

UNCTAD
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SOUTH-SOUTH COOPERATION AND REGIONAL INTEGRATION
Fourth session

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CAF
Development Bank of Latin America

Mr. Germán Ríos
CAF Development Bank of Latin America

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



CAF

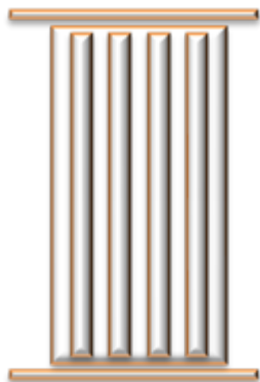
Development Bank of Latin America

Germán Ríos

Director, Strategic Affairs

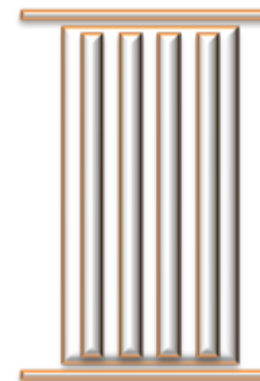
What is CAF?

CAF is a leading multilateral financial institution that mobilizes resources from international markets to Latin America and the Caribbean, to provide multiple banking services to both public and private clients in its shareholder countries.



Sustainable economic development

Regional integration



CAF's vision of Sustainable Development



**Investment in all
forms of capital**

**Productive
transformation**

**Competitive insertion in
the global economy**

**Quality of
institutions**

CAF: From Andean Institution to Development Bank of Latin America

1990



- Bolivia
- Colombia
- Ecuador
- Peru
- Venezuela

5 countries

2000



- Bolivia
- Colombia
- Ecuador
- Peru
- Venezuela
- Argentina
- Brazil
- Panama
- Paraguay
- Uruguay
- Costa Rica
- Chile
- Jamaica
- Mexico
- Dominican Rep.
- Trinidad and Tobago

16 countries

2011



- Spain
- Portugal

- Argentina
- Bolivia
- Brazil
- Colombia
- Ecuador
- Panama
- Paraguay
- Peru
- Uruguay
- Venezuela
- Costa Rica
- Chile
- Jamaica
- Mexico
- Dominican Rep.
- Trinidad and Tobago

18 countries

Products and services

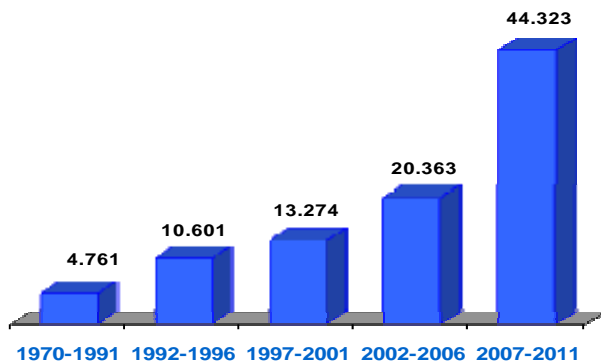
- Loans
 - Short, medium and long term
 - Project finance
 - Structured finance
 - Co-financing and A/B loans
- Equity investments, especially in capital funds
- Investment bank and financial advisory services
- Guarantees
- Treasury products
- Strategic programs

Roles of a multilateral bank

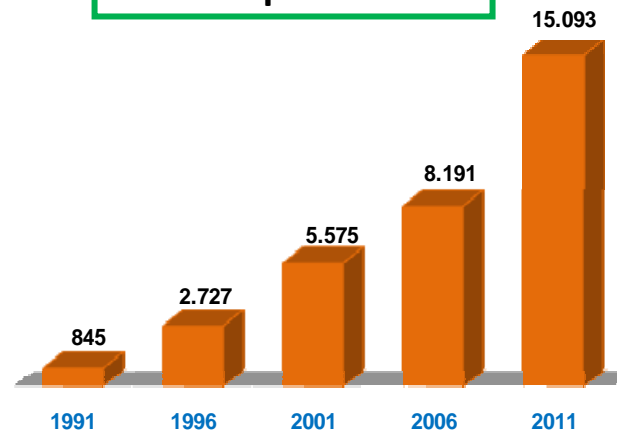
- Financing
 - Catalytic role in financial intermediation
 - Counter-cyclical role in development finance
 - Assume risks that cannot be efficiently taken by the private sector
- Development of specialized knowledge and expertise
 - A comprehensive and thematic concept of development
 - Build a profound knowledge of regions and sectors
 - Promote best practices

Growth in operations (USD millions)

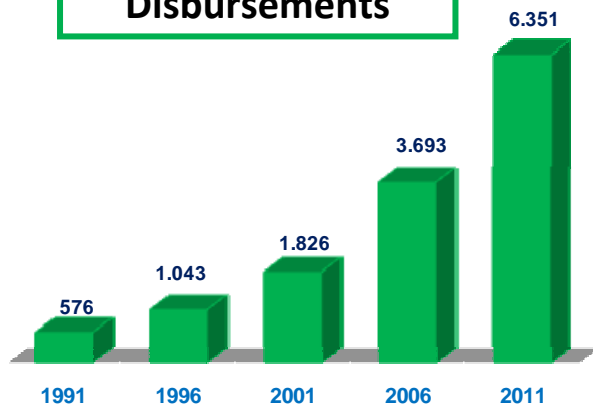
Approvals



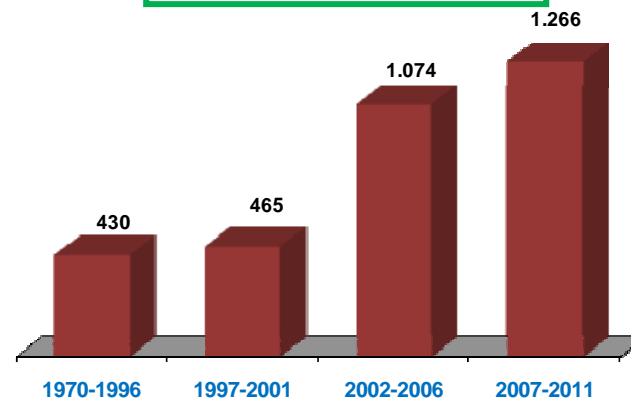
Loan portfolio



Disbursements

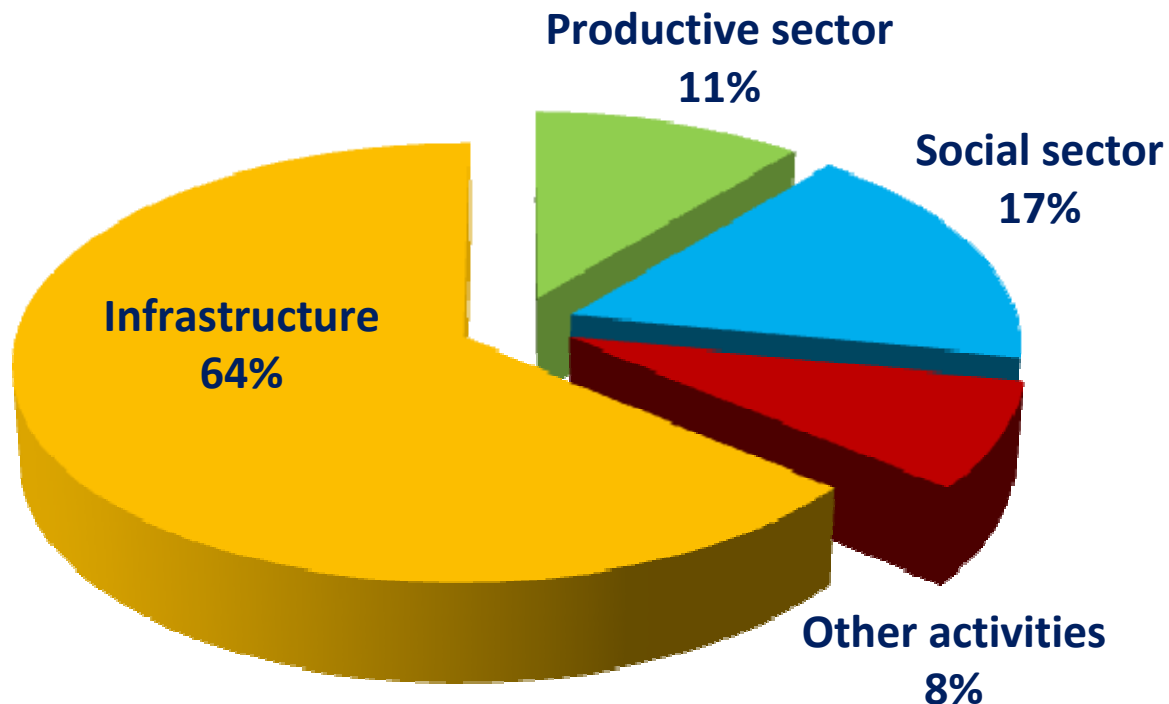


Shareholders' Equity



Support for strategic sectors

2011: Loan portfolio by sector

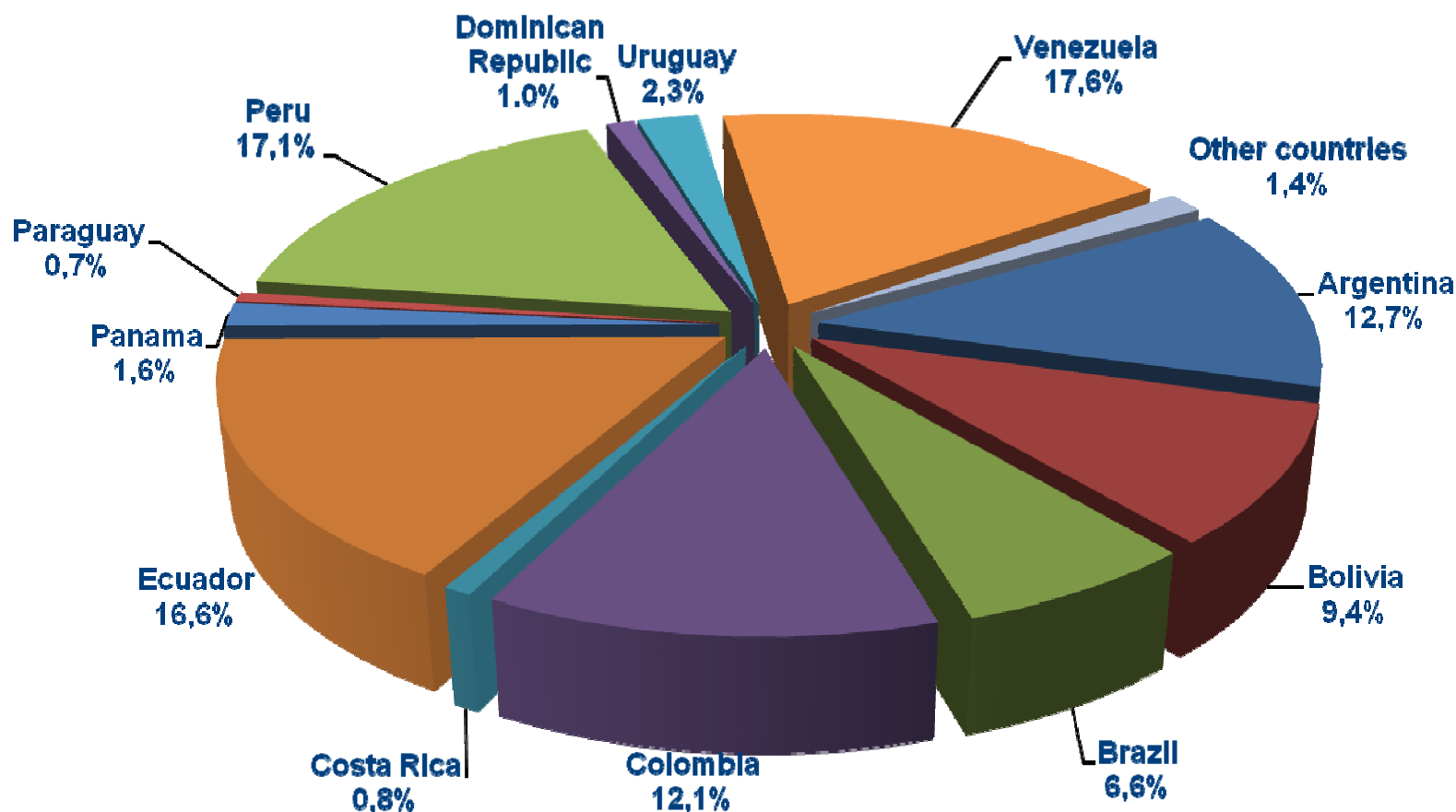


Clients

- Governments
- Sub-national governments
- Corporations:
 - Publics
 - Privates
 - Joint ventures
- Financial institutions
- SMEs

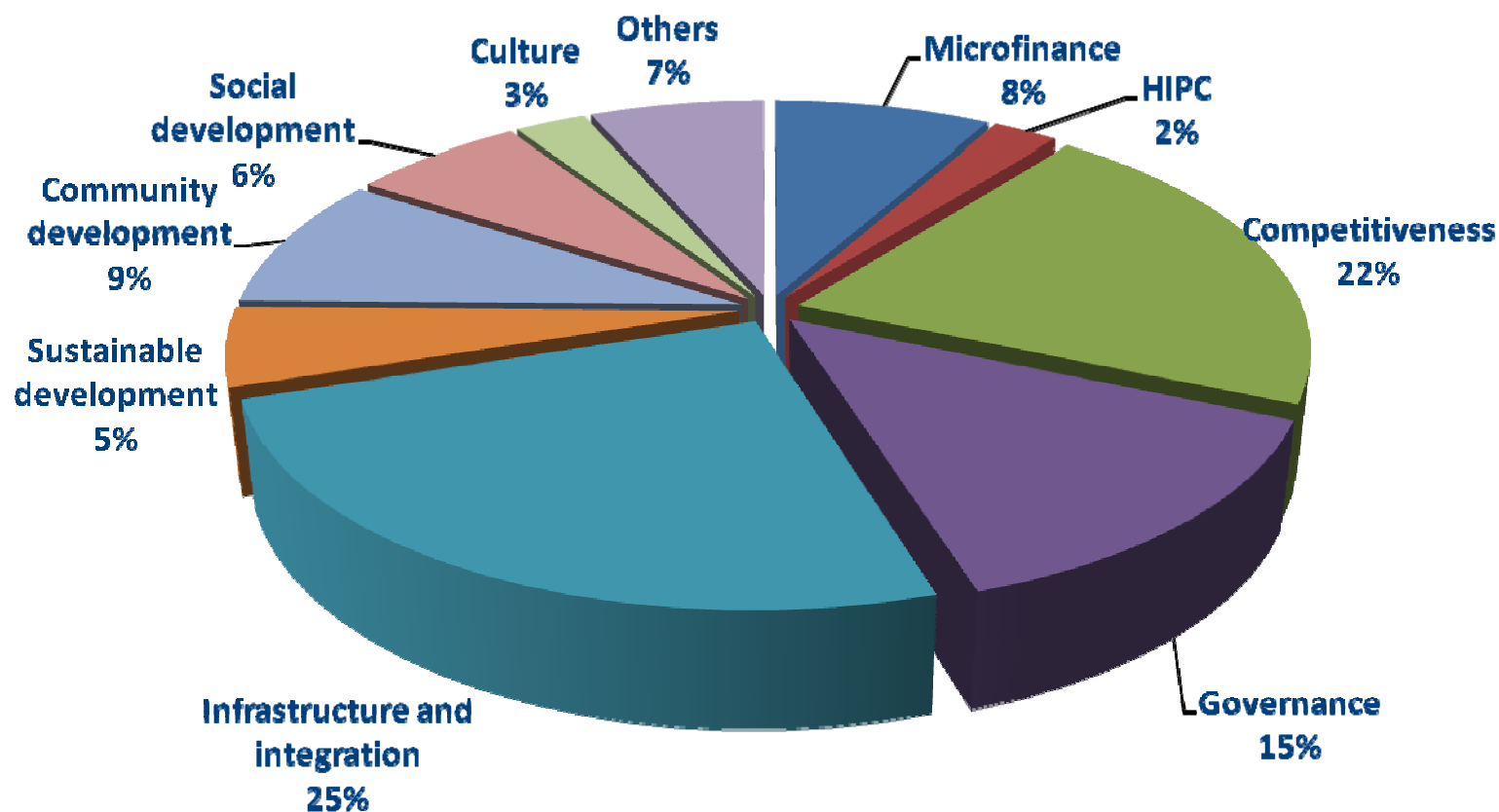
Geographic distribution of portfolio

2011: Total portfolio by country

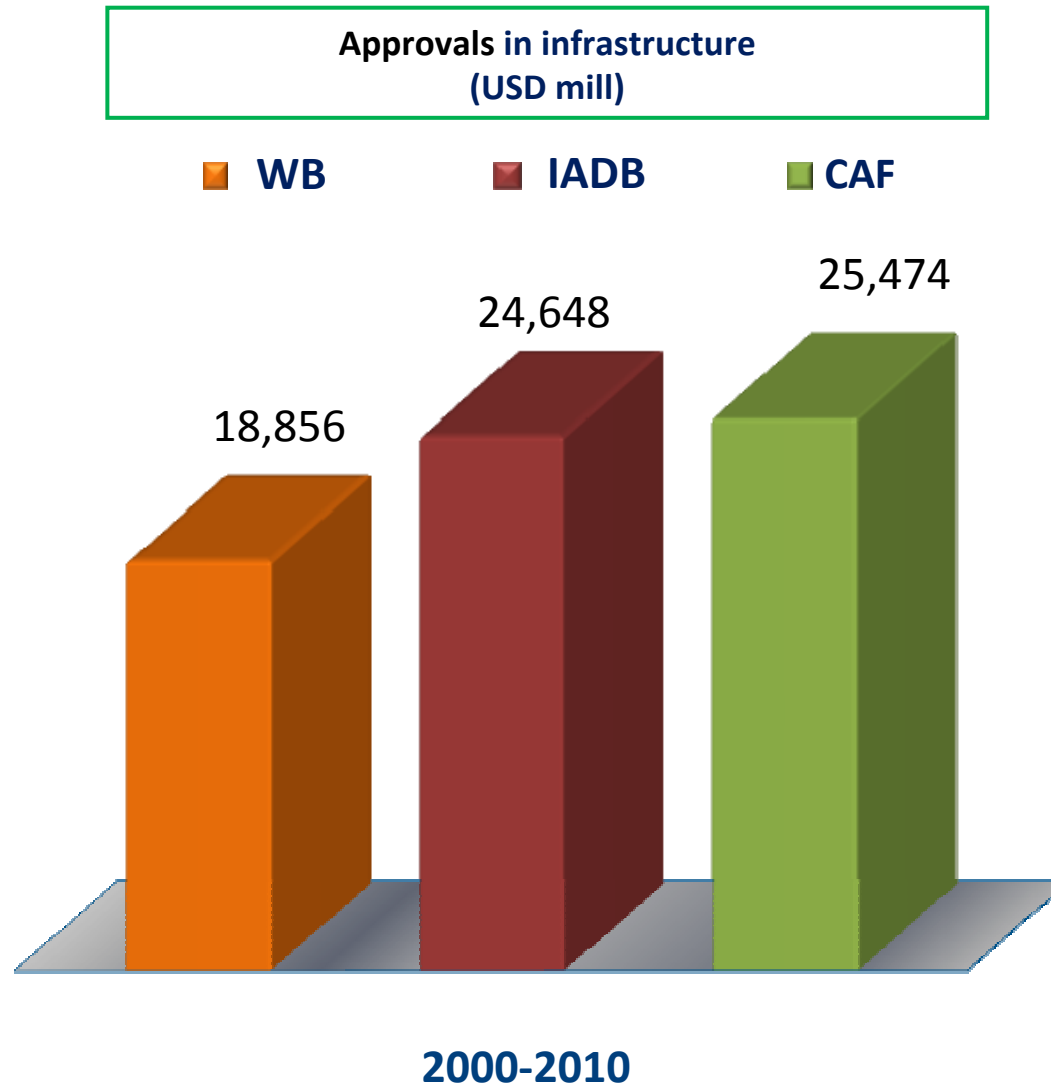


Technical cooperation and other non-refundable funds

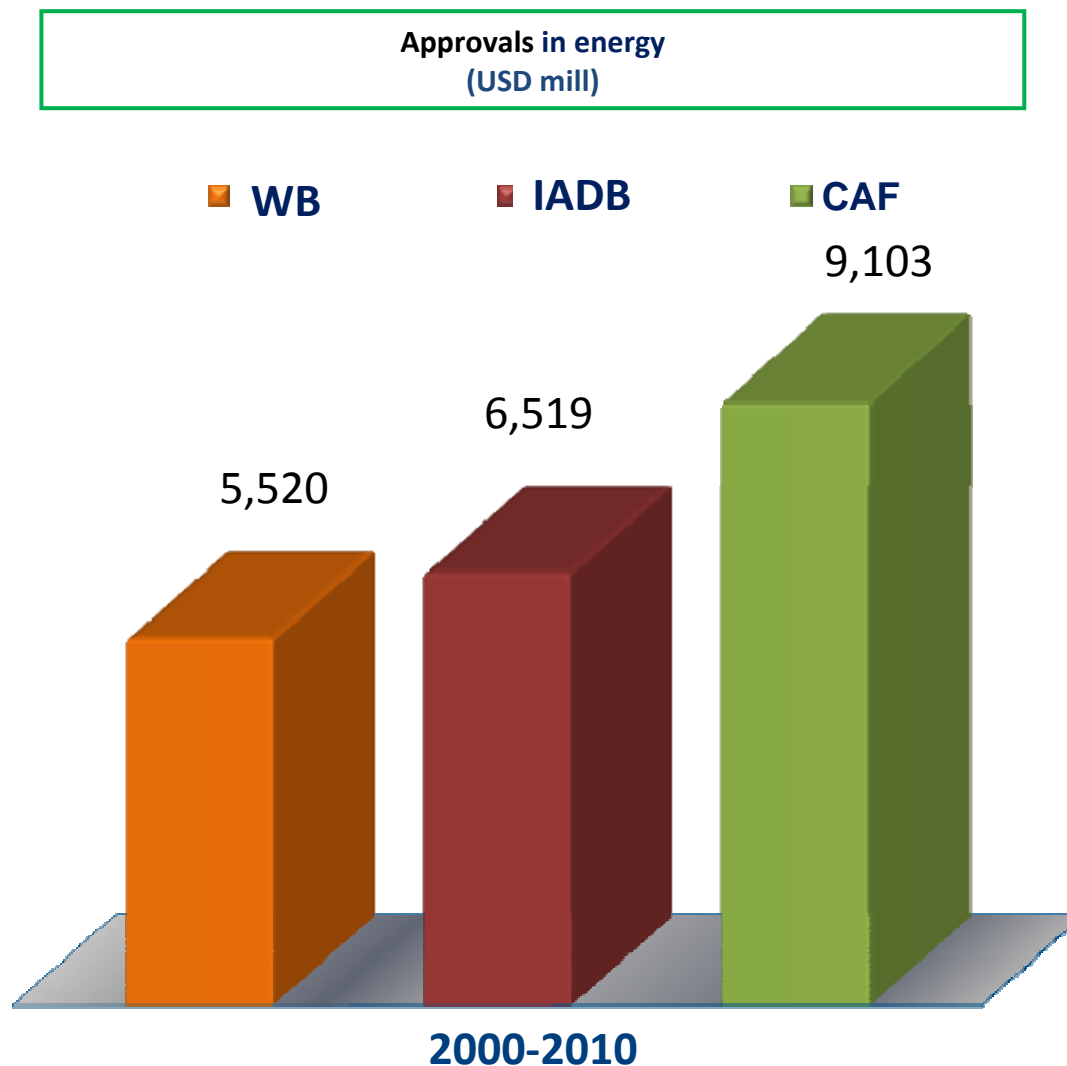
Use of Special Funds 2007-2011:
USD 204.8 mill



Main source of infrastructure financing in Latin America...

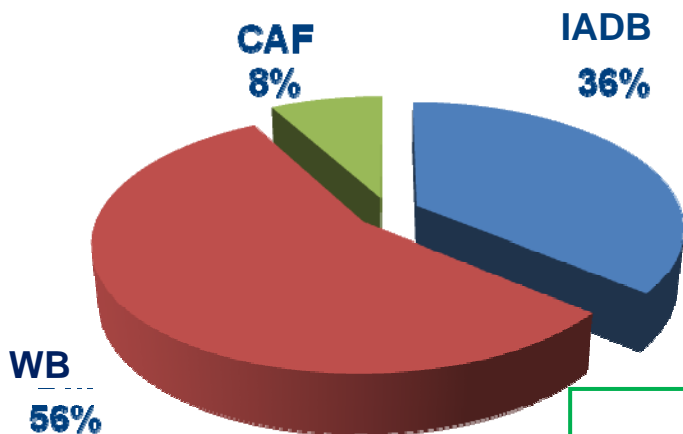


... and also in energy

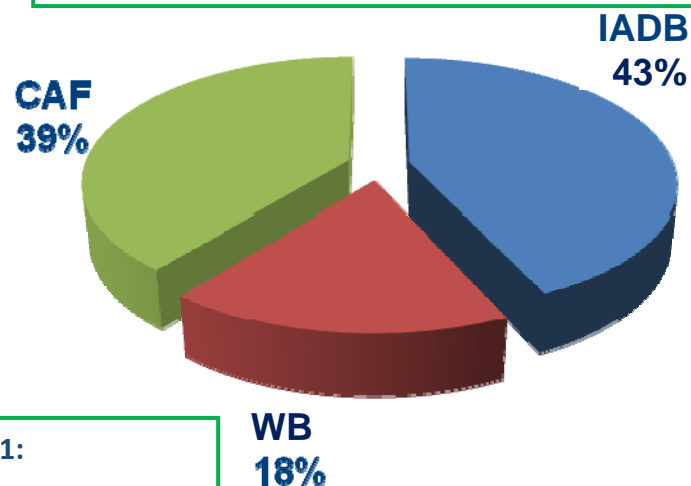


CAF: Growing source of overall multilateral financing for Latin America

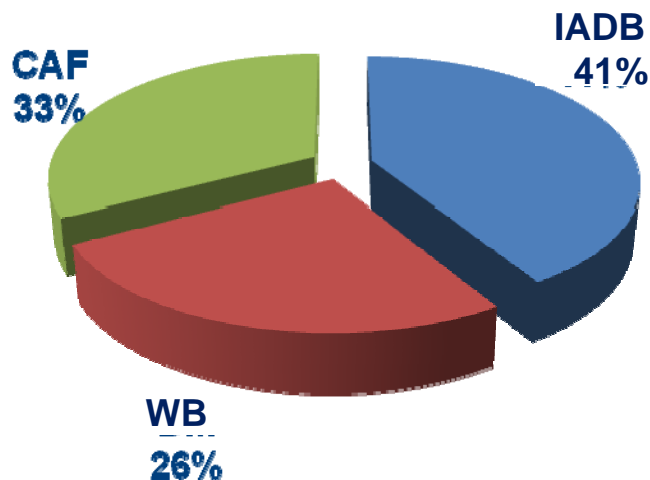
Approvals 1990:
USD 10.658 mill



Approvals 2011:
USD 25.661 mill

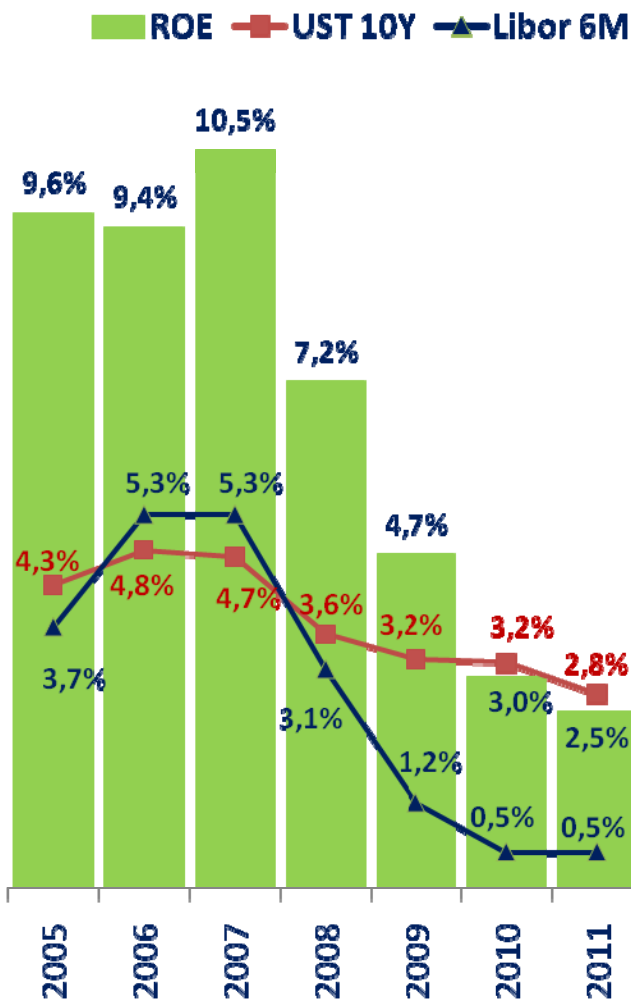


Approvals 2007-2011:
USD 135.600 mill

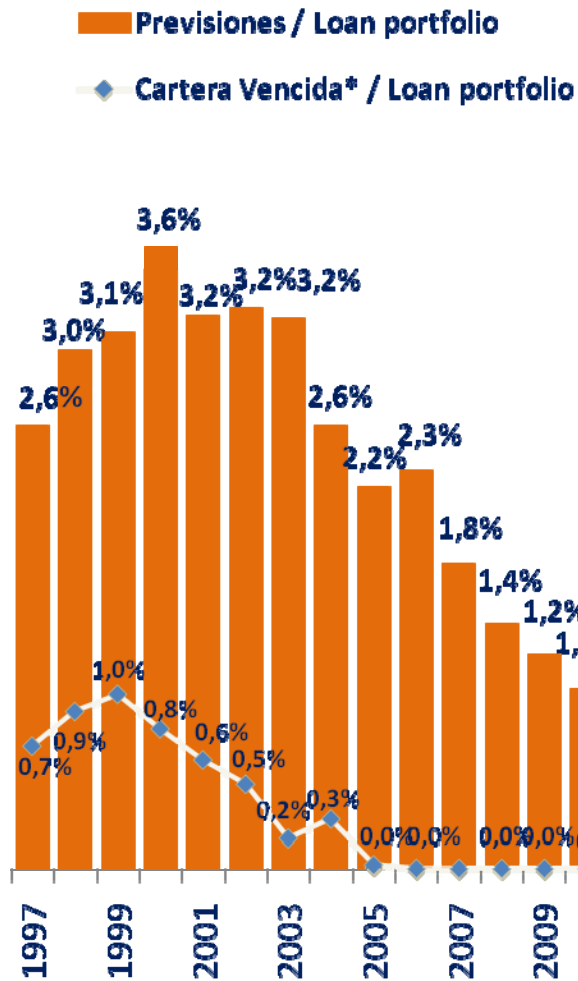


Satisfactory financial indicators

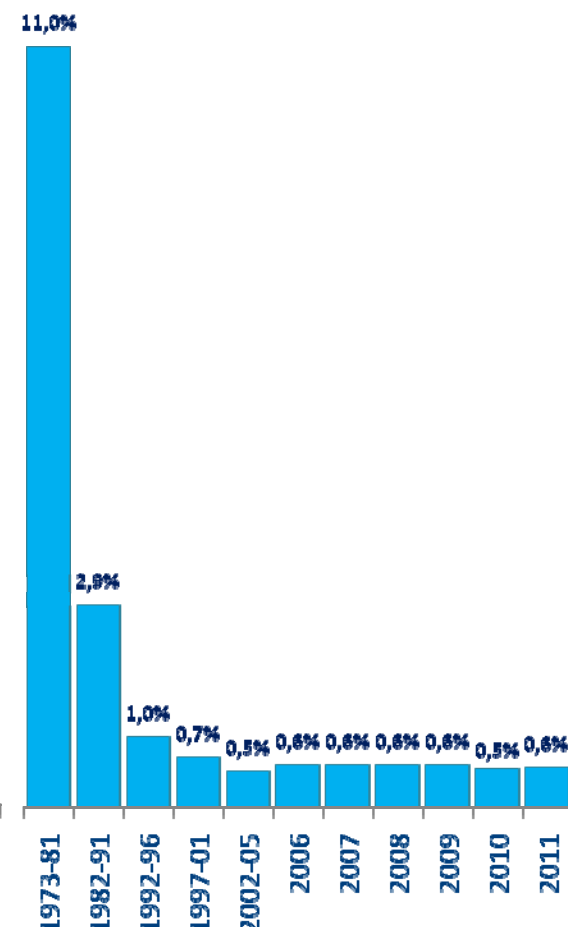
Profitability (ROE)



Asset Quality

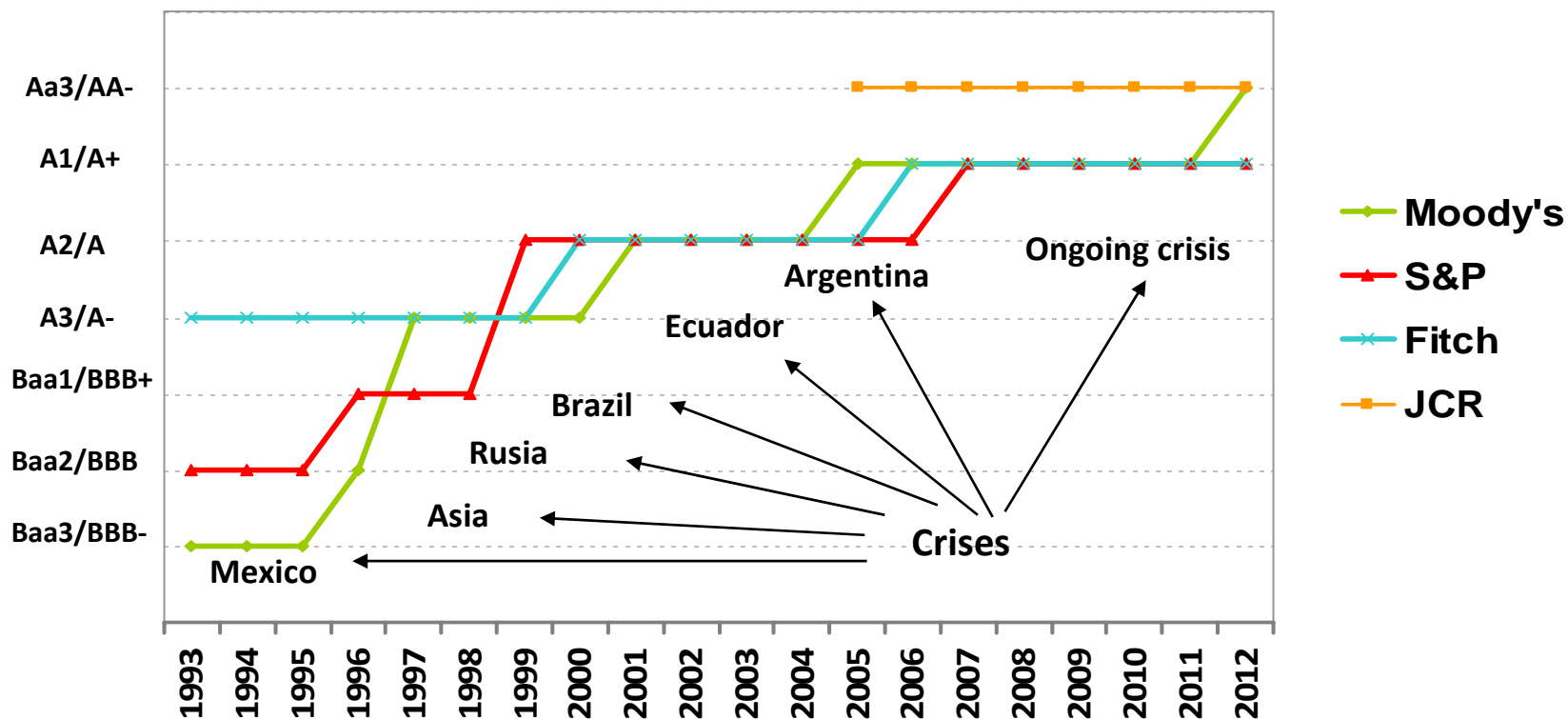


Efficiency (Adm costs/Loan portfolio)



Consistent improvement in ratings, even during financial crises

CAF: ratings
1993-2011



CAF: An adaptable and flexible institution

- Supported its member countries to capitalize the current favorable economic conditions
- Played a counter-cyclical role in times of economic turbulence in international markets, and helped shareholders when financing become scarce
- Recognized as one of the best multilateral agencies in the region due to its capacity to adapt to a changing and challenging environment

CAF: Strong commitment by member countries

- Shareholders have given the institution the autonomy to design and implement operational policies.
- Member countries have supported the institution continuously
- Never in CAF's history has a member country defaulted on its obligation, even in times of dire financial difficulties
- Through its unique governance structure CAF prevents the conflicts that arise in other multilateral institutions where donors and recipients members are differentiated

CAF: A center of Latin American knowledge

- Developed an active relationships with important international think tanks and participates in the main forums and events in and outside the region
- Designed and implemented several applied research programs, which provide best practices and policy advice in areas such as infrastructure, macroeconomics, environment and competitiveness
- A bridge between Latin America and the rest of the world, fostering partnerships and supporting a process of practical and intelligent international insertion. South-South cooperation an integral part of CAF's strategy

CAF: Promoting South-South cooperation

- Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID)
 - Promote and develop cooperation
 - Knowledge creation according to the needs of the members
 - Information Sharing
- Active working relations with other south institutions: India Eximbank, China Eximbank, ADB, BNDES, CDB, etc.
- Cooperation Agreement with Afreximbank
 - Afreximbank-CAF-BLADEX seminar in Panama to discuss opportunities for LAC-African cooperation

Final Remarks

Some lessons from CAF's experience

- A shared comprehensive development agenda
- Regional essence
- Strong commitment by member countries
- Prudent financial policies and long-term sustainability
- Non-conditionality lending (partners in development)
- Reinvest profits in strategic programs to tackle mayor challenges
- Flexibility, adaptability and responsiveness
- Autonomy and independence

Thank you

