



**CORPORACIÓN ANDINA DE FOMENTO**

*(a multilateral financial institution established under public international law)*

**USD \$20,000,000,000  
Medium Term Note Programme**

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This Supplement (the “**Supplement**”) constitutes a supplement to the Offering Circular dated 21 June 2019 (the “**Offering Circular**”) relating to the Medium Term Note Programme (the “**Programme**”) established by Corporación Andina de Fomento (the “**Issuer**” or “**CAF**”). This Supplement should be read in conjunction with the Offering Circular. Capitalized terms used but not defined herein shall have the meanings given them in the Offering Circular.

This Supplement and the Offering Circular comprises neither a prospectus for the purposes of Part VI of the FSMA, a base prospectus for the purposes of Article 5.4 of the Prospectus Directive, nor listing particulars given in compliance with the Listing Rules made under Part VI of the FSMA by the FSA.

The date of this Supplement is October 18, 2019.

## UPDATES TO OFFERING CIRCULAR

The purpose of this Supplement is to supplement the use of proceeds disclosure in the Offering Circular to reflect the application of the proceeds of Green Bonds that may be issued under CAF's Green Bond Framework from time to time. By virtue of this Supplement, the section of the Offering Circular entitled "Use of Proceeds" on page 38 shall be deemed replaced and superseded by the following:

### "USE OF PROCEEDS

Unless the Final Terms of a Series of Notes specify otherwise, the net proceeds of the issue of each Series of Notes will be used by CAF for general corporate purposes, including but not limited to the funding of its lending operations and the refinancing of its maturing indebtedness.

If the Final Terms of a Series of Notes specify that such Series of Notes are "**Green Bonds**", then an amount equal to the net proceeds of the issue of such Series of Notes will be allocated towards the financing or refinancing of new and existing loans ("**Eligible Green Loans**") dedicated to investments that meet the eligibility criteria set forth in CAF's Green Bond Framework (the "**Eligibility Criteria**") for one or more of the following categories (the "**Eligible Green Project Categories**"):

- Renewable Energy;
- Energy Efficiency;
- Clean Transportation;
- Sustainable Management of Living Natural Resources and Land Use;
- Waste Management; or
- Water Management and Projects.

As part of the Eligibility Criteria, CAF determines whether a potential project meets one or more of the following characteristics:

- Reduces Greenhouse gas emissions;
- Removes Greenhouse gases from the atmosphere;
- Promotes climate resilience and/or adaptation;
- Encourages the efficient use of resources; or
- Values ecological services.

The Eligibility Criteria also take into account various other factors, such as reputational aspects, client transparency and the magnitude of the project's environmental impact. CAF is committed to financing green projects throughout the lending cycle in order to achieve a balance among the various Eligible Green Loans in the program. CAF believes that by following this approach, operational and reputational risks are mitigated and the likelihood of commercial success and environmental impact are increased.

The look-back period for determining Eligible Green Loans is four years prior to the date of issuance of a Series of Notes specified as Green Bonds. Therefore, Eligible Green Loans may be either currently outstanding loans which were granted up to four years before the issuance date of a particular Series of Notes specified as Green Bonds or new loans that are granted following the issuance date of such Series of Notes and until the maturity date of such Series of Notes.

The unallocated proceeds of Notes specified as Green Bonds that are not yet used to fund Eligible Green Loans will be placed into CAF's general liquidity portfolio and invested in high-grade, short-term liquid assets until the funds are disbursed to fund Eligible Green Loans. Such funds will be managed according to CAF's regular liquidity and treasury policies.

CAF's portfolio of Eligible Green Loans will be dynamic, with Eligible Green Loans maturing and new Eligible Green Loans being added from time to time. If necessary, CAF will use reasonable efforts to substitute for any Eligible Green Loans that no longer qualify as Eligible Green Loans as soon as practicable once qualifying substitute assets have been identified.

The payment of principal of and interest on any Series of Notes specified as Green Bonds will be made from CAF's general funds and will not be directly linked to the performance of any Eligible Green Loans.

CAF will publish an annual report regarding the Eligible Green Loans on its website ([www.caf.com](http://www.caf.com)). The reports will include information regarding the use of proceeds of the Green Bonds and the environmental impact of the projects financed by the Green Bonds. Eligible Green Loans will be included in the report once the first disbursement for the project has been allocated and will be removed once the Eligible Green Loan has been repaid. If only a part of a given project or program has been financed by Eligible Green Loans, CAF will include only that portion of the project or program in the annual report. Information in the report regarding the Green Bonds will include the outstanding portfolio, remaining disbursements and loan maturities. In accordance with international standard reporting practices, impact measurements will be also reported for each Eligible Green Project Category, including metrics regarding the mitigation of climate change and adaption to climate change and environmental sustainability.

CAF has appointed Sustainalytics, an external assurance provider, to provide a Second-Party Opinion on the Green Bond Framework. Sustainalytics has evaluated the environmental added value of the Green Bonds and their alignment with the ICMA Green Bond Principles. The Second-Party Opinion provided by Sustainalytics has been published on CAF's website.

**None of the ICMA Green Bond Principles, any of the above reports or verification assessments, or any contents of CAF's website are incorporated in or form part of this Supplement or the Offering Circular. The information on CAF's website is subject to continuous update.**

CAF will exercise its judgment and sole discretion in determining the Eligible Green Loans that will be financed or refinanced by the proceeds of any Green Bonds. There can be no assurance that any of the Eligible Green Loans funded with the proceeds from Green Bonds will meet your expectations or deliver the environmental, social or sustainability benefits anticipated. Furthermore, there is no contractual obligation to allocate the proceeds of any Green Bonds to finance or refinance Eligible Green Loans or to provide annual updates, reports or assurances as described above. CAF's failure to so allocate, update or report, or failure to provide any third party assurances, will not constitute an event of default with respect to any Green Bonds and may affect the value of Green Bonds and/or have adverse consequences for certain investors with portfolio mandates to invest in green assets."