemic recovery public policy was published covering cross-sectional policies to re-boost productivity; policies for strengthening employment and inclusion; policies for strengthening state capabilities; policies for key sectors; and policies to strengthen public finances.

Publications



RED 2021: Roads for integration: Facilitation of Trade, Infrastructure and Global Value Chains

This report explores the hypothesis that the low international integration of companies in Latin America is due to the little use of the regional space as a complement to a global export expansion strategy. This hypothesis focuses on feedback and benefits between regional and global openness, or what has been called open regionalism. To achieve this greater regional and global insertion, the report proposes acting on three specific areas: trade facilitation, physical infrastructure and productive integration.



Post-pandemic recovery initiatives series

Latin America is one of the world's regions most impacted by the COVID-19 pandemic and recovery will need to rely on policies to support productivity and long-term growth. This series of documents shows the results and recommendations of work prepared by CAF experts and invited specialists on the promotion of productivity in the region for post-pandemic recovery, which, in turn, will generate a dialog with senior government authorities in the region on the challenges of designing and implementing these policies.



Experience: Data and artificial intelligence in the public sector

This regional report on the strategic and responsible use of artificial intelligence in the public sector in Latin America, to which subject matter experts have contributed, presents fundamental concepts on this topic, the challenges existing for responsible use in the public sector, the establishment of data infrastructure and its governance, and the development of a workforce in the public sector with the profiles and skills appropriate to the new environment.



Safer City Guide

This guide, in Spanish and Portuguese, seeks to guide decision-makers and an interested public, in the conceptualization, dimensioning, planning, design and management of urban policies in the area of citizen safety, emphasizing the tools available for the promotion of effective and quality actions within the competencies of local management based on CAF's institutional approach.



Latin America Economic Outlook 2021

This report, published in Spanish and English, discusses critical issues related to sustainable and inclusive development in Latin America and the Caribbean (ALC). Since its first edition in November 2007, ALC's performance is compared to other regions, it analyzes major development challenges and proposes recommendations, experiences and best practices for public policy development.



Basic guidance to mitigate the risk of gender-based violence in public works projects

The purpose of this publication is to raise awareness and support sectoral or public works ministries or secretariats, implementing units and contracting companies in the definition of guidelines that lead to infrastructure projects being constituted in spaces free of gender violence and free of fear for women, girls and people with diverse gender identities.



Leveraging data for public sector decision-making

This publication aims to show how data exploitation is a relevant public sector ally in designing and implementing public policies. This paper shows a context of data analytics in the international context and Colombia's bid to drive digital transformation and improve decision-making. In addition, it includes practical guidance for public entities and the results of "Manos en la Data-Colombia" projects, which shows the impact of data analytics to address problems arising from the COVID-19 health emergency.



Agile states for recovery: Implications for governments in Latin America was published

The purpose of this publication is to document several initiatives carried out in Latin America that are found within the concept of agile governance, in terms of digitization, simplification and regulatory quality.



Vulnerability and adaptation studies to climate change in Latin American cities

These studies are aimed at identifying, quantifying and visualizing the impacts of climate change in the urban context and proposing an action plan, prepared jointly with the key actors of each city, incentivizing urban development resilient to climate change.



Portugal: The leap to digital transformation

This report, published in Spanish and English, presents the Digital Transformation Strategy of the Government of Portugal, its factors, underlying drive, governance model, regulatory framework, critical enablers and main initiatives. It also presents lessons and makes recommendations for Latin American countries derived from Portuguese experience.



Five successful cases of planning and design of educational infrastructure projects

This document presents the systematization of some of the cases of educational infrastructure projects as a complement to the technical inputs and best practices included in the planning and design guides. At the national level, the case of the Peruvian Forest Plan is presented, a program designed, planned and designed by the Ministry of Education, through its National Education Infrastructure Program (PRONIED), to address the area of the Peruvian Amazonia with a modular methodology that has facilitated adaptability to the particular characteristics of the territory.



Everyday mobility with a gender perspective. Methodological guide

The purpose of CAF with this guide is to promote the application of a gender perspective, through practical tools for the planning, design and execution of urban mobility interventions, with a focus on the daily mobility of people. This case study, based on the experience of the City of Buenos Aires, will practically contribute to the definition of public transport and inclusive urban mobility policies.



Colombia Financial Capabilities Measurement Survey 2019

In order to contribute to discussions on financial education and inclusion, and consumer protection, as well as to public policies developed in these fields with information relevant to decision-making, CAF and the Financial Superintendence of Colombia (SFC) developed this report, which compiles the main results of the Financial Capabilities Measurement Survey (ECF) applied in Colombia during 2019.



Infrastructure Management Guide for Secure Schools in the Context of the Comprehensive School Safety Framework

This guide seeks to support public sector actors, executors and managers of educational infrastructure programs in strengthening school safety from disaster risk prevention and management. It considers that improving the learnings, skills and performance of boys and girls in the region's schools promotes human, social equitable and supportive development, and that educational infrastructure plays a very important role in educational systems.



Towards a Latin American Public Policy of University Social Responsibility: Social innovation, quality and relevance of higher education

The purpose of this publication is to showcase the URSULA model and provide recommendations that may contribute to public policies in higher education. It also describes the challenges and strengths of university social responsibility, among other topics. In this context, the preeminent role of institutions of higher education and in particular universities in achieving the Sustainable Development Goals is highlighted, as engines of innovation, development and well-being, as well as their work of generating and disseminating knowledge.



Alternative connectivity models for hard-to-reach schools

This document accounts for the learnings generated in the first implementation phase of the project "Alternative models of access to connectivity and appropriation of technologies in vulnerable rural and urban educational communities" in Argentina, identifying the relevant aspects around the alternative connectivity models evaluated for implementation in hard-to-reach schools and being an input for the formulation of specific policies and projects for the expansion of access to connectivity in schools.



The behavioral economy

This document presents a 10-point plan to improve economic policy based on a deep understanding of human behavior. The goal is to recognize the true nature of individuals' incentives, motivations and behaviors that will improve the design of traditional policy instruments. In this way, it seeks to help governments and regulators design more effective policies, improve the functioning of the economy and address the issues of low productivity, exclusion and injustice, benefiting citizens and companies across society.



Towards a comprehensive agenda of learning technology adoption

This work, based on the review of international and regional experience, proposes a comprehensive approach to the inclusion of technology in education that considers four dimensions: (i) connectivity, cloud and devices; (ii) protection of minor data and safety; (iii) programs for the inclusion of technologies, development of competencies, metrics and content; and (iv) training and teaching support.



Towards the development of efficient and sustainable infrastructures in Latin America: Opportunities and benefits of digitization

This report presents the results of an in-depth study on the digitization of infrastructures and physical assets in the power, mobility and logistics sectors that discusses the main trends and opportunities offered by the digitization of infrastructures.



Orange Economy. An infinite reality

This publication shows the results of an innovative vision of sustainable development based on the cultural diversity of the region. The main objective is to provide the tools necessary for Latin America and the Caribbean, with its human capital, to be a global leader in the creation of creative products and services.



"We want to graduate": A social innovation model to grow with quality

This publication collects the testimonials of people involved, from the very beginning, in "We want to graduate", a model of attention to young people in a situation of social and economic vulnerability with the main objective of incentivizing these young people to complete their high school studies.



Social Innovation: The voice of informality

This study is a diagnostic and design tool of public policies in which 10 cases of informal or formal workers living in the Metropolitan Area of Buenos Aires (AMBA) are presented, in which the following become visible: the material, relational, emotional and institutional needs and demands to which the State must respond in the context of a post-pandemic COVID-19.



Amazon financial education and business formalization handbook

The objective of publishing these handbooks, published in Spanish and Portuguese, is to open the possibilities of multiplying the experience of strengthening the capabilities of microenterprises in the border region of Tabatinga (Brazil) and Leticia (Colombia) and promoting the growth of their businesses.



Public policy costing methodology for the comprehensive approach to the prevention, care and repair of violence against women and girls

The purpose of this document is to make available to the organizations involved with these issues a cost estimation or costing methodology, which makes it possible to determine the magnitude of the financial resources that a State must invest to ensure the effective exercise of the right that women and girls have to live in an environment free of violence, in a given territory.



Comprehensive approach framework for the prevention, care and repair of violence against women and girls

This publication was made within the framework of the State Capacity Building project to prevent and respond to violence against women and girls. The comprehensive approach framework aims to provide inputs to the competent bodies for the design and implementation of policies on violence against women and girls in diverse scenarios, as well as to provide cooperation entities with elements that allow them to identify the possibilities of support, verifying that the design of the policy meets all requirements required by a policy that aspires to be comprehensive.



International Best Practices in Digital Workforce Training – Latin America and Caribbean Roadmap

This white paper synthesizes the efforts made by Germany, Brazil, Chile, France and Norway to have policies, education and training plans that allow them to address these changes. The document summarizes best practices for estimating the demand for training in digital skills, designing education strategies, establishing mechanisms for certification and standardization of digital occupations, mechanisms for intersectoral, interinstitutional coordination between education and production, as well as processes for transitioning graduates to the production sector.



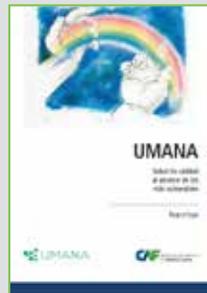
Systematization of articulation initiatives between education and work aimed at adolescents and youngsters in Uruguay

CAF and UNICEF have added efforts to contribute to the discussion and definition of policies to improve the quality and relevance of professional education and training in Uruguay. This document describes and analyzes the main initiatives that have sought to improve the link between education and work in Uruguay, as well as the latest institutional and regulatory advances, and identifies lessons learned and challenges pending.



System B and Companies B in Latin America: A social movement that changes the sense of business success

This publication is the result of an effort to document and disseminate the history of System B and the B-Business Movement in Latin America, as well as the processes and lessons learned along the way. The goal is to share this knowledge with all stakeholders: entrepreneurs, public policy makers, academia, civil society organizations, donor organizations, among others.



UMANA: Quality health available to the most vulnerable

This publication presents a case of social innovation that, like many such initiatives, arose in response to an entrepreneur's challenge that got in their way, almost unforeseen. There was a reflection, a "how can we solve this problem" and from there, a process of constant evolution, trial and error, failure and success, and progressive adjustments began.



Social innovation with connectivity and health-3G cell phone and maternal-child care in communities of the Peruvian Amazon

The NAPO project is a social innovation initiative led by the EHAS foundation), in partnership with CAF, that addresses the technical and economic challenge of bringing telecommunications closer to a particularly isolated area such as the Peruvian Amazonia. In 2016, the project launched mobile and internet services in the Napo River Basin, influential in the Amazon, to promote sustainable development and harness the potential of ICT to strengthen public health services.



Effects of COVID-19 on Public-Private Partnership Projects

This publication seeks to carry out a first analysis of the impact of the situation on the APP sector, to hypothesize about the changes that may occur in this type of project and to assess what the role of APP should be in the post-COVID world.



Guide for the preparation of ecological flow studies in exploitation projects

This guide presents a procedure for the study of ecological flows, which allows for a clear knowledge of their importance in specific circumstances and directs the evaluator to the group of methodologies that are most appropriate for their calculation in order to guarantee minimum flows in quantity, quality and regime, which allow the conservation of biodiversity.



Urban productivity. Determinants and policies for improvement

This document develops a set of concepts and recommendations around productivity determinants in cities. The objective is to characterize those determinants that can be intervened from cities in order to generate supplies for the formulation and implementation of more effective policies at that scale.



Access to opportunities to promote inclusion. Conceptual aspects, indicators and their measurement

This document presents a proposal to address social exclusion issues in cities. The proposal consists of using the idea of access to opportunities as a conceptual framework to identify part of the determinants of the phenomenon of social exclusion at the urban level, and as a tool to define interventions aimed at mitigating or reversing this problem.



Peru Financial Capabilities Measurement Survey 2019

The second National Financial Capabilities Survey aimed to find out the levels of knowledge, attitudes and behaviors of Peruvians in relation to financial issues, as well as identify changes in these variables between 2013 and 2019.



Electric bus pilot results in Buenos Aires

The main objective of this study is to analyze the technical, operational, economic and environmental feasibility of electric buses in Buenos Aires, based on the monitoring of the operation under real conditions of two units that circulated for 12 months in the public transportation system of this city.



Ideas and reflections for the implementation of Public-Private Partnership projects. The Latin American Experience

This work, based on model and project analysis, some successful and some failed, tries to contribute some ideas in this regard. To this end, reflections have been grouped into four groups: i) the global market, ii) critical risks, iii) legitimacy, and iv) incentives, and have been associated around a set of lessons learned and recommendations.



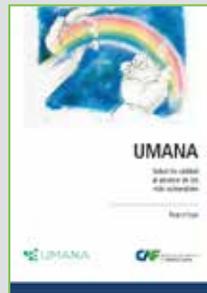
Strengthening school day extension models

This document proposes guidelines to strengthen the initiatives to extend the school day in Uruguay, based on a systematic analysis of initiatives implemented in other countries and the identification of strategic components to strengthen the management of educational centers, their educational proposal, the professional development of teachers, and the linkage of educational centers to the community.



Policy document on the development of institutional capabilities for addressing violence against women and girls in Latin America

This document presents a systematization of the studies of Argentina, Ecuador, Peru and the regional level on the development of state capabilities for the formulation of national policies on the prevention, care and repair of violence against women and girls. It also includes promising practices and recommendations for national cases.

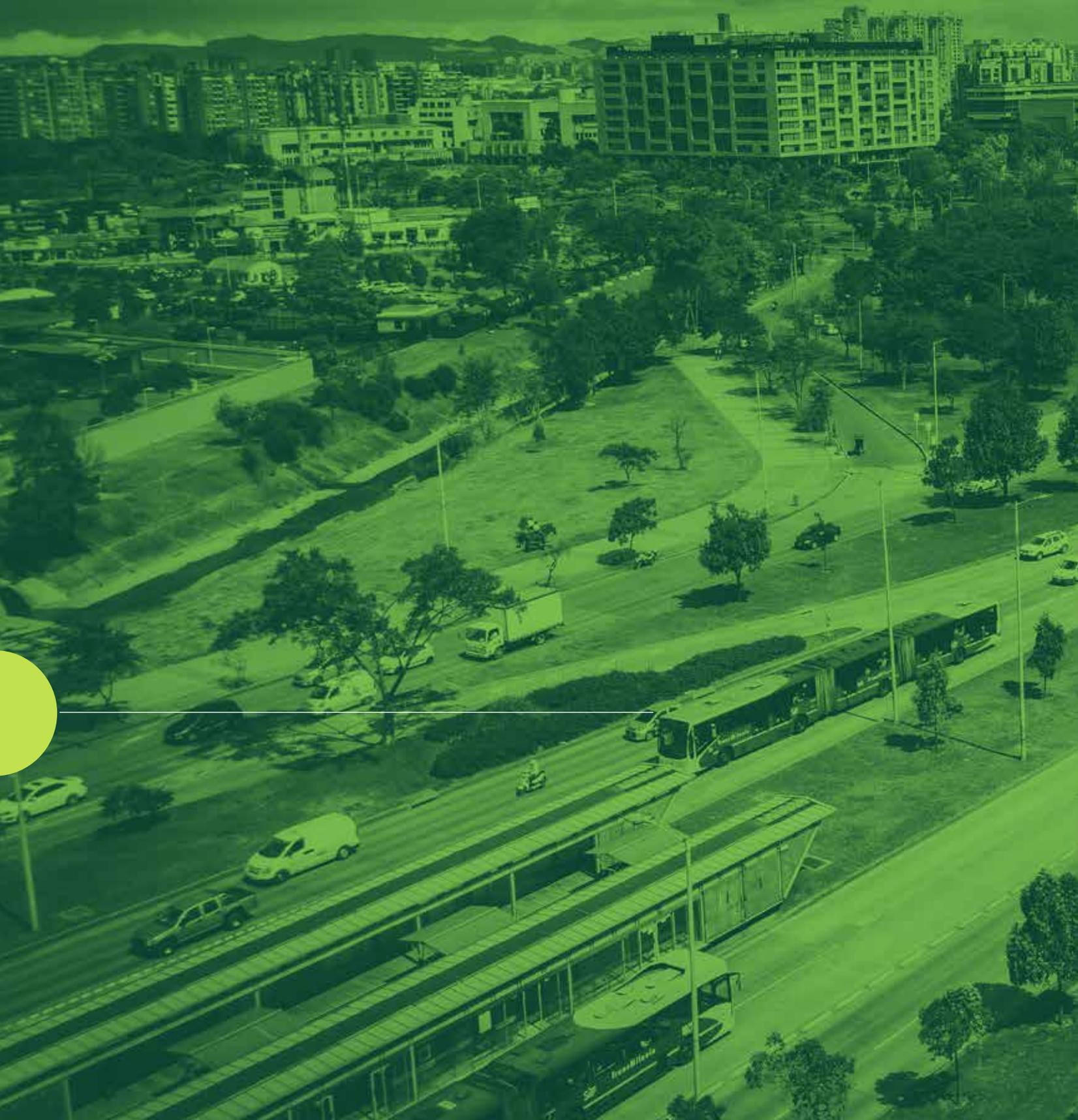


Receive life as it comes. Social innovation: Supporting vulnerable people

This publication attempts to describe the approximation to a reality of abandonment and exclusion, to record that quiet work that is carried out in neighborhood centers and the multiple tasks that slum priests perform by assisting the most vulnerable populations.

Management's comments

on the financial evolution



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In 2021, in the midst of the challenges stemming from the global COVID-19 pandemic, the CAF reaffirmed its role as an important finance provider to Latin America and the Caribbean, by approving a transaction amount of \$13.192 billion and making disbursements for \$8.889 billion, primarily for medium- and long-term loans to the sovereign sector.

The various capital increases made by the shareholder countries have allowed for the sustained growth of credit operations, maintaining robust indications of the CAF's capitalization. Over the course of 2021, shareholder countries made contributions of paid-up capital totaling \$627.9 million. It is important to note that in November 2021, Mexico signed its incorporation as a full member of the CAF, which will contribute to the greater strengthening of the institution's equity in coming years.

A highly relevant milestone for the CAF's future operations took place in December 2021. The CAF's Board of Directors voted to approve the institution's tenth equity strengthening, the largest in its history, with a capital increase for a total amount of \$7 billion. This new capital contribution, in the midst of the challenges posed by the pandemic, reflects the unrestricted support of the CAF's member countries to continue strengthening the entity. The new resources will make it possible to strengthen the institution's capitalization indicators and continue expanding its operations in a sustainable manner in the future.

Over the course of 2021, the international agencies Moody's, Standard & Poor's (S&P), Fitch Ratings and Japan Credit Rating (JCR) affirmed the CAF's credit ratings at Aa3, A+, A+ and AA, respectively, while S&P and Fitch upgraded the outlook for the ratings assigned to the CAF, evidencing the Institution's financial strength, as well as the resilience of its credit profile in the face of the global economic impact of the pandemic. S&P upgraded the CAF's rating outlook to positive, highlighting the strengthening of the institution's capital position, as well as the CAF's importance in the region, evidenced by its robust response to the challenges of the pandemic. For its part, Fitch upgraded the rating outlook to stable.¹, highlighting his expectation that capitalization will continue at excellent levels. The Moody's and JCR agencies maintained a stable outlook for the institution.

In 2021, Mexico signed its incorporation as a full member of the CAF, which will contribute to the greater strengthening of the institution's equity in coming years.

TABLE 1 || Risk ratings

	Long-term	Short-term	Outlook
Moody's Investors Service	Aa3	P-1	Stable
Standard & Poor's (S&P)	A+	A-1	Positive
Fitch Ratings	A+	F1+	Stable ¹
Japan Credit Rating (JCR)	AA	-	Stable

Data applicable as of December 31, 2021.

The CAF's current risk ratings, which place the institution among the best qualified issuers in the region, reflect the continuous support of the shareholders, the strengthening of its equity, the prudent management of liquidity and the diversification of its loan portfolio.

The behavior of the CAF's income during 2021 continued to reflect the lower performance of liquid investments and the loan portfolio, as a result of the significant reduction in the average LIBOR rate registered during the year, which stood at 0.20% during 2021, compared to the level of 0.69% registered in the previous year, as well as the volatility of the capital markets, with the consequent effect on the valuation of the liquidity position. The effect of the drastic reduction in interest rates was mitigated by the greater volume of liquidity and credit portfolio reached during the year. In this way, operating profit stood at \$138 million, while the main profitability indicator, Return on Equity (ROE) reached 1.06% during 2021.

Regarding bond issues in international markets, the CAF performed 46 transactions in 2021 for approximately \$4.5 billion. Among these transactions, two benchmark issues stand out, one in the European market for €1.25 billion, which had one of the largest order books in the CAF's history, as well as another issue for \$1 billion, whose demand by investors reached \$2 billion. The CAF was established as the first issuer in Latin America to place bonds at the SOFR (Secured Overnight Funding Rate) for a total amount of \$400 million, a highly important milestone in the process of transitioning from the LIBOR. In the context of thematic issues, over the course of 2021, the CAF has issued a total of \$402 million in nutrition bonds, for which investors were Asian institutional accounts with an Environmental, Social and Governance (ESG) approach. Also, over the course of the year, the CAF continued to diversify its placements, reaching a total of sixteen different currencies in its current bond portfolio.

¹ In January 2022, the Fitch Ratings agency improved the CAF's rating perspective to stable from negative, ratifying the A+ rating.

For short-term funding, the received term deposits showed a balance at the end of 2021 of \$4.003 billion. Commercial papers in the US and European markets were another major source of resources, with a closing balance in 2021 of \$2.814 billion.

CHART 1 || Balance sheet as of December 31 of each year (in US\$ millions)

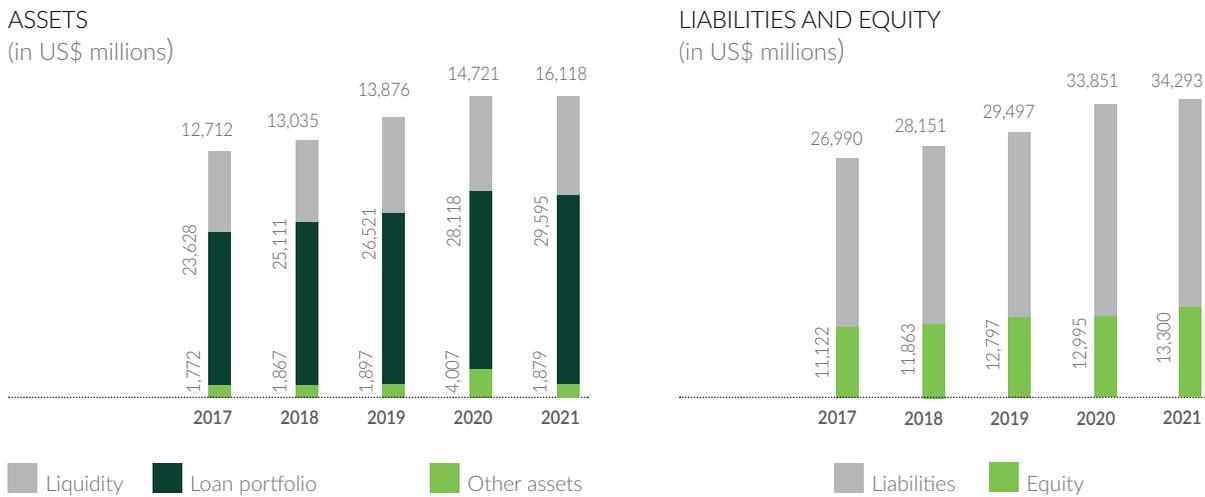
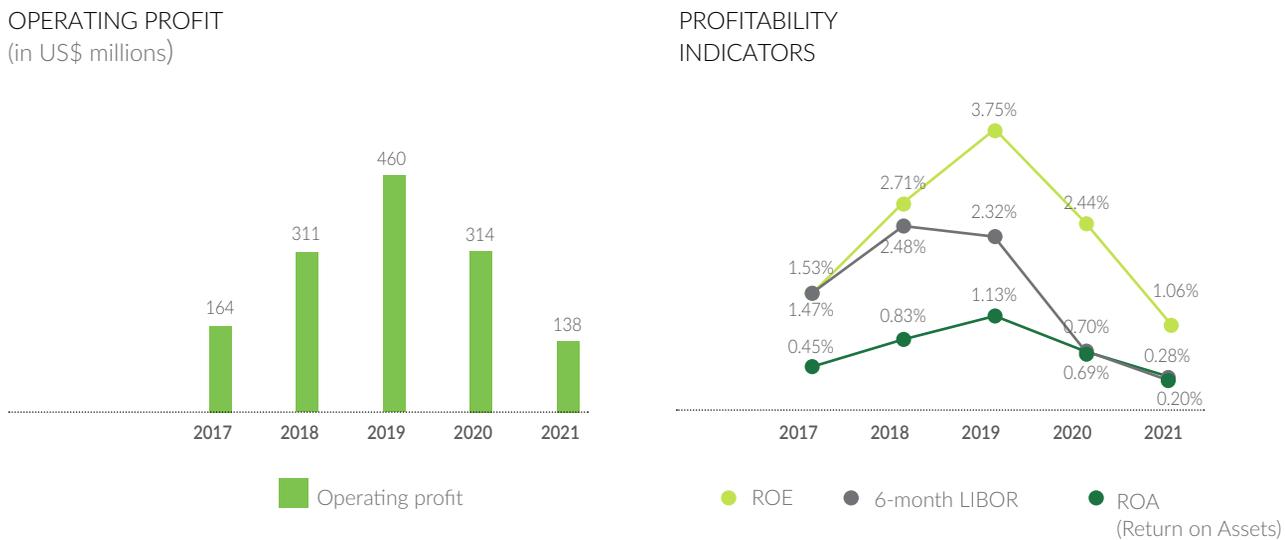


CHART 2 || Operating income and profitability



Commercial papers in the US and European markets were another major source of resources, with a closing balance in 2021 of \$2.814 billion.

The CAF made significant progress in 2021, in the process of replacing the LIBOR, given the changes in the financial industry in recent years and in line with the recommendations made by international regulatory bodies. As a result of a detailed study carried out by a working group created at the CAF for this purpose, the institution identified the Term SOFR as the best alternative to replace the USD LIBOR for new operations as of January 1, 2022. For their part, the CAF's ongoing operations in USD using the LIBOR as of December 31 may continue to use this reference until June 30, 2023, after which it will no longer be published.

Summary of the financial statements

The CAF's total assets reached \$47.592 billion in 2021, which is an increase of 1.6% compared to the previous year (Chart 1). Meanwhile, the loan portfolio recorded a 5.3% increase compared to the previous year, closing at \$29.595 billion, while liquidity totaled \$16.118 billion, 9.5% above the previous management's figure and equivalent to 33.9% of total assets and 49.1% of total indebtedness.

The CAF's equity continued to strengthen during the year, supported by capital contributions from shareholders, as well as the institution's profitable growth. As of December 31, 2021, the CAF's total equity reached \$13.3 billion, with a paid-up capital of \$5.436 billion, a capital surplus of \$4.091 billion and \$3.772 billion between reserves and retained earnings. At the end of 2021, total equity represented 27.9% of total assets.

The CAF maintained favorable operating results throughout 2021, despite the high volatility of global financial markets experienced over the course of the year. Income from net interest in 2021 reached \$301 million, as a result of the lower return on investments and the loan portfolio, given the significant reduction in the LIBOR interest rate during the year, the rate to which most of the loans granted by the CAF are referenced. This is how the operating profit stood at \$138 million in 2021, while the Return on Equity (ROE) and Return on Assets (ROA) closed at 1.1% and 0.3%, respectively (Chart 2).

Loan portfolio

The CAF's loan portfolio continues to reflect sustained growth with solid quality indicators. At the end of 2021, the portfolio reached \$29.595 billion, which represents an increase of 5.3%, up from the \$28.118 billion recorded in the previous year.

The distribution of the loan portfolio maintained a greater concentration on project funding in the public sector, representing 93.6% of the total portfolio as of December 31, 2021. From the perspective of portfolio distribution by country, greater portfolio diversification was achieved. Ecuador had the highest exposure, with 14.2%, followed by Argentina with 13.0%, Colombia with 11.5%, Venezuela with 9.7%, Bolivia with 9.3%, Brazil with 9.1%, Panama with 8.7%, Peru with 5.9%, Paraguay with 5.1%, Trinidad and Tobago with 3.9%, Uruguay with 3.1%, Mexico with 2.8%, Costa Rica with 1.8%, Chile with 1.0% and the rest of the portfolio, represented by the Dominican Republic and Barbados, with 0.9%. The growing participation of shareholders who converted to full members contributes to the diversification of the loan portfolio. In this regard, new full members at the end of 2021 comprised 42.8% of total loans.

The main activities funded by the CAF at the end of 2021 were Public Administration with 31.2%, the transport sector with 24.8%, the energy sector with 13.4%, the financial sector with 9.4% and the water sector with 6.3%.

The quality indicators for the portfolio continued at robust levels throughout 2021, with a loans indicator at the end of the year showing a situation of non-accrual of income over total portfolio of 0.38% and a forecast for possible portfolio losses of \$76.7 million, equivalent to 0.26% of total loans.

TABLE 2 || Quality of Portfolio (in US\$ millions)

	2017	2018	2019	2020	2021
Delinquent loans	94.7	124.3	129.1	0.0	0.0
Loans with no accrual of income	138.7	112.7	69.8	69.1	112.1
Projection for potential portfolio losses	67.2	64.8	91.6	95.0	76.7
Delinquency as a percentage of the loan portfolio	0.4%	0.5%	0.5%	0.0%	0.0%
Non-accrual of income as a percentage of the loan portfolio	0.59%	0.45%	0.26%	0.25%	0.38%
Projection as a percentage of the loan portfolio	0.28%	0.26%	0.35%	0.34%	0.26%

Liquid assets

The CAF maintains strict adherence to its conservative liquidity policies, which require at least 90% of liquid assets to remain in instruments with credit ratings of at least A-/A3. As of December 31, 2021, liquid assets totaled \$16.118 billion, an amount equivalent to 33.9% of total assets. The investment portfolio was characterized by its short duration, which averaged 0.39 years, and its excellent credit quality, with an average rating of A+.

The growing participation of shareholders who converted to full members contributes to the diversification of the loan portfolio.

Funding

The CAF maintains broad diversification of funding sources, between currencies and geographies, reflecting its broad access to the global financial markets. At the close of 2021, total financial liabilities were \$32.849 billion, while total liabilities reached \$34.293 billion.

2021 was a year characterized by high activity for the CAF in terms of bond issues in international markets, even in the midst of the challenges for global financial markets stemming from the COVID-19 crisis. The institution executed 46 transactions for an amount of \$4.5 billion. In addition, CAF continued to diversify its geographic distribution by having issued in the American, Asian, European and Oceania markets with 16 different currencies.

These debt issues include a benchmark issue in the European market for €1.25 billion that had one of the largest order books in the CAF's history, with 142 orders from investors. Also, in October 2021, the CAF completed a bond placement for \$1 billion, for which demand from investors reached \$2 billion, which was the CAF's largest in the last five years.

Throughout 2021, the CAF was established as the first issuer in Latin America to place bonds at the SOFR (Secured Overnight Funding Rate) for a total amount of \$400 million, a highly important milestone in the process of transitioning from the LIBOR.

In the context of thematic issues, over the course of 2021, the CAF has issued a total of 6 nutrition bonds for a total of \$402 million, for which investors were Asian institutional accounts with an Environmental, Social and Governance (ESG) approach. The funds from these issues will be used to fund projects with this focus in Argentina and Ecuador.

At the same time in 2021, multiple issue integrations of the Uruguay private debt program have been carried out, for an amount equal to \$12 million, to meet funding needs in local currency. These issues will be used for co-funding projects together with the debt vehicles for funding infrastructure in Uruguay, "VEFIU I" and "VEFIU II".

Furthermore, the CAF continues with the strategy of establishing itself as a frequent issuer in the markets of Mexico and Japan. In 2021, various public issues were made in Mexican pesos and Japanese yen for terms of between three and ten years. The appetite shown for the Mexican issue marked the CAF's return to this market after a decade, while in the Japanese market it has been able to issue a total of \$677 million. Finally, private placements were made in Mexican pesos (MXN), Brazilian reals (BRL), US dollars (USD), Australian dollars (AUD) and Norwegian crowns (NOK), reaching a total of seventeen different currencies in the present bond portfolio.

As for short-term deposits, the CAF has maintained its presence in the commercial papers markets of both the United States and Europe, significantly increasing its presence in them, maintaining very competitive capturing margins.

The deposits received remain an important source of short-term funding, amounting to \$4.003 billion at the close of 2021 and maintaining their importance as a source of competitive short-term resource funding.

The CAF's robust level of liquidity, together with its conservative profile of financial liabilities, resulting from a greater concentration on long-term funding that has been increasing in recent years, has strengthened the CAF's financial metrics, which are positively assessed by the risk rating agencies that evaluate the institution.

In terms of developing its role as a catalyst, the CAF has been working to promote co-funding as an instrument for mobilizing resources. A new co-funding agreement with the OPEC Fund was closed in 2021 for \$600 million to be channeled within the next 3 years. Progress was also made on the E-motion program for promoting electro-mobility in Latin America, with the participation of AFD, KfW, GIZ and the CAF for co-funding in the region.

In 2021, the CAF mobilized private resources from third parties through the sale of portfolios and risk participations for a total amount of \$18 million. In addition, an A/B loan was approved for the company YPF SA for an amount of \$300 million, which will mobilize \$262.5 million of private capital from international commercial banks.

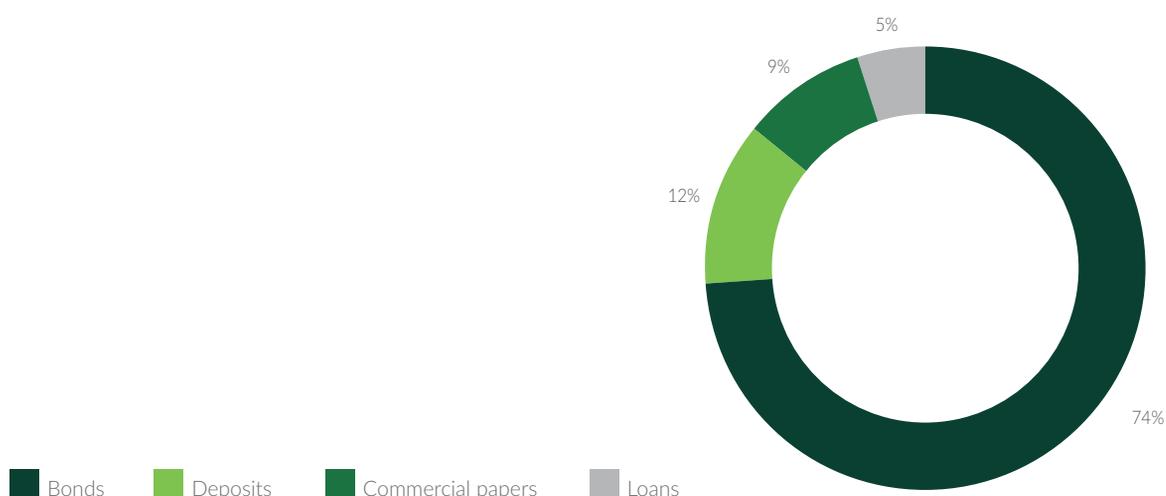
As of December 31, 2021, 82.4% of the CAF's indebtedness came from the international capital markets, where bond issuance represented 73.9% – functioning as the main source of funding resources (Graph 3) – and commercial papers at 8.5%. In addition, deposits received from the region's institutional investors made up 12.2% of total indebtedness, and other loans and medium- and long-term lines of credit represented 5.4% of the total.

Table 3 gives details of the issuance of bonds in 2021.

TABLE 3 || Securities placement in 2021 and Authorized amount for short-term issuance

Date	Market	Amount in original currency	Equivalent (in millions) in US\$ millions
Bond issues			
February	European	€1.250	1.518
October	United States	\$1.000	1.000
	Private placements		1.961
	Total 2021		4.479
Authorized amount for short-term issuance programs			
	Commercial papers (USA)	\$3.000	3.000
	Commercial papers (Europe)	\$3.000	3.000

In 2021, the CAF mobilized private resources from third parties through the sale of portfolios and risk participations for a total amount of \$18 million.



Capital

In 2021, the CAF received capital payments of \$627.9 million from its shareholder countries. These contributions are mostly derived from the capital increase in 2015, when the Board of Directors unanimously approved a new general increase in paid-in capital up to an amount of \$4.5 billion, the contributions of which were initiated in 2017.

At the end of the year, equity rose to \$13.3 billion, 2.3% higher than the amount recorded at the close of 2020, strengthened by contributions made by the shareholder countries and retained profits. The increase in equity and balanced growth of the CAF's operations has allowed robust capital indicators to be maintained, which were located above those levels established in the institution's policies (Table 4).

TABLE 4 || Capitalization indicators

	2017	2018	2019	2020	2021
Portfolio/Equity (times) ¹	2.2	2.2	2.1	2.2	2.3
Debt/Equity (times) ²	2.3	2.3	2.2	2.4	2.5
Equity/Total Assets	29.2%	29.6%	30.3%	27.7%	27.9%

1 According to the CAF's Articles of Agreement, the exposure limit must be 4.0 or less.

2 According to the CAF's Articles of Agreement, the limit of indebtedness must be 3.5 or less.

Asset and liability management

Both the credit activities and funding activities that are performed by the CAF in the performance of its functions are primarily executed in United States Dollars and with floating rates, thereby mitigating foreign exchange and interest rate risks. As of December 31, 2021, 98.7% of assets and 97.4% of liabilities were denominated in United States Dollars after swaps, while 92.1% of loans and 98.1% of financial liabilities were based on the LIBOR after swaps. Transactions that are not denominated in United States Dollars or based on the LIBOR are converted via swaps on these terms. The swaps book reached \$27.69 billion at the close of 2021. The CAF's policies establish that swap counterparties must be at least rated at A-/A3 and have a collateral agreement at the time of a new transaction. The CAF thus establishes Collateral Agreements (Credit Support Annexes, CSAs) with its counterparties. This allows the credit risk to be lowered since a mark-to-market valuation is made and the debtor must place the corresponding collateral based on certain pre-determined parameters. The CAF does not conduct speculative activities with derivative instruments. Such instruments are used for hedging purposes only.

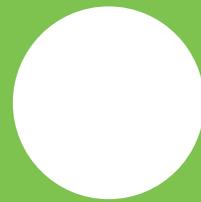
The CAF seeks to maintain a conservative relationship between the average term of its assets and liabilities. As of December 31, 2021, the average life of the CAF assets was 4.2 years and that of its liabilities was 3.6 years, which is conservative, given that it does not take into account the high proportion of assets financed by equity.

Both the credit activities and funding activities that are performed by the CAF in the performance of its functions are primarily executed in United States Dollars and with floating rates, thereby mitigating foreign exchange and interest rate risks.



2021

Financial Statements



Management's Report on the Effectiveness of Internal Control over Financial Reporting

Corporación Andina de Fomento ("CAF")'s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Management of CAF is responsible for designing, implementing, and maintaining effective internal control over financial reporting. Management assessed the effectiveness of CAF's internal control over financial reporting as of December 31, 2021, based on the criteria established in Internal Control – Integrated

Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that assessment, CAF's Management concluded that CAF's internal control over financial reporting is effective as of December 31, 2021.

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CAF's financial statements as of December 31, 2021 and for the year ended, have been audited by an independent accounting firm, which has also issued an independent auditor's report on CAF's internal control over financial reporting. The Independent Auditor's Report on Internal Control over Financial Reporting, which is included in this document, expresses an unmodified opinion on CAF's internal control over financial reporting as of December 31, 2021.



Gabriel Felpeto
Vice-President of Finance



Sergio Díaz-Granados Guida
Executive President



Javier González
Acting Vice-President of Risk

February 14, 2022

Independent Auditor's Report

To the Board of Directors and Stockholders of
Corporación Andina de Fomento (CAF)

Opinion on Internal Control Over Financial Reporting

We have audited the internal control over financial reporting of **Corporación Andina de Fomento (CAF)** as of December 31, 2021, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, CAF maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the financial statements of CAF as of and the years ended December 31, 2021 and 2020, and our report dated February 14, 2022 expressed an unmodified opinion on those financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting* section of our report. We are required to be independent of **CAF** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Internal Control over Financial Reporting

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting.

Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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February 14, 2022
Caracas, Venezuela

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Independent Auditor's Report

To the Board of Directors and Stockholders of
Corporación Andina de Fomento (CAF)

Opinión

We have audited the financial statements of **Corporación Andina de Fomento (CAF)**, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **CAF** as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), CAF's internal control over financial reporting as of December 31, 2021, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 14, 2022 expressed an unmodified opinion on CAF's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of **CAF** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAF ability to continue as a going concern for one year after date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAF ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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February 14, 2022
Caracas, Venezuela

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Corporación Andina de Fomento (CAF)

Balance Sheets

As of December 31, 2021 and 2020

(In thousands of U.S. dollars)

	NOTES	2021	2020
ASSETS			
Cash and due from banks		112.047	123.204
Deposits with banks		3.210.216	2.825.086
Cash and due from banks and deposits with banks	3	<u>3.322.263</u>	<u>2.948.290</u>
Marketable securities:			
Trading	4 and 19	12.503.067	10.961.847
Other investments	5	292.392	811.205
Loans (US\$ 2,389,651 and US\$ 2,088,750 at fair value as of December 31, 2021 and 2020 respectively)	6 and 19	29.595.386	28.117.867
Less loan commissions, net of origination costs		153.955	134.011
Less allowance for loan losses	6	<u>76.650</u>	<u>95.015</u>
Loans, net		<u>29.364.781</u>	<u>27.888.841</u>
Accrued interest and commissions receivable		357.836	386.625
Equity investments	7	433.350	432.600
Derivative financial instruments	18 and 19	512.383	1.766.932
Property and equipment, net	8	105.987	111.734
Other assets	9	<u>700.291</u>	<u>1.537.829</u>
TOTAL		<u>47.592.350</u>	<u>46.845.903</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Deposits (US\$ 106,119 and US\$ 24,101 at fair value as of December 31, 2021 and 2020 respectively), net	10 and 19	4.002.626	3.337.574
Commercial paper	11	2.813.646	1.598.696
Borrowings from other financial institutions (US\$ 740,028 and US\$ 792,217 at fair value as of December 31, 2021 and 2020 respectively), net	12 and 19	1.772.171	1.672.301
Bonds (US\$ 24,074,774 and US\$ 24,706,736 at fair value as of December 31, 2021 and 2020 respectively), net	13 and 19	24.260.537	24.882.419
Accrued interest payable		288.233	308.986
Derivative financial instruments	18 and 19	842.958	404.842
Accrued expenses and other liabilities	14	<u>312.540</u>	<u>1.646.184</u>
Total liabilities		<u>34.292.711</u>	<u>33.851.002</u>
STOCKHOLDERS' EQUITY:			
Subscribed capital	16	7.716.975	7.867.755
Less callable capital portion		1.589.660	1.589.660
Less capital subscriptions receivable		<u>690.940</u>	<u>912.045</u>
Paid-in capital		<u>5.436.375</u>	<u>5.366.050</u>
Additional paid-in capital		4.091.298	3.961.900
Reserves		3.666.951	3.427.129
Retained earnings		<u>105.015</u>	<u>239.822</u>
Total stockholders' equity		<u>13.299.639</u>	<u>12.994.901</u>
TOTAL		<u>47.592.350</u>	<u>46.845.903</u>

Notes are considered as an integral part of the financial statements, see notes to the financial statements at <http://scioteca.caf.com>

Corporación Andina de Fomento (CAF)

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020
(In thousands of U.S. dollars)

	NOTES	2021	2020
Interest income:			
Loans	2 (g)	603.903	837.815
Investments and deposits with banks	2 (e), 3 and 4	23.098	203.211
Loan commissions	2 (g)	44.990	40.139
Total interest income		<u>671.991</u>	<u>1,081.165</u>
Interest expense:			
Bonds		329.247	523.480
Borrowings from other financial institutions		22.427	30.768
Deposits		4.109	18.285
Commercial paper		5.077	10.488
Commissions		10.415	12.136
Total interest expense		<u>371.275</u>	<u>595.157</u>
Net interest income		300.716	486.008
Provision for loan losses	6	29.869	2.923
Net interest income, after provision for loan losses		<u>270.847</u>	<u>483.085</u>
Non-interest income:			
Dividends and equity in earnings of investees	7	5.108	6.979
Other commissions		2.055	2.327
Other income	7	31.794	8.411
Total non-interest income		<u>38.957</u>	<u>17.717</u>
Non-interest expenses:			
Administrative expenses		157.353	149.324
Other expenses	7	14.048	37.552
Total non-interest expenses		<u>171.401</u>	<u>186.876</u>
Income before unrealized changes in fair value related to other financial instruments and contributions to Stockholders' Special Funds		138.403	313.926
Unrealized changes in fair value related to other financial instruments	20	(3.388)	(2.089)
Income before contributions to Stockholders' Special Funds, net		135.015	311.837
Contributions to Stockholders' Special Funds	22	30.000	72.015
Net income and total comprehensive income		<u><u>105.015</u></u>	<u><u>239.822</u></u>

Notes are considered as an integral part of the financial statements, see notes to the financial statements at <http://scioteca.caf.com>

Corporación Andina de Fomento (CAF)

Statements of Stockholders' Equity

For the years ended December 31, 2021 and 2020

(In thousands of U.S. dollars)

NOTES	Paid-in capital	Additional Paid-in capital	Reservas			Retained earnings	Total stockholders' equity
			General reserve	Article N° 42 of the Constitutive Agreement	Total reserves		
BALANCES AS OF DECEMBER 31, 2019	5.380.715	3.988.884	2.585.947	515.600	3.101.547	325.582	12.796.728
Capital increase	16 212.840	391.625	-	-	-	-	604.465
Capital decrease due to shares' repurchase	6 (227.505)	(418.609)	-	-	-	-	(646.114)
Net income and total comprehensive income	16 -	-	-	-	-	239.822	239.822
Appropriated for general reserve	16 -	-	292.982	-	292.982	(292.982)	-
Appropriated for reserve pursuant to Article N° 42 of the Constitutive Agreement	16 -	-	-	32.600	32.600	(32.600)	-
BALANCES AS OF DECEMBER 31, 2020	5.366.050	3.961.900	2.878.929	548.200	3.427.129	239.822	12.994.901
Capital increase	16 221.105	406.833	-	-	-	-	627.938
Capital decrease due to shares' repurchase	6 (150.780)	(277.435)	-	-	-	-	(428.215)
Net income and total comprehensive income	16 -	-	-	-	-	105.015	105.015
Appropriated for general reserve	16 -	-	215.839	-	215.839	(215.839)	-
Appropriated for reserve pursuant to Article N° 42 of the Constitutive Agreement	16 -	-	-	23.983	23.983	(23.983)	-
BALANCES AS OF DECEMBER 31, 2021	<u>5.436.375</u>	<u>4.091.298</u>	<u>3.094.768</u>	<u>572.183</u>	<u>3.666.951</u>	<u>105.015</u>	<u>13.299.639</u>

Notes are considered as an integral part of the financial statements, see notes to the financial statements at <http://scioteca.caf.com>

Corporación Andina de Fomento (CAF)

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(In thousands of U.S. dollars)

	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES:			
Net income and total comprehensive income		105.015	239.822
Adjustments to reconcile net income to net cash used in operating activities:			
Unrealized loss (gain) on trading securities		72.788	(20.837)
Loan commissions, net of amortization of origination costs		(18.630)	(15.201)
Provision for loan losses	6	29.869	2.923
Impairment charge for equity investments	7	117	5.977
Unrealized changes in fair value related to equity investment	7	(26.748)	18.722
Equity in losses of investees	7	871	1.533
Amortization of deferred charges		5.020	3.547
Depreciation of property and equipment	8	8.895	8.231
Provision for employees' severance benefits		13.207	12.799
Provision for employees' savings plan		823	879
Unrealized changes in fair value related to other financial instruments		3.388	2.089
Net changes in operating assets and liabilities:			
Trading securities, net		(1.620.056)	(579.216)
Accrued interest and commissions receivable		28.789	145.168
Other assets		(18.891)	(8.263)
Accrued interest payable		(20.753)	(94.574)
Severance benefits paid or advanced		(10.345)	(5.632)
Employees' savings plan paid or advanced		(783)	233
Accrued expenses and other liabilities		(44.330)	22.996
		<u>(1.596.769)</u>	<u>(498.626)</u>
Total adjustments and net changes in operating assets and liabilities			
Net cash used in operating activities		<u>(1.491.754)</u>	<u>(258.804)</u>
INVESTING ACTIVITIES:			
Purchases of other investments	5	(2.010.262)	(3.171.778)
Maturities of other investments	5	2.529.075	3.357.490
Loan origination and principal collections, net	6	(2.096.433)	(2.050.142)
Equity investments, net	7	25.010	4.993
Property and equipment, net	8	(3.148)	(7.647)
		<u>(1.555.758)</u>	<u>(1.867.084)</u>
Net cash used in investing activities			
		<u>(1.555.758)</u>	<u>(1.867.084)</u>
		<u>(3.047.512)</u>	<u>(2.125.888)</u>
		<u>(3.047.512)</u>	<u>(2.125.888)</u>

Notes are considered as an integral part of the financial statements, see notes to the financial statements at <http://scioteca.caf.com>

Corporación Andina de Fomento (CAF)

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(In thousands of U.S. dollars)

	NOTES	2021	2020
<i>Brought forward</i>		(3,047,512)	(2,125,888)
FINANCING ACTIVITIES:			
Net increase in deposits	10	668,277	665,306
Proceeds from commercial paper	11	24,847,310	18,224,698
Repayment of commercial paper	11	(23,632,360))	(17,534,135))
Net (decrease) increase in derivative-related collateral		(445,293))	325,875
Proceeds from issuance of bonds	13	4,478,803	3,950,027
Repayment of bonds	13	(3,320,266))	(3,904,211))
Proceeds from borrowings from other financial institutions		374,681	922,463
Repayment of borrowings from other financial institutions		(177,605))	(701,379))
Proceeds from issuance of shares	16	627,938	604,465
Net cash provided by financing activities		3,421,485	2,553,109
NET INCREASE IN CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS		373,973	427,221
CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS AT BEGINNING OF THE YEAR		2,948,290	2,521,069
CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS AT END OF THE YEAR		3,322,263	2,948,290
SUPPLEMENTAL DISCLOSURE:			
Interest paid during the year		374,796	668,793
NONCASH FINANCING ACTIVITIES:			
Principal collections	6	428,215	646,114
Capital decrease	6	(428,215))	(646,114))
Change in derivative instruments assets		1,254,549	(1,340,672))
Change in derivative instruments liabilities		438,116	(237,883))

Notes are considered as an integral part of the financial statements, see notes to the financial statements at <http://scioteca.caf.com>

Corporación Andina de Fomento (CAF)

Collegiate Bodies and Senior Authorities

Shareholders' Assembly¹

The Extraordinary Assembly has the sufficient powers to modify the provisions governing the Corporación in all administrative and procedural matters required, for the best fulfillment of the proposed objectives. The Extraordinary Assembly has, among its powers, to increase, decrease or refund the capital stock, dissolve the Corporación, change the Corporación headquarters, when the Board of Directors proposes it, and hear any other matter that is expressly submitted to it, and that is not the competence of another body of the Corporación.

Board of Directors²

The Board of Directors is the body composed of the CAF Shareholders' representatives, responsible for establishing and directing the Institution's financial, credit and economic policy, as well as exercising the other powers conferred upon it by the Articles of Agreement, the General Regulations and those delegated by the Assembly.

Technical Committee of the Board of Directors³

Within the scope of its powers, in December 2021, the Board of Directors created the Board of Directors' Technical Committee, as an instance of deliberation and consultation for Management, aimed at supporting the Board of Directors in making decisions on matters and topics in its competence.

Executive President

The CEO is the legal representative of CAF. He exercises the Institution's general management and administration and is responsible for any matter that is not specifically entrusted to any other body. In addition, he is in charge of approving the strategic plans for countries and sectors, the institutional structures and processes that correspond to his or her level of authority and the financial transactions carried out by CAF for those amounts that are within the limit that the Board of Directors has delegated to him or her. He has an Advisory Board composed of experts from the economic, financial and business community of the region, whose main function is to support the CEO in the analysis of the strategic CAF objectives. He remains for five years in office, and may be reelected.

Executive Vice President

In accordance with the General Regulations, the Executive Vice-President is the most senior international official after the Executive President. He coordinates the preparation of plans, programs and activities of the institution's financial, operational and administrative divisions, as well as supervises the execution of the activities carried out by the Institution's different units. He shall be appointed by the Executive President, after consultation with the Board of Directors, for a period of five years, which may be extended.

1. On March 2, 2021, the 52nd Ordinary Assembly and the 19th Extraordinary Shareholders' Assembly were held.

2. During 2020, three ordinary Board meetings were held: March 2 (171st Board), July 8 (172nd Board) and December 7 (173rd Board). In addition, five extraordinary Board meetings were held: April 7, May 20, July 5, August 17 and October 22.

3. During 2020, two Audit Committee meetings were held: March 1 (37th Audit Committee) and December 6 (38th Audit Committee).

Corporación Andina de Fomento (CAF)

Board of Directors, 2020-2023

President of the Board

(April 1st 2021 – March 31st 2022)

Héctor Alexander

Minister of Economy and Finance of Panama

Series “A” Shareholders 2020-2023

ARGENTINA

Principal: Gustavo Béliz

Secretary for Strategic Affairs

Alternate: Leandro Gorgal

Deputy Secretary of
International Financial Relations
for Development
Secretariat for Strategic Affairs

ECUADOR

Principal: Nelson Andrade

President of the Board of
Directors Corporación Financiera
Nacional

Alternate: Eduardo Salgado

General Manager, Corporación
Financiera Nacional

TRINIDAD AND TOBAGO

Principal: Colm Imbert

Minister of Finance

Alternate: Alvin Hilaire

Governor, Central Bank of
Trinidad and Tobago

BOLIVIA

Principal: Gabriela Mendoza

Gumiel Minister of Development
Planning

Alternate: Marcelo Laura

Guarachi Vice-Minister of
Public Investment and External
Financing

PANAMA

Principal: Héctor Alexander

Minister of Economy and Finance

Alternate: Javier Carrizo

General Manager, Banco
Nacional de Panamá

URUGUAY

Principal: Azucena Arbeleche

Minister of Economy and Finance

Alternate: Diego Labat

President, Central Bank of
Uruguay

BRAZIL

Principal: Roberto Fendt *Special*

Secretary of Foreign Trade and
International Affairs

Ministry of Economy

Alternate: Eivaldo Alfredo

Gomes Secretary of International
Economic Affairs
Ministry of Economy

PARAGUAY

Principal: Óscar Llamosas

Minister of Finance

Alternate: Iván Haas

Vice-Minister of Economy

VENEZUELA

Principal: José Félix Rivas

Head of the National Office of
Public Credit

Alternate: Román Maniglia

Vice-Minister of the Banking and
Insurance System

COLOMBIA

Principal: José Manuel Restrepo

Minister of Finance and Public
Credit

Alternate: María Ximena

Lombana Minister of Commerce,
Industry and Tourism

PERU

Principal: Pedro Francke

Minister of Economy and Finance

Alternate: Gustavo Guerra

García

Vice-Minister of Finance

Series “B” Shareholders 2020-2023

BOLIVIA

Principal: Marcelo Montenegro

Gómez Minister of Economy and
Public Finance

Alternate: Sergio Cusicanqui

Vice-Minister of Treasury and
Public Credit

VENEZUELA

Principal: Héctor Obregón

President

Banco de Desarrollo Económico y
Social de Venezuela (BANDES)

Alternate: Luis Pérez González

Executive Vice-President
Banco de Desarrollo Económico y
Social de Venezuela (BANDES)

COLOMBIA

Principal: Leonardo Villar

General Manager

Banco de la República

Alternate: Alejandra Botero

General Director
National Planning Department

ECUADOR

Principal: Simón Cueva

Minister of Economy and Finance

Alternate: Guillermo Avellán

Solines General Manager
Central Bank of Ecuador

PERU

Principal: Carlos Linares

President of the Board of
Directors Corporación Financiera
de Desarrollo (COFIDE)

Alternate: Álex Contreras

Vice-Minister of Economy

Series “C” Shareholders 2018-2021

SPAIN

Principal: Nadia Calviño

Minister of Economic Affairs and
Digital Transformation

COSTA RICA

Alternate: Rodrigo Cubero

President, Central Bank
of Costa Rica

MEXICO

Principal: Rogelio Ramírez de la O

Secretary of Finance and Public Credit

DOMINICAN REPUBLIC

Alternate: José Manuel Vicente

Minister of Finance

Corporación Andina de Fomento (CAF)

Executive Management (as of December 31, 2021)

Executive President **Sergio Díaz-Granados**
Chief of Staff & General Advisor to the Presidency **Andrés Rugeles**
Director, Executive Presidency **Oscar Rueda**
General Manager, CAF-AM **Anna María Carrasquilla**

Legal Counsel **Jorge Luis Silva**
Director, Legal Consultancy **Ramón Andrade**
Director, Non-Sovereign Risk Legal Affairs **Rosalía Román**
Director, Sovereign-Risk Legal Affairs **Antonio Urdaneta**

Secretary General **Alejandra Claros**
Director, General Secretariat **Mauricio Beltrán**

General Auditor **Ángel Cárdenas (Acting)**

Corporate Vice President, Strategic Programming **Christian Asinelli**
Senior Advisor, Strategic Programming **María Soledad Barrera**

Vice President, Infrastructure **Antonio Pinheiro Silveira**
Director, Northern Region Projects **María Claudia Flores**
Director, Southern Region Projects **Ángel Cárdenas**
Director, Technical Assessment and Analysis for Infrastructure **Sandra Conde**
Director, Regional Initiatives **Ana María Sanjuán**

Vice President, Sustainable Development **Julián Suárez**
Director, Sustainable Development Projects Northern Region **Alberto Peñaherrera**
Director, Sustainable Development Projects Southern Region **Sebastián Abbatemarco**
Director, Technical Assessment and Analysis for Sustainable Development **Jorge Concha**
Director, Sustainability, Inclusion and Climate Change **Edgar Salas**
Director, Social Innovation **Ana Mercedes Botero**

Vice President, Knowledge **Pablo Sanguinetti**
Direction of Sectoral Knowledge **Ernesto Schargrotsky (Acting)**
Director, Impact Assessment and Policy Learning **Daniel Ortega**
Director, Macroeconomic Studies **Adriana Arreaza**
Director, Socioeconomic Research **Ernesto Schargrotsky**
Director, Digital Innovation in Government **Carlos Santiso**

Vice Presidency of Country Programs **Emilio Uquillas (Acting)**
Director, Operational Programming **Miguel Ángel Ostos**
Director, Development Cooperation Funds **Gloria Betancourt**
Director, Training for Public Management **Laura Calderón**
Director, Country Programs **Francisco Prieto**
Director, Country Programs **Juan Bernardo Requena**
Representative, Argentina **Santiago Rojas**
Representative, Bolivia **Florentino Fernández**
Representative, Brazil **Jaime Holguín**
Representative, Colombia **Carolina España**
Representative, Ecuador **Daniel Rivera**
Representative, Mexico **Emilio Uquillas**
Representative, Panama **Lucía Meza**
Representative, Paraguay **Joel Branski**
Representative, Peru **Manuel Malaret**
Representative, Trinidad and Tobago **Gianpiero Leoncini**
Representative, Uruguay **Francois Borit**

Executive Vice Presidency **María Carolina España (Acting)**
Direction of Human Capital **Gladis Genua (Acting)**
Director, Logistic and Administrative Services **Luis Felipe Sánchez**
Director, Operations Control **Reinaldo Ledezma (Acting)**
Director, Innovation and Collaboration **Germán Alzate**
Director, Technological Solutions and Services **Mariuska Mendoza**
Director, Physical Infrastructure Development and Maintenance **Decia Paradisi**
Director, Strategic Communication **Andrés Zamora**
Europe Office **María Ximena Durán (Acting)**

Vice President, Finance **Gabriel Felpeto**
Director, Financial Policies and International Bond Issues **Antonio Recine**
Director, Institutional Financial Resources **Gloria Gamero**
Director, Treasury **José Luis Villanueva**
Director, Market Strategies **Aureliano Fernández**
Director, Accounting and Financial Control **Franca Capobianco**

Vice Presidency of Risks **Javier González (Acting)**
Director, Credit and Investment Risk **Beatriz Álvarez**
Director, Risk Management **Javier González (Acting)**
Director, Portfolio Review **Javier González**

Vice President, Private Sector **Jorge Saba Arbache**
Director, Financial Development **Jaily Gómez**
Director, Technical Assessment and Analysis for Private Sector **Juan Carlos Elorza**
Director, Structured Financing **Sergio Robredo**
Director, Business Development **Ignacio Andino**
Director, SMEs Development **Jairo Tiusabá (Acting)**
Director, Funds and Impact Investments **Jorge Velarde**
Advisor, Private Sector **Gladis Genua**

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