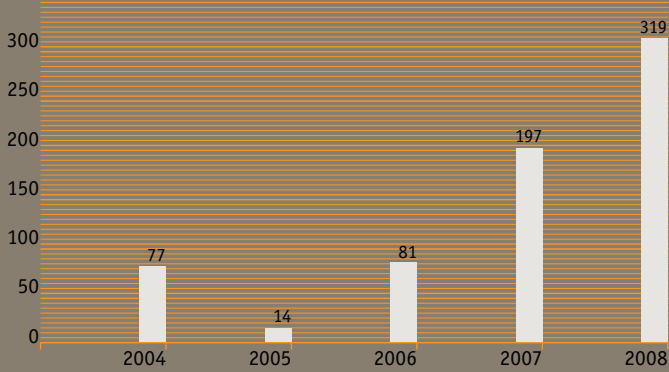
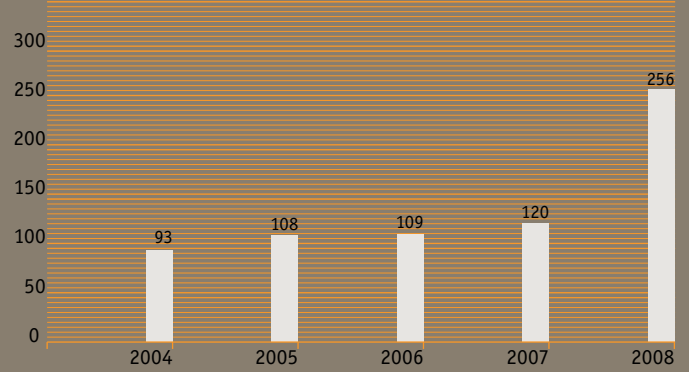


APPROVALS. OTHER SHAREHOLDER COUNTRIES (2004-2008)
(in millions of USD)



PORTFOLIO. OTHER SHAREHOLDER COUNTRIES (2004-2008)
(in millions of USD)



Approvals to other shareholder countries during 2008 showed an increase of 63% as compared with the previous year.

In addition, the portfolio allocated to these countries grew significantly, enabling a net flow of resources of USD 132 million.

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Other shareholder countries

During 2008, CAF approved operations to other shareholder countries for USD 319 million. Disbursements reached USD 282 million, and total portfolio reached USD 256 million.

The incorporation of Argentina, Brazil, and Uruguay as full members of the Institution in 2007, and of Panama and Paraguay in 2008, resulted in a lower concentration of operations of other shareholder countries. Nevertheless, approvals to these countries grew by 62 percent with respect to 2007. In addition, the portfolio grew significantly in relation to the previous year, resulting in a net flow of resources of USD 132 million.

CAF allocated resources mainly for the development of infrastructure projects in these countries, as well as to support the integration of the Mesoamerican region. In addition, it offered financial support to promote productivity and competitiveness, providing resources to both the private sector and financial systems. At the same time, the Institution granted non-reimbursable cooperation funds for approximately USD 1 million.

COSTA RICA

During 2008, CAF approved resources to Costa Rica, mainly for the development of infrastructure projects. Thus, it granted a loan for USD 60 million to the Ministry of Public Works and Transportation (MOPT) to partially finance the Investment Program in the Atlantic Corridor which is part of the Mesoamerican Project, formerly known as the Puebla-Panama Plan.

The following objectives of the aforementioned Program are worth noting: i) conclude the primary works of the Atlantic Corridor in the Costa Rica section to promote the road integration of the countries included in the Mesoamerican Project; ii) provide users with an integrated, efficient, low cost, and safe transportation system; iii) promote the economic and social development of the northern area of the country, enabling more competitive commercial, agricultural, and tourism activities; iv) reduce vehicle operation costs; and v) reduce the rate of accidents along the corridor.

In addition, the Institution approved a credit line to *Refinadora Costarricense de Petróleo* (RECOPE) for USD 50 million to facilitate compliance with short-term working capital commitments. The company's activity is of strategic importance to the country.

CAF also approved a line of credit for USD 10 million to Banco Improsa, to promote the development of micro finances in the country, while at the same time supported SMEs by renewing the credit facilities to DESYFIN and COOPEMEX financial institutions.

SPAIN

During 2008, CAF's activity in Europe increased significantly to promote the Institution in Spain, and to create a network contact of entities, organizations, and businesses in the continent. Efforts were aimed at creating an active agenda to establish and strengthen relations with entities of the public, governmental, financial, entrepreneurial, and institutional spheres.

To this respect, CAF's action in Europe seeks to deepen relations with Spain as a strategic member, as well as with other countries and institutions of the continent such as the European Union and other international organizations. The initiatives include developing relations with other regions of the world, including Asia. In addition, CAF seeks to establish ties with financial institutions in European countries and other regions, in an effort to attract resources to finance development in Latin America.

Among other events and initiatives, CAF was present in:

- The Annual Meeting of the Asian Development Bank in Madrid FAO's Annual Meeting in Rome
- The Meeting of the Global Network of Ex-Im banks and Development Institutions (G-Nexid) in Geneva
- The Climate Change Conference in Oslo

In addition, the Institution has become a point of reference between Spanish enterprises, institutional organizations, and banking entities, as well as a promoter of businesses directed at Latin America, facilitating access to enterprises that seek activities toward the region.

In the III Edition of the Fundación Valenciaport Awards, CAF received a special award for its support for the internationalization of the Guarantee Trademark, an activity conducted through its First Class Ports Program.

The Institution also approved a capital investment of USD 5 million in the *Fondo de Inversión Libre BBVA CODESPA Microfinanzas* (Free Investment Fund), through which Latin American microfinancing institutions are granted access to financing in local currency. The objective of the capital participation is to promote the development of microfinancing in Latin America and strengthen commercial ties between Latin America and Europe.

MEXICO

During 2008, CAF approved USD 10 million to Mexico, to support the development of microfinancing in the country. Resources will be channeled through *Banco Compartamos*, to finance investment projects and working capital to the sector.

With cooperation resources, the Institution provided technical assistance and ongoing support to the organization in charge of managing the Microbus system, before and after the beginning of the Independence Road corridor in the city of Guadalajara, State of Jalisco.

It is also worth mentioning the initiation of the Governance and Political Management Program developed by CAF together with the George Washington University and the *Universidad Nacional Autónoma de México* (UNAM).

In the area of social development, CAF assigned non-reimbursable resources to the state of Yucatán to conduct studies for the design of a comprehensive system to manage home liquid waste utilizing new technologies, for the cities of Progreso and Valladolid.

In the SME and microfinancing sectors, the Institution approved a capital investment in MICRORED in Mexico, an entity specialized in financing micro enterprises, as well as a capital investment in the risk capital fund Latin Idea Venture Fund with investments in Mexican SMES.

In the framework of the PLAC^e, CAF provided support for the logistics of the workshop on opportunities of the Carbon Market for Transportation Projects, identifying business opportunities in transportation projects.

DOMINICAN REPUBLIC

During 2008, CAF initiated operations in the country with the approval of a loan for USD 75 million, aimed at supporting the Wide Approach Sector Program for the Dominican Road Sector, which will enable the improvement, rehabilitation, and maintenance of the country's road infrastructure.

In addition, in alliance with the Dominican Association for the Development of Women (ADOPEM), the Institution initiated a comprehensive training project aimed at youths with limited opportunities to pursue higher education. The training includes technical and human aspects, and provides tools for the organization of entrepreneurial activities and insertion in the labor market.

Approvals to other shareholder countries. 2008 (in USD million)

Client/Executing agency	Operation	Objective	Amount	Term (years)
Costa Rica			120.3	
Republic of Costa Rica- Ministry of Public Works and Transportation (MOPT)	Investment program for the Plan Puebla- Panamá Atlantic Co- rridor	Strengthen the human and ecological wealth of the Mesoamerican re- gion in a framework of sustainable development, respecting cultural and ethnic diversity. Within this integration policy, efforts are made to improve the region's competitiveness, the rational administration of natural resources, the efficient investment in transportation and com- munications infrastructure, and the improvement of the economic and regulatory environment.	60	18
<i>Refinadora Costarricense de Petróleo (RECOPE)</i> (Costa Rican Oil Refin- ery)	Non-committed revol- ving credit line for the Costarrican Oil Refi- nery (RECOPE)	Provide financial support to facilitate compliance with short term wor- king capital requirements, as the company's activity is of strategic im- portance for the country.	50	1
<i>Banco Improsa</i>	Financing for working capital	Finance working capital for the development of small and micro enter- prises.	10	Up to three years
Various beneficiaries	Other operations with cooperation resources	Various	0.3	
Mexico			10.4	
<i>Banco Compartamos</i>	Financing for working capital	Finance working capital for the development of small and micro enter- prises	10	Up to 3 years
Various beneficiaries	Other operations with cooperation resources	Various	0.4	Various
Dominican Republic			75.1	
Dominican Republic- State Secretariat of Finance	Wide approach pro- gram: road sector	Support the Dominican highway sector through a loan that will enable improvement, rehabilitation, and maintenance of the country's road in- frastructure.	75	12
Various beneficiaries	Other operations with cooperation resources	Various	0.1	
Multinational			114	
<i>Empresa Propietaria de la Red, S.A. (EPR)</i>	Long term loan	Partially finance the Electrical Interconnection System for the Central American countries (SIEPAC), which is part of the Mesoamerican Project aimed at contributing with the region's integration and development process.	17	20
Aureos Latin American Fund LP	Share participation	Capital and quasi-capital investments in medium-sized enterprises.	15	
<i>Corporación Interameri- cana para el Financia- miento de Infraestructu- ra, S.A. (CIFI)</i> (Inter- American Corpo- ration for Infrastructure Financing)	Non-committed revol- ving line of credit	Finance investment projects, and foreign trade and working capital ope- rations	15	Various
BLADEX	Financing for trade, working capital, and investment projects	Finance investment projects, and foreign trade and working capital ope- rations.	50	Various
BBVA Codespa Microfi- nanzas FIL	Share participation	Contribute with the development of the microfinance industry in Latin America.	5	
Various beneficiaries	Technical cooperation			
	Various	12		
Total			319	



Southern Interoceanic Road Corridor, Peru.

