

OTHER SHAREHOLDER COUNTRIES

BARBADOS/CHILE/
COSTA RICA/SPAIN/
JAMAICA/MEXICO/
PORTUGAL/DOMINICAN
REPUBLIC/TRINIDAD
AND TOBAGO

BARBADOS

In 2015, CAF financed its first two operations for Barbados with the approval of two freely usable quick-disbursing sovereign loans. During the first week of July 2015, within the framework of the first visit of CAF's Executive President, Enrique García, to Barbados, a USD 50 million PBL was granted with the aim of supporting the country's growth and development strategy for the period 2013-2020.

In November, CAF approved another financing operation, granting USD 35 million in a Sector-wide Approach for Transport (swaps) to develop tourism. This operation recognizes the Barbados government's investment efforts in transport over the last two years, which led to increased competitiveness in tourism, the country's main economic activity, which employs about half of the population and generates more than one quarter of the foreign exchange flows in the local economy.

In addition, over the course of the year, several missions visited the country to identify new financing needs, especially in drinking water and sanitation, road infrastructure and transport. CAF also gave technical assistance to the Ministry of Finance and Economic Affairs to strengthen its public investment unit (PIU). This technical assistance will allow the ministry to complete a strategic plan for the PIU, improve training and transmission of expert knowledge, and design and implement public investment projects submitted to multilateral bodies more effectively.

OTHER SHAREHOLDER COUNTRIES IN FIGURES (in millions of USD)

	2015	2011-2015
Approvals	1,978	6,738
Sovereign risk	1,235	3,918
Non-sovereign risk	743	2,820
Disbursements	1,130	3,618
Sovereign risk	688	1,637
Non-sovereign risk	443	1,982
		2015
Portfolio		1,137
Sovereign risk		558
Non-sovereign risk		580

CHILE

In 2015, CAF strengthened its position in Chile with the approval of the first long-term operation and the first financial line of credit in the country. The approved long-term operation was a USD 50 million corporate loan for Atacama Solar S.A. to build, operate and maintain a 143 MW photovoltaic park, 75 km from Iquique, capital of the Tarapaca region, in the north of Chile, one of the areas with the highest level of solar irradiation in all of Latin America. In turn, Banco Santander Chile was awarded a USD 50 million line of credit for short-term working capital operations.

In addition, throughout the year, CAF and Corporación de Fomento de la Producción de Chile (CORFO) held several working meetings in an effort to establish a strategic relationship between the two institutions with the aim of producing a greater impact on the Chilean productive sector and, in particular, the country's SMEs. In this regard, both institutions defined a balanced work agenda to define technical assistance aimed at strengthening the leasing and factoring industries. Approval was expected in 2016. CORFO and CAF agreed to analyze co-financing opportunities and evaluate new future technical assistance operations to address issues related to social innovation and credit risk.

In addition to CAF's financing efforts in Chile, four technical assistance operations were approved for a total of USD 560,000 in 2015. In the first operation, ENAP, the national oil company, was granted USD 370,000 to assess energy efficiency in the company's productive processes in order to establish a baseline of energy consumption in the oil refining and gas production operations, and electricity generation systems.

Secondly, CAF approved a USD 50,000 operation to sponsor the International Festival of Social Innovation (IFSI) in 2015. The purpose of this operation was to support efforts to bolster entrepreneurship and social innovation as agents of change, as well as to encourage a new way of doing business that addresses social issues by working in a collaborative, intersectoral and multidisciplinary manner.

Thirdly, CAF approved an operation of technical assistance for USD 65,000 in favor of the Superintendency of Banks and Financial Institutions to assess knowledge, skills, attitudes and behaviors of individuals in regard to financial issues to achieve a better understanding of the different dimensions of the financial culture of the Chilean population and design a suitable of financial education and inclusion policy.

A final operation was approved for USD 75,000 in favor of non-profit organization Progresia to conduct a comparative analysis of the degree of institutional development between Uruguay and Chile. The operation will make it possible to publish an analysis of the two countries' institutional performance; facilitate the organization of municipal councils to gather feedback from citizens; and, promote

the development of training in relation to institution strengthening and regional integration of Chile with the rest of the region.

In addition to financing and technical cooperation operations, CAF consolidated its intention to contribute and exchange different experiences of knowledge development in Chile in 2015. In this regard, in partnership with two Chilean universities, CAF analyzed the effectiveness of different public policy interventions for youth employment and social inclusion of young people. The institution also co-participated in research projects on topics related to asymmetric information in the health insurance market in Chile. During the presentation of CAF's economics and development report entitled *(RED: A more effective state. Skills for the design and implementation of public policies, and how to learn from them)*, Chilean political-institutional stakeholders discussed the challenges for increasing government skills related to bureaucracy, public procurement, citizen participation, and systems of monitoring and evaluating public policies.

COSTA RICA

In 2015, CAF reaffirmed its support of Costa Rica's microfinance sector with the renewal of Banco Improsa's line of credit for local small and medium-sized companies. Several missions held in 2015 made it an auspicious year for future operations. They identified financing and technical assistance needs, which will possibly result in one or more operations for the sovereign sector in 2016.

SPAIN

In 2015, CAF strengthened its relationship with the government of Spain, with public and private entities, and with leading academic institutions in the country.

Within the context of CAF's growing presence in Spain at an institutional level, King Felipe VI awarded the institution the Grand Cross of the Order of Isabel the Catholic, which was presented by the Secretary of State for Cooperation and Ibero-America to CAF Executive President Enrique García, in recognition of the efforts made by the institution and the president to promote relations between Spain and the Ibero-American community.

Several memorandums of understanding were also signed with Spain to promote greater cooperation on issues of water and sanitation, cities and education. For example, agreements were signed with the Ministry of Agriculture and Environment and the Ministry of Foreign Affairs and Cooperation, in which the Ministry of Economy and Competitiveness also figures as a signatory. These agreements encourage joint work and the use of knowledge in certain Spanish institutions to contribute to the development of the region.

Institutional representation increased mainly due to CAF's presence on boards and councils of prestigious foundations and institutions, which favored trade and relations between Latin America and the Iberian Peninsula. CAF is a member of the Euroamerica Foundation, Casa de América, Fundación Iberoamericana Empresarial (FIE), Fundación Carolina and the Elcano Royal Institute. Furthermore, the institution actively participates in the Business Leadership Forum organized by the IE Business School.

In this regard, the institution has achieved a greater impact and dissemination among the most important Spanish companies and institutions, being recognized as a promoter of Ibero-American relations for the progress of Latin America and the Caribbean.

In the business sector, the European office's activity is oriented toward the strategic goal of globalizing CAF's business, as well as become the link between Europe, particularly Spain and Portugal, and Latin America and the Caribbean, which defines the relationship with the European public and private business sector.

For the purpose of understanding the needs of Spanish companies in Latin America and to serve as a bridge with the region, CAF supported the creation of the Ibero-American Council of Competitiveness and Productivity, and strengthened its participation in the Fundación Iberoamericana Empresarial, Spanish for Ibero-American Business Foundation (FIE, for its acronym in Spanish), which organized the meeting "Exchange of ideas and proposals on issues related to infrastructure in Ibero-America." Additionally, an alliance forged with the Vocento Group led to the organization of a series of events entitled "Future in Spanish" held in Madrid, Logroño, Malaga and Valencia, which served as a platform for institutional, business and cultural encounters between Spanish and Latin American stakeholders.

This approach to Spain's business base identified a growing demand among small and medium-sized enterprises for instruments that allow them to initiate a process of internationalization toward Latin America and the Caribbean. In response to this need, a decision was made to adapt the existing credit line with the Official Credit Institute (ICO, for its acronym in Spanish) allocating resources to cover guarantees and surety bonds.

In the area of knowledge, partnerships with national think tanks were expanded, including an agreement signed with the Elcano Royal Institute. Along this same line, a study on the phenomenon

of political disaffection and governance affecting all regions was conducted within the framework of the agreement of academic collaboration with Universidad de Alcalá. Based on this theme, an international colloquium entitled “Where are we headed? Political disaffection and governance. The political challenge” was held, where the preliminary findings of the study conducted in June were released. This research resulted in the edition and publication of a was presented in November.

Finally, a relationship with Fundación Carolina was established. In partnership with this institution, the first program of Ibero-American public leadership will be held in 2016 with the participation of 15 high level officials from Latin America. CAF also participated in the International Congress “Elites and leadership in times of change” organized by Universidad de Salamanca and FLACSO Spain. In this regard, CAF formed a strategic alliance with Universidad de Salamanca and other universities of Europe, within the framework of the European Academic Network, which actively contributes to the generation and dissemination of knowledge on topics of interest to Latin America, as well as to the international positioning of the institution.

JAMAICA

In 2015, activity focused on identifying key priority operations for the country’s development that meet the criteria to receive CAF’s support. Additionally, efforts were made to examine the agenda of assistance technical in Jamaica to boost value added interventions that complement the institution’s financial action.

MEXICO

In 2015, CAF approved a total of USD 522 million for Mexico, of which 96% (USD 500 million) corresponded to sovereign risk operations and 4% (USD 22 million) to non-sovereign operations.

Of the approved operations for the sovereign sector, CAF allocated USD 500 million for Mexico through the renewal of uncommitted revolving lines of credit granted to development institutions. In this regard, a USD 200 million line of credit for Bancomext and a USD 300 million line of credit for Nacional Financiera (Nafin) were renewed, aimed at financing working capital, foreign trade and projects of their clients, among other specific activities. In regard to the non-sovereign sector, an equity investment of USD 15 million was

approved for Partners Group Mexican Energy Infrastructure 2014. The fund will provide additional capital for the construction and operation of new gas pipelines and other related projects, such as gas compression and storage or electricity generation. Similarly, a USD 5 million uncommitted revolving line of credit of loans, guarantees and surety bonds was approved for the Finterra Group, to cover general financing needs of the entity and its customers, and the issuance of guarantees in favor of creditors that finance the group.

In respect to social issues, CAF allocated technical cooperation resources to support the development of the II International Congress of Pedestrians “ReCiudad,” organized by local groups Liga Peatonal, Cholula en Bici and A Pata, in order to discuss, propose, and generate pedestrian mobility solutions adapted to the urban reality of Cholula and Mexico.

On the other hand, CAF contributed to the preparation of a road design manual for Mexican cities to encourage local governments to adopt urban plans that prioritize green and efficient mobility, security, accessibility and efficiency in urban movement, under the concept of “complete streets” in harmony with CAF’s program Cities with a Future. The institution also provided support for the development of CITEK FORUM 2015 in order to offer a platform to lead the community toward the knowledge economy through topics related to the economic sectors in the states of Guanajuato, Queretaro, Jalisco, Aguascalientes, Michoacan and San Luis Potosi (in the region of the Bajío). This provided a space to create networks of knowledge on global innovation and technology initiatives.

In the education sector, CAF formed a partnership with The Trust for The Americas to provide support for the program “Democratech: Democratizing innovation in favor of vulnerable communities” for the creation of innovation centers (hubs), which work as a training vehicle to allow participants to deepen their technological knowledge.

With the Instituto Tecnológico de Estudios Superiores de Monterrey, CAF sponsored the seminar “Exponential technological change,” with the purpose of promoting the use of technology in the preparation of proposals for public policies for development.

In matters related to public policy, support was given to the governorship of Jalisco aimed at strengthening its technical capacity for development. In this context, the “International forum of innovation and metropolitan governance” was organized; a conceptual model was created for the implementation of a laboratory of innovation for the city of Guadalajara; an evidence-based system for the improvement of public policies was developed; and, the open government agenda was promoted through the preparation of an inventory of government practices in the entity.

Likewise, in conjunction with the government of Mexico City, two events were organized: the forum entitled “Airport, city and urban transformation” and ExpoPyMEs CDMX 2015 “The great urban transformation of Mexico City,” which addressed opportunities for development represented by the current location of Mexico City’s international airport, mitigating the effects from the airport’s relocation,

and attracting investments with a long-term vision of improving the quality of life of citizens.

CAF also contributed to the strengthening of the institutional and public action capacity of Mexico City in relation to strategic management policies and responsible use of water in the public space, through multidisciplinary technical support from experts in the field and the inclusion of these topics in the public and political agenda of the Federal District.

CAF sponsored the organization of the III Forum of Citizen Participation of the municipality of San Pedro Garza Garcia, with the aim of supporting the agenda of citizen participation in the planning of policies and matters related to municipal governance.

In an effort to foster social innovation, CAF, together with Fundemex, supported the promotion of efficient partnerships of cooperation between social companies and private companies integrated into the entities of the Coordinating Business Council, to promote the development and strengthening of social enterprises.

CAF also sponsored projects among the four member countries of the Pacific Alliance in the third edition of LAB4+ and organized the first edition of the Pacific Alliance Forum of Leading Businesswomen in Mexico City, to continue the promotion of competitiveness and productive integration of women entrepreneurs and SMEs in Mexico and the region.

Alongside the Organization for Cooperation and Economic Development, CAF sponsored the development of the sixth OECD Roundtable of Mayors and Ministers in Mexico City, with the aim of providing a platform for dialogue between national and subnational leaders from OECD member and non-members countries.

CAF also worked with the National Institute of Entrepreneurship to contribute to the design of a country-brand-like strategy to position and promote the development of an ecosystem of innovation and entrepreneurship in Mexico. The project was also promoted thanks to the development of the Startup Nations Summit 2015, which was carried out in the city of Monterrey in order to promote entrepreneurship in the region in the areas of health, energy, education and financial technology.

Finally, in partnership with Universidad Tecnológica de la Riviera Maya, CAF contributed to the generation of proposals that promote and ensure sustainability in the use and management of water in the aquifer Gran Acuífero Maya (GAM) through the study of the peninsular undersoil over dry caves and cenotes in eight geographical areas of importance in the states of Quintana Roo and Yucatan, the dissemination of results through academic papers and reports, and the fostering of public policy proposals through forums and multidisciplinary debates.

PORTUGAL

CAF continued to strengthen its activity with Portugal over the course of 2015. Highlights include the institution's efforts to foster relations between Europe and Latin America through the IV Strategic Triangle: Latin America-Europe-Africa, an event organized by the Instituto para a Promoção e Desenvolvimento da América Latina (IPDAL), where specialists and high-level institutional officials from these three continents gathered to analyze and present concrete proposals for improvements in their mutual relations.

Additionally, building on its commitment to development in Portugal's business sector, CAF made an equity investment of EUR 500,000 in Sociedade para o Financiamento do Desenvolvimento (SOFID), a Portuguese financial credit institution. CAF increased its catalytic activity and reinforced SOFID's capital to support Portuguese companies' investments in emerging economies. This transaction, which enhances CAF's relationship with the government of Portugal, is a key tool in supporting the Portuguese private sector in the region. In the business sector, CAF finances Mota Engil, one of Portugal's leading engineering and construction companies with operations in Peru and Mexico.

In the academic sector, Institute of Social Sciences of the Universidad de Lisbon joined the academic network of CAF to promote the study of Latin American issues in Portugal.

OTHER ACTIONS CARRIED OUT BY CAF'S EUROPEAN OFFICE

CAF's reputation as a leading stakeholder in Latin America and the Caribbean has increased as the institution continues to promote the links between the region and the European continent at institutional, business and academic levels driving Europe's growing interest in the region.

In 2015, an institutional visit to Brussels and Luxembourg strengthened relations with the European Investment Bank (EIB), as well as with the European Commission (EC) through the Directorate-General for International Cooperation and Development (DEVCO) and the European External Action Service (EEAS).

CAF's executive president conducted institutional visits to several European countries with support from CAF's European office. In the United Kingdom, he met with officials from the Foreign and Commonwealth Office (FCO) and HM Treasury, and also met with the

prime minister's special climate change envoy, and the Department of Energy and Climate Change (DECC) to promote partnerships on infrastructure and climate change.

A roundtable event was organized with members of "The City UK" to discuss legal and financial advice, project financing and PPP initiatives. A meeting was also held with representatives of "Future Cities Catapult" to generate synergies with CAF's Cities with a Future program.

Similarly, CAF executive president's participation at events in France and Italy further consolidated the institution's image in Europe. In Paris, he took part in a seminar organized by Business France about multilateral development banks' activities to analyze the economic situation in Latin America; measures to restore economic growth; and the opportunities offered by the region to foreign investors. He also participated in the VII International Economic Forum for Latin America and the Caribbean, organized by the OECD and the IDB in collaboration with France's ministries of finance and economy.

In Italy, he participated in the VII Italy-Latin America and Caribbean Conference, where representatives of Latin American countries and the Italian Government met.

CAF was present at the European Union-Community of Latin American and Caribbean States (EU-CELAC) Summit in Brussels, represented by CAF's director for Europe, who also participated in the business forum organized by the EU aimed at analyzing the role of SMEs as actors in the integral and sustainable growth.

It should be noted that CAF is partner of the Society of Promotion and Participation for Economic Cooperation (PROPARCO) of the French development agency AFD, which assists the private sector in developing countries.

CAF also contributes to the development of its member countries through the dissemination of research generated by the institution and its strategic partners. In this regard, the institution has strengthened its agreements and partnerships with the most prestigious academic institutions and think tanks in Europe: Oxford University and London School of Economics and Political Science in the UK, Sciences Po in France, Universidade de Lisbon in Portugal, the Alcala and Salamanca universities in Spain. These partnerships have positioned CAF as a leading source on topics of knowledge in Latin America.

In 2015, CAF created the European Academic Network to generate synergies and standardize programs of collaboration between the institution's strategic academic partners. Several international conferences were organized within this framework, including the CAF-LSE Annual Conference, a seminar at Universidad de Alcalá and the II CAF-Science Po Conference to discuss current issues pertinent to Latin America. As a result of these actions, the diffusion of knowledge about the region was bolstered, promoting closer ties with Europe.

DOMINICAN REPUBLIC

In 2015, USD 50 million were allocated for the support program for the management of processes of the Ministry of Finance through a programmatic loan of freely available resources, designed to contribute to the optimization of the ministry's management processes. The objective of the actions of public policies that form part of the loan is to support the Ministry of Finance's compliance with transparency and relations with investors and credit rating agencies, as well as to deepen and consolidate the reform of the state's financial management.

In addition, CAF renewed a credit line for Banco BHD in support of the country's productive transformation and economic growth through the financing of long-term investments.

Finally, a guarantee in favor of the European Investment Bank (EIB) was approved for USD 500,000 for an EIB credit line granted the Dominican development agency, which in turn will allocate the resources to finance microcredit operations of low-income individuals, as well as provide financial training and advice.

TRINIDAD AND TOBAGO

During 2015, the process for formalizing the inclusion of Trinidad and Tobago as a full member of the institution was completed, which has resulted in a much more effective relationship with the country. In this sense, and as a result of the local elections held in September 2015, priority was given to the institutional agenda through dialogue with various agencies and public authorities that made it possible to publicize the various products and services that CAF can provide for the country. As a result, opportunities for CAF to finance priority programs and projects for the development of the country in the coming years were identified, in addition to the definition of a technical assistance agenda for implementing different activities. With all this, the positioning of CAF in the country was strengthened.

Finally, in coordination with the Ministry of Foreign Affairs, CAF supported an international conference about the convergence of the economies of the Caribbean Sea, which was held in May 2015. The conference's most relevant contributions will be released in the first quarter of 2016.