



ANNUAL REPORT

2017

ALIDE  **50 YEARS**

ANNUAL **REPORT**

2017

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MESSAGE

from the president

The finishing touches were put on ALIDE's Strategic Plan for 2017-2021, which proposes a course of activities to achieve the aim of consolidating ourselves as a specialized mechanism and forum on development banking and finance issues.

The global economy continued to expand in 2017 and, despite the challenges that could be seen, showed growth of 3.7%. At the same time, Latin America revealed expansion of 1.3% at the regional level, which is expected to continue rising in the coming years.

For ALIDE, 2017 was also a year of intense activity. This Annual Report sets out our Association's activities in its various fields of activity, including the audited financial statements, which reveal the fulfillment of the goal established by the Executive Board in terms of the financial management indicator needed to maintain a healthy and solvent financial situation. Those are the basic elements that enable us to have a strong ALIDE that is able to meet its commitments and project a course that will produce the growth of its activities and services, while maintaining its financial self-sustainability.

Two matters stand out at the institutional level, the first of which has to do with ALIDE's activities

intended for our Member states. In that connection, the 47th General Assembly meeting was held in Chile with the support of Banco Estado. There, an examination was made of aspects concerning the context of the changes we are witnessing: technological disruption, the advance of the "Internet of things," implications in the financial sector, the challenges and opportunities that arise in that framework, and financial innovation for addressing that process and providing the economic and social sectors with regional development financing.

Along this same line of analysis, the 48th meeting of the ALIDE General Assembly, which is scheduled to be held in Lima, Peru in the 50th anniversary year

of our Latin American Association, will delve more deeply into those issues from the viewpoint of the production sector, inclusion and financial integration, and investment in intelligent infrastructure and development, together with the modernizing of the development banks to equip them to confront the challenges of the future.

The year 2017 also witnessed important activities like the «Mission of Latin American and Caribbean development bankers to KFW / Energy efficiency in Germany and its potential in Latin America and the Caribbean »; the meeting of «Development banks and green banks – Key institutions in mobilizing resources and financing to meet the targets of the Paris Agreement and the Sustainable Development Goals (SDGs) in financing to mitigate climate change,» organized jointly with the IDB, the OECD, Banobras and the Green Bank Network; and the «Latin American and Caribbean Seminar: Promoting financial inclusion through innovation policies in the development banking system, » organized with Ecla.

The Association also organized the 2017 ALIDE Prizes and the 2017 Carlos Garatea Yori Agrobanco Prize «Tools for Inclusion and Financial Integration,» in order to identify and acknowledge the technology

and financial and non-financial products and services existing in the Latin American development banking system. Banco Nacional de Comercio Exterior (Bancomext) of Mexico was honored as the «Bank of the Year 2017» for its professional record, impact and performance.

In the sharing of experiences and best practices, thanks to the invaluable institutional cooperation of Latin American and Caribbean development banks, it proved possible to organize in-service trainings at a high technical level and specializing in: rural microfinance and forestry programs; loans for SMEs and microenterprises; financial inclusion and means of payment in financial intermediaries; operating risk; and credit default and collection management. Training-wise, 20 on-site and distance e-learning courses were offered, with the participation of 618 higher-level staff members of financial institutions of 20 of the region's countries.

In the area of strategic direction and management, the finishing touches were put on ALIDE's Strategic Plan for 2017-2021, which proposes a course of activities to achieve the aim of consolidating ourselves as a specialized mechanism and forum on development banking and finance issues, improving service quality and taking a leap in our own process

in order to expand our range of activities and presence in other regions of the world.

Along this same line, it was deemed appropriate to accompany ALIDE's modernization process with the renovation of its institutional image and the design of a communications strategy for the purpose of reinforcing the Association's practices and also examining and consolidating ALIDE's positioning before its members, the media, government and academic circles and digital platforms. The first step was taken by changing the institutional logo after consulting with our members.

Another potential measure for modernizing ALIDE, which was described and commented on its Strategic Plan for 2017-2021, is to reinforce the General Secretariat's human resources, the developers of the services and products provided to its member institutions by the Association. In 2017, a Skills Assessment was carried out to determine the strengths of its staff members, consolidate sustainable behaviors and identify opportunities for improvement.

In the context of ALIDE's 50th anniversary, it is an honor for me to serve as its president and to enjoy the recognized capacity, firm commitment and will of the Executive Committee that accompanies me; the optimism and desire for cooperation and the support of all of our members; and the work of those collaborating with the ALIDE General Secretariat. Through these and other actions that have been taken, we have contributed to the development of Latin America and the Caribbean over these first 50 years and will continue to do so in order to make our Association stronger and stronger.



Sincerely yours,

Jacques Rogozinski Schtulman
President of ALIDE
Lima, Peru, May 2018

CHAPTER



STRENGTHENING the latin american and caribbean development banking system

The array of services and products offered by the Latin American Association of Development Financing Institutions (ALIDE) in 2017 was aimed at enhancing the performance, relations, results, cooperation and institutional, economic and social projection of the institutions that comprise the Latin American and Caribbean Development Banking system.

1.1

INTERNATIONAL FORUMS AND TECHNICAL MEETINGS

47th Regular Meeting of the ALIDE General Assembly

The forty-seventh Regular Meeting of the ALIDE General Assembly, convened in accordance with the Association's By-laws, was held in Santiago, Chile from May 31 to June 2. It was organized by ALIDE and Chile's Corporación de Fomento de la Producción (BancoEstado) with the collaboration of Corporación de Fomento de la Producción (Corfo) and Instituto de Desarrollo Agropecuario (Indap) and the sponsorship of the Inter-American Development Bank (IDB).

It was the purpose of the ALIDE meeting, in a context of rapid global technological change --known as the fourth industrial revolution-- and the progress of the «internet of things», processes that are bringing

about a disruption in almost all industries and in the financial sector and creating important challenges and opportunities for optimizing the region's productive sectors, to examine the innovations adopted by development finance institutions to take advantage of this new scenario and provide products and services that are attuned to the currents dynamics of development financing.

By proposal of the attendees, Jessica López Saffie, BancoEstado Executive General Manager, was elected Chair of the 47th Regular Meeting of ALIDE's General Assembly.

AGENDA

KEY TOPICS:

Technological disruption, financial intermediation and development financing: challenges in an age of changes

TOPIC I

Latin American and Caribbean technological change and economic transformation: the action of the development banking system.

TOPIC II

Intelligent infrastructure for the improvement of Latin American and Caribbean productivity: New roles of the development banking system.

TOPIC III

Digital technological innovation at the service of financial and social inclusion: Opportunities for development banks and the bankarization process.

SPECIAL TOPIC I

The role of a public bank: can it be a profitable and efficient bank and play a social role at the same time? Conditions for success.

SPECIAL TOPIC II

Challenges and opportunities for increasing private investment in the attainment of the sustainable development goals (SDGs) and the Paris Agreement nationally determined conditions (NDCs).

289 participants

A total of 289 representatives of development financing institutions and of international organizations attended the meeting, participating as delegates, observers and guests. A breakdown reveals that 246 attendees represented institutions of 18 Latin American and Caribbean countries, 17, extra-regional institutions and 26, 9 international organizations.

- 246 represented institutions of 18 Latin American and Caribbean countries
- 17 to entities of 7 extra-regional institutions
- 26 to 9 international organizations



▲ Jacques Rogozinski, director general of Nacional Financiera (Nafin), in the Opening Session.

Opening Session

Carlos Furche Guajardo, Chile's Minister of Agriculture; Jorge Rodríguez Grossi, President of BancoEstado; and Jacques Rogozinski, ALIDE Vice-President, were present at the opening session.

The Minister pointed out that we are living in times that are especially challenging, complicated and difficult public policy-wise and for one of its fundamental branches, the development finance institutions. He added that in Chile's case, the participation of the development banking system is essential and that the government has made a decision to support all production sectors, bar none, but targeting those in greatest need.

ALIDE's Vice-President, for his part, stressed that it is not unusual for both individuals and organizations to confront challenges in various spheres of development, but that what is really important is to know how to identify those challenges and to anticipate them. In that context, he asserted, knowledge applied to resolving concrete problems in order to enhance the people's quality of life is essential.

The President of BancoEstado stated emphatically that in a period marked by mistrust and dizzying changes, banks face major challenges and have the opportunity to enable millions of people to accede to a better quality of life thanks to the possibilities created by technology.



▲ David Shrier, Managing Director of the Massachusetts Institute of Technology (MIT) Connection Science.

Key Topic

David Shrier, Managing Director of the Massachusetts Institute of Technology (MIT) Connection Science introduced the key topic. His presentation focused on an analysis of technological trends applied to the strengthening and innovation of the financial sector. He commented, in that respect, that massive data analyses applied to social behavior make it possible to produce reliable predictions concerning different variables of a financial institution's customers.

He went on to state that if we work today on providing financial services we must learn to ride the wave of changes that are taking place and

argued that by using the data we can create a better and less expensive financial system, manage the loan portfolio by reducing capital risk and create new instruments for action.

On another note, he narrated some of his experiences in using data on a large scale. For example, he noted that it is possible to detect patterns from a perusal of mobile telephone records and to determine people's socioeconomic level. This example, he added, is merely an example of how it is possible to optimize the work of the financial institutions by using massive data.



▲ Juan Ketterer, Head of the Inter-American Development Bank's (IDB) Capital Markets and Financial Institutions Division, served as moderator. In the first plenary session with a panel consisting of Jacques Rogozinski, Director General of Mexico's Nacional Financiera (Nafin); Eduardo Bitrán, Executive Vice-President of the Chilean Economic Development Agency (Corfo); Gustavo Ardila, Corporate Vice-President for the Productive and Financial Sectors of the Andean Development Corporation (CAF)-the Development Bank of Latin America; and Ronaldo Camargo, Financial Director of Brazil's Financiadora de Estudos e Projetos (Finep).



◀ The moderator at the second session was Pablo García, President of Argentina's Banco de Inversión y Comercio Exterior (BICE) and the panel was made up of Román Escolano, Vice-President of the European Investment Bank (EIB); Jorge Márquez, Deputy Director General for Planning and Audit of the Mexican Banco Nacional de Obras y Servicios Públicos (Banobras); Pedro Grados, President of Peru's Corporación Financiera de Desarrollo (Cofide); and Andrea Fernandes, International Institutional Relations Manager of Banco Nacional de Desenvolvimento Econômico e Social (Bndes) of Brazil.



◀ Salvador Marín, President of Compañía Española de Financiación del Desarrollo (Cofides), acted as moderator of the third plenary session, with a panel consisting of Virgilio Andrade, Director General of Mexico's Banco del Ahorro Nacional y Servicios Financieros (Bansefi); Ercilia Nofal, Director of Banco de la Nación Argentina (BNA); Cecilia Vergara, Manager of the Personal Banking Division of BancoEstado; and Sebastián Ugarte, CEO of the fintech Destácame.

Special topics

The meeting addressed other issues of special importance to the development finance institutions. Michael Collins, of International Financial Consulting, introduced the first special topic: «The role of a public bank: can it be a profitable and efficient bank and play a social role at the same time? Conditions for success» The moderator for the discussion of the issue was Jacques Rogozinski, ALIDE Vice-President, and statements were made by Jessica López, Executive General Manager of BancoEstado; Pablo Zalba, President of Instituto de Crédito Oficial (ICO), of Spain; Carlos Antonio Pérez, Vice-President of Argentina's Banco de la Provincia de Buenos Aires (Bapro); and Adriana Rodríguez, Vice-President of Banco de la República Oriental del Uruguay (BROU).



The second special topic entitled «Challenges and opportunities for increasing private investment in the attainment of the sustainable development goals (SDGs) and the Paris Agreement nationally determined conditions (NDCs)» was presented by Christiana Figueres, former Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC). Acting as moderator was Doris Arévalo, Global Flows Manager of Banco de Comercio Exterior de Colombia (Bancóldex), and the panelists consisted of Pedro Valdéz, Deputy Director General of Business Promotion of Mexico's Sociedad Hipotecaria Federal (SHF); Mérida Mancía, President of Banco de Desarrollo de El Salvador (Bandesal); Rafael Gamboa, Director General of Fideicomisos Instituidos en Relación con la Agricultura (FIRA), of Mexico; and Carlos Alberto Netto, Banco do Brasil (BB) Director of Strategy and Organization.



Closing session

Assembly President Jessica López addressed the meeting, thanking the participants, speakers and sponsoring institutions on behalf of ALIDE.

Technical Committee Meetings

ALIDE’s five Technical Committees met during the course of the Assembly: environmental and climate financing; financing of micro, small and medium enterprise; agricultural and rural financing; financing of infrastructure and social housing; and business and investment financing. Their aim was to analyze significant aspects for the development financing institutions and to determine the priorities for implementation of the ALIDE Work Program.

Technical Committee on Environmental and Climate Financing



Development banks, with their heavy mobilization of funds for environmental financing in Latin America and the Caribbean, are consolidating their role as key agents of the region’s transition toward a sustainable economy. In the light of this aspect, the ALIDE technical committee discussed the environmental progress made by finance institutions in connection with their conversion into green banks and the challenges they face. Good practices solutions were shared in regard to the sustainable financing of different sectors like energy efficiency, renewable energy sources, agriculture, transportation, urban development and infrastructure. In addition, priorities were defined for the ALIDE Working Program.

Technical Committee on Business and Investments



A critical element for promoting Latin American and Caribbean foreign trade is to strengthen cooperation between the region’s development banks and those of other parts of the world. In this context, links with countries like India take on a greater importance and for that reason the Committee meeting focused its discussion on analyzing and promoting the implementation of intra-regional cooperative and financing mechanisms between the Latin American and Caribbean development banks and ALIDE Member institutions from countries in other regions of the world, thereby promoting trade and the projection of development banking activities beyond national borders.

Technical Committee on the Financing of Micro, Small and Medium Enterprise

As a leading actor in the financial inclusion of Latin America and the Caribbean, the development banking system incorporates the advantages of digital technology and innovation among its processes, thereby increasing the massiveness, efficiency and coverage of its programs. In this connection, innovative experiences were shared in the course of the meeting with regard to the provision of banking services to MSMEs through Internet platforms and digital services that operate like virtual offices or other distance methods furnishing banking services that support that sector’s access and rapidly serve its needs. By sharing experiences, the Member institutions were made aware of successful cases of digitalization of banking in the region.



Technical Committee on Agricultural and Rural Financing

The purpose of the meeting was to analyze and share experiences in how technological disruption is transforming agricultural and rural production processes, an aspect that could become a determining factor for enhancing the sector’s efficiency. It follows that the development banking system, as an important source of financing and technical assistance, should take steps to guide this process by equipping producers with the necessary tools to take advantage of this technological disruption and better their productivity.



Technical Committee on the Financing of Infrastructure and Housing

Measures taken by a series of Latin American and Caribbean development financing institutions to support the housing and infrastructure sectors were described during the meeting. These revealed the existence of a trend toward more integral management of key problems. Special attention was given to commenting on the development and results of financing programs and innovative practices aimed at mitigating gaps in infrastructure, boosting access to efficient and sustainable housing solutions and supporting rural housing development and on initiatives aimed at creating smart cities.



International Forums and Meetings

1.

«National Development Banks & Green Banks – Key institutions for mobilizing finance towards the implementation of Paris Agreement Nationally Determined Contributions (NDCs) and the accomplishment of the Sustainable Development Goals (SDGs) in financing climate change mitigation»

Inter-American Development Bank (IDB) | Organization for Economic Cooperation and Development (OECD) | Banco Nacional de Obras y Servicios Públicos (Banobras) | ALIDE | Green Bank Network

Mexico City, Mexico, June 26-27

The meeting discussed the role of green banks as a financial institution model that makes it possible to use risk mitigation in environmental financing. These interventions have proven to be successful in taking advantage of private capital, creating new markets, and managing green fund resources. Analyses were also made of how elements of this model are useful for implementing Nationally Determined Contributions (NDCs) and how the innovative approaches and best practices of development banks can help strengthen green banks and enhance the exchange of experiences thereon. A total of 225 representatives of Latin American, Caribbean, Asian and European institutions and international organizations participated in the meeting.

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2.

«Latin American and Caribbean Seminar: Promoting financial inclusion through innovative development banking policies »

ALIDE | Economic Commission for Latin America and the Caribbean (ECLAC)

Lima, Peru, August 16-17

During the meeting, Latin American and Caribbean officials of government institutions, academicians, and development bank executives, together with representatives of international organizations, shared experiences in discussing financial inclusion as a policy for productive development. More specifically, an analysis was made of the role performed by the development banking system in designing instruments and advancing financial innovation to promote SME inclusion.

Representatives of financial institutions from 17 countries gathered at the seminar on financial inclusion organized by ALIDE and ECLAC.



3. | «XXII Ibero-American Forum on Guarantee Systems and Financing for MSMEs: Innovation in guarantee systems and business financing »

Ibero-American Guarantee Network (REGAR) | National Guarantee Fund (FNG)| Sociedade de Investimento (SPGM) | ALIDE

Bogota, Colombia, September 28-29

In the course of the forum, participants shared experiences with good practices and innovations implemented by guarantee institutions and systems and development finance institutions in the financing of MSMEs. Special emphasis was placed on the impact of digital technological change on the financial industry and guarantee institutions.

4. | «Informative Talk on the PCP Program and the GEF Callao Project, opportunities and benefits for promoters and financial institutions»

United Nations Industrial Development Organization (UNIDO) | Peruvian Ministry of production | ALIDE

Lima, Peru, February 22

The main purpose of the talk was to report on the potential investment and business opportunities that implementation of this program could open up for the banking system and its business customers in the medium and long-terms. PCP-Perú is the Program for Country Partnership that focuses on the development of sustainable industrial parks. The pilot project could be replicated in other countries of the region.

5. | «IV RIALIDE-Br Seminar on Information and Knowledge Management»

Banco Nacional de Desenvolvimento Econômico e Social, Brazil (BNDES) | ALIDE

Rio de Janeiro, Brazil, August 24-25

During the Seminar, the speakers highlighted experiences in applying elements of knowledge management to various working activities and the technological advances that have been made. These make it possible to get a new picture of the change that is being worked in the treatment of information and development, elements that promote an organizational culture of collaboration and learning in financial institutions.

1.2 PROMOTION OF THE BEST FINANCIAL AND MANAGEMENT PRACTICES

One of ALIDE's priority objectives is to promote innovation and best practices in the exercise of development finance institution functions. By awarding prizes in recognition of these practices, the Association identifies and distinguishes these successful proposals with a view to promoting their replication and collaborative efforts in other countries of the region.

a. | ALIDE 2017 Prizes

The hallmark of the five ALIDE 2017 prizewinning programs is their significant economic, social and environmental impacts on their countries.

Category I - Financial Products

Financing of Fixed Assets for Permanent Crops and Projects that are Slow to Mature

FIDEICOMISOS INSTITUIDOS EN RELACIÓN CON LA AGRICULTURA (FIRA) - BANCO DE MÉXICO



The program promotes the participation of finance companies in granting long-term loans for projects with pre-production periods and/or that are slow to mature. It provides for the organization of a system to recover the capital and interest, resting on the establishment of a guarantee. This is complemented by other services, such as a guarantee to back the credit and access to incentives like technical assistance. FIRA's total financing of permanent crops showed real growth of 18.9% by year-end 2016.



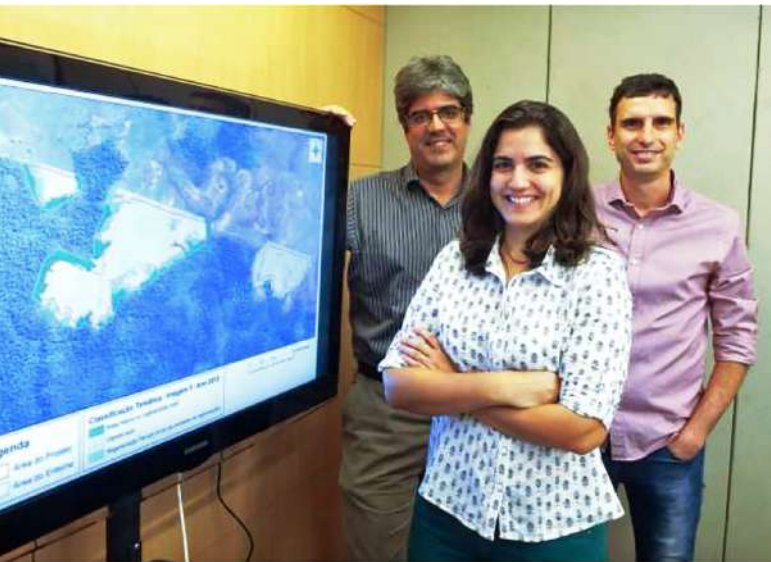


Category I - Financial Products

Korpodeko Incentive Programs

THE SUSTAINABLE DEVELOPMENT CORPORATION OF CURAÇAO (KORPODEKO)

The aim of this program is to share experiences in supporting customers in their everyday activities; promote economic sustainability on business principles and with industrial standards; and exemplify efforts at collaboration and growth. It further combines financial services with elements of sustainability and focuses on establishing the structural bases for the businesses. At least 50% of Korpodeko's customers participated in the program in 2015 and 2016.



Category II - Updating of Management and Technology

GEOBNDES – Project Monitoring using Satellite Imaging

BANCO NACIONAL DE DESENVOLVIMENTO ECONÔMICO E SOCIAL (BNDES), OF BRAZIL

The program seeks to put together different solutions for land management and the incorporation of geographic intelligence tools to support bank lending decisions. This application rests on the description of the territory where the project is to be implemented and highlights other significant elements that could produce an impact on the undertaking. BNDES, through this system, manages a databank of georeferenced information about more than one thousand active projects.

Category III - Information, Technical Assistance and Social Responsibility

Institutional Strengthening for the Reconstruction of the Basic Operational Capacity of Decentralized Autonomous Governments (PFIRGAD)

BANCO DE DESARROLLO DEL ECUADOR (BDE)

It was the aim of this program to restore and strengthen the institutional capacities of decentralized autonomous governments --provincial, municipal and rural parish GADs--, so that they can help rebuild Ecuadorean zones that were hard hit by the earthquake of April 16, 2016. During its period of operation, it benefitted 140 GADs with a population of over two million (12.5 % of the country's total population) and enjoyed the support of technical teams working in several strategic areas.



ALIDE Green Category

Mass Transportation Program (Protram) and Transformation Program for Urban Transport (PTTU)

BANCO NACIONAL DE OBRAS Y SERVICIOS PÚBLICOS (BANOBRAS) OF MEXICO

With the promotion of projects for reducing greenhouse gas emissions (GGE) and the working of a change in mobility in Mexico's cities as their targets, these programs have made it possible to finance the development of integrated transportation systems to reduce CO2 emissions: integrated mass transport corridors and complementary investments, acquisition of technological equipment and vehicles and the scrapping of transportation units.





BNB representatives participated virtually in the ceremony and presentation of the winning product.

b. | Bank of the Year 2017

Banco Nacional de Comercio Exterior de México (Bancomext) was distinguished as the «Bank of the Year 2017» by virtue of its history, impact and performance. With 80 years in the market, Bancomext has assets in the neighborhood of US\$ 17 528 million and operates by granting loans and guarantees. Its business model provides for serving the export sector at all stages of the export process. It is the country's most important bank in the bank financing of the tourist, motor vehicle and industrial real estate (in-bond assembly) sectors.

Following a process of expansion between 2012 and 2016, the bank was able to attain average annual growth of its total portfolio of 31%. Its credit structure consists of 87% in medium and long-term loans and 84% in fixed investments. The proceeds in 2016 from its development banking activities amounted to a total of US\$ 2 763 million, for a growth of 29% compared with 2015. It is a telling fact that fully 96% of the businesses that were assisted during that period were export SMEs. Its net profit rose 26% and average ROE, 12.4%.

c. | Carlos Garatea Yori 2017 Agrobanco Prize «Tools for Financial Inclusion and Integration»

This recognition serves to identify and acknowledge the innovative financial and non-financial technologies, products and services in use in the Latin American development banking system that are adaptable or can be replicated in the agricultural sector. On this occasion, the prize was granted in a ceremony held at ALIDE's headquarters in Lima, Peru, to Banco do Nordeste do Brasil (BNB) for the product «Agroamigo Móvil Financial Inclusion and Integration Tool» This application makes it possible to digitalize the loan processes, contribute to gains in productivity and raise the number of farmers served through efficient use of that technology. BNB representatives participated virtually in the ceremony and presentation of the winning product.



1.3 STUDIES AND RESEARCH

«The Development Banking System and financing in an age of technological change»

Basic study | ALIDE | May

The document provides a detailed analysis of three essential fields for Latin American economic development in which the actions of the development banks are particularly significant: technological disruption, structural transformation and sustainable and environmental infrastructure. Based on that analysis, it proposes strategic reforms that target improved productivity and more active development bank participation. Successful cases of financing in the cited fields are described, as well.

«Role and future challenges of the development financing institutions»

Technical document | ALIDE | October

This technical document describes the role played by development financing institutions (DFIs) as innovative agents for market development and counter-cyclical action. It proceeds further to study the trends and puts forward recommendations on the four main lines of action that DFIs should take in order to strengthen their position as innovative instruments that make sustainable development possible: financial inclusion; economic and social infrastructure; innovation and technological development; and environment and climate change.

«Banco do Nordeste and financial inclusion: Agroamigo Móvil, financial inclusion and integration tool »

Document | ALIDE-BNB | December

The document explores the features and results of the application of «Agroamigo Móvil, Financial Inclusion and Integration Tool» an innovative product created by Banco do Nordeste do Brasil S.A. (BNB) to improve its customer service through the use of technology and that also makes it possible to digitalize the granting of loans, contribute to gains in productivity, raise the number of farmers served, shorten the time needed to disburse loans and reduce recording mistakes.

«Innovative Development Banking Practices»

Book | ALIDE | December

The five programs covered in this book --ALIDE 2017 prizewinners-- are significant because of the social, economic and environmental impact they have produced in their respective countries. The book contains a description and detailed analysis of the structure of those programs: their conception, operation and results. This accordingly constitutes valuable knowledge that could serve as a point of reference for other financial institutions in the region that are interested in replicating those successful experiences in their respective countries.



1.4 TECHNICAL ASSISTANCE AND IN-SERVICE TRAININGS

ALIDE continued its task of identifying the need to share institutional experiences and efforts in order to put together an offering of good development banking practices that would contribute to strengthening bank management and the development and the improvement of financial programs and instruments in its Member institutions. In that way, thanks to the valuable institutional cooperation offered by a group of Latin American development banks like Banco do Nordeste do Brasil (BNB), Banco de la Provincia de Buenos Aires (Bapro), Fideicomisos Instituidos en Relación con la Agricultura (FIRA), Banco Nacional de Costa Rica (BNCR) and Banco Ciudad de Buenos Aires (BCBA), five high-level technical trainings were able to be offered specializing in: rural microfinance and forestry programs; SME and microenterprise loans; financial inclusion and forms of payment in financial intermediaries; operational risk; management of loan delinquency and recovery.

Five in-service trainings held



In-service training: «Banco do Nordeste do Brasil: AgroAmigo Rural Microfinance and the Forestry Financing Program»

ALIDE | Banco do Nordeste

Fortaleza, Brazil, August 8-10

Banco do Nordeste do Brasil S.A. (BNB) cooperated with ALIDE by sharing the experience and methodologies of its pioneering rural microcredit program known as AgroAmigo and of the National Program to Strengthen Family Agriculture (PRONAF-Floresta) that targets forestry sector financing. As part of the in-service training program, visits were made to social projects, successful cases and bank customers.

In-service training: «SME and microenterprise loans: Banco de la Provincia de Buenos Aires management and solutions»

ALIDE | Banco de la Provincia de Buenos Aires

Buenos Aires, Argentina, September 27-29

Banco de la Provincia de Buenos Aires, Argentina's longest-standing institution, which specializes in financing small and medium enterprises, shared its experiences in and good practices on strategic and operational aspects of SME banking and microcredits. Various different issues were examined, among them the loan process, funding, customer attraction and evaluation, credit risk, and SME approach to the capital market. Benchmarking exercises touching on the Bank's priority issues were also promoted among the participants.

In-service training: «Financial inclusion and forms of payment in non-banking financial intermediaries»

ALIDE | Fideicomisos Instituidos en Relación con la Agricultura (FIRA)

Morelia, Querétaro, Puebla, Mexico D.F., October 17-20

In response to a request made by Banco Nacional de Costa Rica and thanks to FIRA, an in-service training program was held to share the Mexican institution's experiences and good practices in regard to its products, services, and business model and, particularly, to examine its programs that promote the financial inclusion of agricultural producers and the role of their financial intermediaries (cooperatives) and their forms of payment (mobile banking, online banking, SPEI). FIRA operates as a wholesale bank that grants loans and guarantees and provides training, technical assistance and the transfer of technology to the rural, agricultural, forestry, and fisheries sectors.



In-service training: «Operational risk: Management and practices of Banco Nacional»

ALIDE | Banco Nacional de Costa Rica (BNCR)

San José, Costa Rica, November 29 to December 1

The bank shared its knowledge of and experiences in operational risk management (legal and regulatory aspects and methodologies), information security and business continuity. In addition, a guided visit was made to the Bank's General Risk Bureau to enable the participants to interact with its promoters and to enhance their knowledge. BNCR is commonly known to be the largest bank in Costa Rica and in Central America. Founded in 1914, it has become firmly established as a true development bank that plays a significant role in the country's economic, social and financial life.



In-service training: «BCBA management of early/advanced stage loan delinquency and loan recovery»

ALIDE | Banco Ciudad de Buenos Aires

Buenos Aires, Argentina, December 7-9

Banco Ciudad collaborated with ALIDE's in-service training program by sharing its working experiences with its operations and the customer management strategies it carries out to control loan, advanced loan and judicial loan delinquency. It presented its departmental software platform from which automatic and semiautomatic action is taken; and organized a guided visit to its management areas and a panel of Argentinean banks to enhance the exchange of experiences in loan recovery.





▲ Danilo Astori, Minister of Economy and Finance of Uruguay; Jorge Polgar and Adriana Rodríguez, president and second vice-president of BROU; Miguel Taborga, Chief of Operations of the IDB Office of Representation in Uruguay; and Jorge Montesinos, Head of Training Program of ALIDE.

1.5 TRAINING

One of the Association’s foremost aims is the training and development of development bank executives and senior managers, given the type of specialization that is needed to enable financial institutions to fulfill their objectives of promoting and financing the development of Latin America and the Caribbean.

Many of ALIDE’s training activities were able to be carried out thanks to the collaboration of its Member institutions, which furnished the necessary logistics and support to perform those activities in the countries, and to the strategic alliances the Association has reinforced with companies specializing in international consultancy.

a. | On site courses and seminars

With the implementation of the quality management system, the group of Latin American experts who have led training activities have been progressively evaluated and renewed and selected Member institutions have been invited to share the best practices they have developed in course and seminar areas of study.



1. International certification program

«Small enterprise credit advisors»

ALIDE | INDE Consulting

Lima, Peru, March 1-3

The purpose of this program was to train small enterprise (SE) advisors and executives in the specialized risk evaluation methodology for that sector and in the key skills for its management with high standards of excellence by transmitting the best international practices, thereby reinforcing teamwork and the accomplishment of concrete goals.

«Process-based management for financial institutions

ALIDE | Alfredo Paredes & Asociados Cía. Ltda. (AP&A)

Lima, Peru, November 28 to December 1

The program aimed to strengthen the participants’ management capacity by identifying and applying modern process design, improvement and implementation techniques as elements that effectively contribute to building up organizations by enhancing their levels of productivity and competitiveness.



2. International Program

«Strategic management of training »

ALIDE | Sociometrika

Lima, Peru, May 24-26

Targeting managers, directors, deputy directors and department heads responsible for the management of the different human resources and training subsystems, the program provided a conceptual and methodological framework for the management of training in the organizations. Insofar as the conceptual side was concerned, the training delved into the Kirkpatrick Model and, methodologically speaking, it integrated methods, techniques and tools in order to facilitate effective management.



3. International seminar – workshop

«Integral excellence management for microfinance institutions in Latin America»

ALIDE | Crédito Hipotecario Nacional (CHN)

Guatemala, Guatemala, March 29-31

In the course of the seminar, participants were provided with knowledge and the methodology for implementing excellence management in microfinance in their respective organizations that would facilitate their integral leadership, organization and the orientation of the multiple aspects of their business, instituting it as a permanent working method that would have a positive impact on performance.



«Risk-based audit in banks and financial institutions»

ALIDE | Risk Consult Group

Lima, Peru, July 19-21

The pillars on which risk management rests (the table of risks, inherent risks, mitigating risks and residual risk) were presented for the purpose of more closely aligning the various processes and methods used in a financial institution’s risk area. Information was also provided about the audit procedures that comprise each stage of the administration, with an identification of the orientation of the table of risks and the weight or value of the elements that determining inherent risk, together with its management and control.

«PPP (public-private partnership) financing of infrastructure investment »

ALIDE | Banco de la República Oriental del Uruguay (BROU) | Inter-American Development Bank (IDB)

Montevideo, Uruguay, September 26-29

Experiences were shared during the seminar on the following matters: a) PPP governance: actors and principal rules, b) structure, risks and modalities in a public-private partnership (PPP) project, c) basic elements of structured infrastructure financing, d) PPP construction risk, and e) the role of multilateral organizations in project financing. On September 29, Uruguay shared its experience on the subject, with presentations by the BROU Corporate Banking area and executives from Corporación Nacional para el Desarrollo (CND).

«Models of expected and unexpected credit risk loss with scoring notions»

ALIDE | Banco de Desarrollo de El Salvador (Bandesal)

San Salvador, El Salvador, October 18-20

Representatives of the attending financial institutions obtained an understanding of the principal models needed for modern credit risk management including analyses of concentration and scoring models. Similarly, knowledge acquired through the analysis of examples and application of models in practical cases was reinforced. This meant that by the end of the seminar, participants would be able to immediately and in a practical way implement in their respective institutions the models they had learned.



«Measurement and assessment of the social impact in the development banking system»

ALIDE | Inter-American Development Bank (IDB) | Banco Nacional de Desenvolvimento Econômico e Social (BNDES) | Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE)

Rio de Janeiro, Brazil, October 30 to November 1

The representatives of the participating financial institutions became specialized in the management of the tools and methods used to design and carry out social impact assessments (SIAs) of development projects. Similarly, they were told about the opportunities offered to a development bank by the application of a suitable context for assessment. A wide variety of specialists on the subject imparted the knowledge and shared relevant experiences.

«Corporate bank risk management»

ALIDE | Banco de Guatemala

Guatemala, Guatemala, November 21-24

The seminar furnished participants with the technical bases and main criteria for identifying, controlling and overseeing the risks faced by financial businesses and their integration within corporate strategy by identifying the global nature of the subject and the responsibilities of corporate governance levels and presenting the most effective assessment methods.



b. | ALIDE E-learning

The year 2017 marked the tenth year of operation of ALIDE E-Learning, whose virtual campus is <www.alidevirtual.org>. Over the years, this platform has been used to train some 4,400 bank and financial institution officials from 20 Latin American and Caribbean countries. In doing so, it has revealed itself to be a mass training tool with a huge potential, achieving important results for the benefit of the Member institutions and other financial entities involved in training activities.

Based on that experience, a new ALIDE E-Learning platform will be inaugurated in 2018 that will make it possible to use modern distance teaching tools and for teachers and participants to interact, as well as to accede and work by means of mobile devices (tablets or mobile telephones).

1. Distance learning course

«Operational risk management: strategy and practices for management of the banking and financial institution business»

February 20 to April 2

A complete overview of operational risk management was provided, from the theoretical aspects to its application as a management tool. To that end, appropriate theoretical and practical elements of operational risk management, together with mitigation techniques and decision-making, were offered. Several methodologies were also examined from the standpoint of the business and of the control and management itself of the operational risk.

«Strategic competency-based management of human capital»

March 20 to April 30

The management and leadership capacity of the participating executives and managers was promoted through the identification and practical application of modern methods of competency-based human resource management, as tools contributing to the enhancement of personal performance and the administration of the institutions they represented.

«Prevention of unexpected default risks: audit and supervision of LTV (loan to value)-based management systems»

May 8 to June 11

The course introduced executives involved in the management of assessments and valuations to a new approach containing preventive criteria with early warning systems and a model management system. The aim was to enable them to perform adequately and to comply with the demands and responsibilities of their duties by reducing risks to a minimum and safeguarding their institutions from the formation of so-called financial bubbles.

«Early collections and loan recoveries in banks and financial institutions»

May 22 to July 2

Participants were instructed in the best high impact collection management practices for effective loan recovery.

«Reputational risk management in the banking system and financial institutions»

July 17 to August 27

The course offered a full picture of reputational risk management. The components of reputational risk were reviewed from the standpoint of the business, control and very management of the financial institutions.

«Corporate governance, risk and compliance (GRC) in banks and financial institutions»

October 23 to December 3

The aim was to give participants a holistic picture of the strategic direction of the banking business by identifying the principal benefits of its implementation by component and overall and by providing the analytical tools for GRC evaluation and reviewing the region’s regulations on the matter and on the individual components.

«Strategic planning and balanced scorecard for microfinance institutions»

November 27 to December 17

Participants were able during the course to acquire and share knowledge about the most up-to-date strategic management methodologies based on use of the Balanced Scorecard (BSC) that allows institutions to deploy a fully-powered planning tool and for each of their component areas or management divisions.

2. In-house distance learning course

«Operational risk management»

ALIDE | Banco Agrario de Colombia

July 17 to August 27

During the course, participants were given a complete picture of operational risk management ranging from its theory to its application as a management tool, for which practical elements and appropriate techniques were offered for operational risk management, mitigation and decision making. It was imparted as an in-house distance learning course for Banco Agrario de Colombia (Banagrario).

3. In-House Certification program

«Organizational development: integral management of organizations»

ALIDE | Alfredo Paredes & Asociados

April 3 to July 27

The purpose of this program was train specialists in integral management of organizations who could help enhance competitiveness and productivity from the areas of process-based

management, competency-based management and change management. It was offered as an in-house distance learning course with an additional on site modality for employees of enterprises belonging to Peru’s Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (Fonafe) holding.

4. Regular distance learning program

«Credit risk management for microfinance institutions»

June 26 to August 6

Participants were given an integral overview of risk management in microfinance institutions, from the theory to its application as a management tool. The course covered all of the stages, from the very basic notions, through what is a complex assessment process and methodology, to the study of all facets of relevant collection management issues..

5. Advanced distance learning program

«Credit risk management for microfinance institutions »

September 25 to November 5

This course delved more deeply into the subject matter of the basic distance learning course in credit risk management for microfinance institutions and targeted the spheres of preventive collection, risk control and follow-up, complex portfolio administration and collection at an advanced level.





1.6

KNOWLEDGE MANAGEMENT

a. | Latin American Documentation Center (Cedom)

In 2017, ALIDE’s Latin American Documentation Center (Cedom) firmly established knowledge management as a strategy for maximizing organizational learning by emphasizing human capital capacities and contribution to organizations and appropriate management of technologies and communication networks.

b. | ALIDE RIALIDE-BR Information Network in Brazil

In this context, the experience of RIALIDE in Brazil, whose main elements were centers, libraries or information units, takes on importance. The network broadened the focus of its services to take in other customers and suppliers of information, such as research or planning, competitive intelligence, planning and strategy and information center units, as a strategic resource of institutions by converting them into knowledge networks.

In compliance with its working program and in coordination with the BNDES Centro de Pesquisa de Informações e Dados (Coped), a fourth meeting was held of ALIDE’s Information Network in Brazil – RIALIDE. There, presentations were made of statistics and the results of the network’s efforts and about the incorporation of new members and the development of the new RIALIDE-BR site platform, where information about the members’ activities will be divulged. In addition, the activities of the 2018 Working Program were coordinated.



4 600
Documents available

publications, reports,
technical documents and
other texts and audiovisual
materials.



2 000
Information searches per year



Main Topics

Financial risk	Financial intermediaries
Corporate governance	Wholesale banking
Microcredit	Foreign trade
Financial mechanisms for microfinance	Sustainability
Financial inclusion	Carbon market
Financial cooperation	Tourism
Agricultural and rural credit	Small enterprise financing
Guarantees	Climate Change

c. | ALIDE Virtual Library

One of the core elements in the framework of the Association’s new strategic plan is the communication of knowledge through the creation of innovative products and services in an effort to ensure that the technology, persons and corporate culture are converted into knowledge facilitators in the development of processes, projects and systems for continuous improvement and innovation.

With the implementation of the quality management system, the design and operational capacity of the virtual library platform has been progressively evaluated and remodeled. This is the tool that allows for access to the studies and technical documents prepared by ALIDE and its Member institutions and that facilitates interactive access to the specialized information resources. The link-up of the virtual library with other similar platforms is foreseen for the future, in order to broaden the spectrum of documents for consultation and with the addition of development banking statistical information databases.



1.7

DISSEMINATION OF INFORMATION AND NEWS

The guidelines established in ALIDE’s Media Plan were put into effect in 2017, bringing about a significant improvement in all the dissemination and communication indicators shown in the figures. In addition, the Inter-American Development Bank (IDB), as part of its technical cooperation with ALIDE as a strategic ally, carried out a consultancy. This resulted in the adoption of ALIDE’s new Communication Strategy, which aims to strengthen the institution’s image, disseminate information, establish relationships with the members, and position ALIDE in terms of its most important stakeholders.

a. | Print media

Banking & Development Magazine

Issued quarterly, the Banking & Development Magazine publishes articles, analyses, interviews and specialized documents touching upon development financing in Latin America and the Caribbean. More specifically, it divulges information about the actions, results and programs of the ALIDE Member financing institutions. It is sent out in both physical and virtual format to the Member institutions,



Digital

Media

Coverage
11 500 subscribers



InSocial Network

- Average monthly range on Facebook
 - 2016 7 thousand users
 - 2017 35 thousand users
- Average monthly range on Twitter
 - 2016 30 thousand users
 - 2017 85 thousand users
- 24 videos prepared on YouTube
- Implementation of ALIDE’s fourth official account on LinkedIn
- Creation of ALIDE’s official account on Flickr



Print

Media

Coverage
in financial institutions
in over 20 Latin
American and
Caribbean countries.



129
Press Appearances
Up from 41 in 2016 to 129
in 2017, for growth of over
300%.

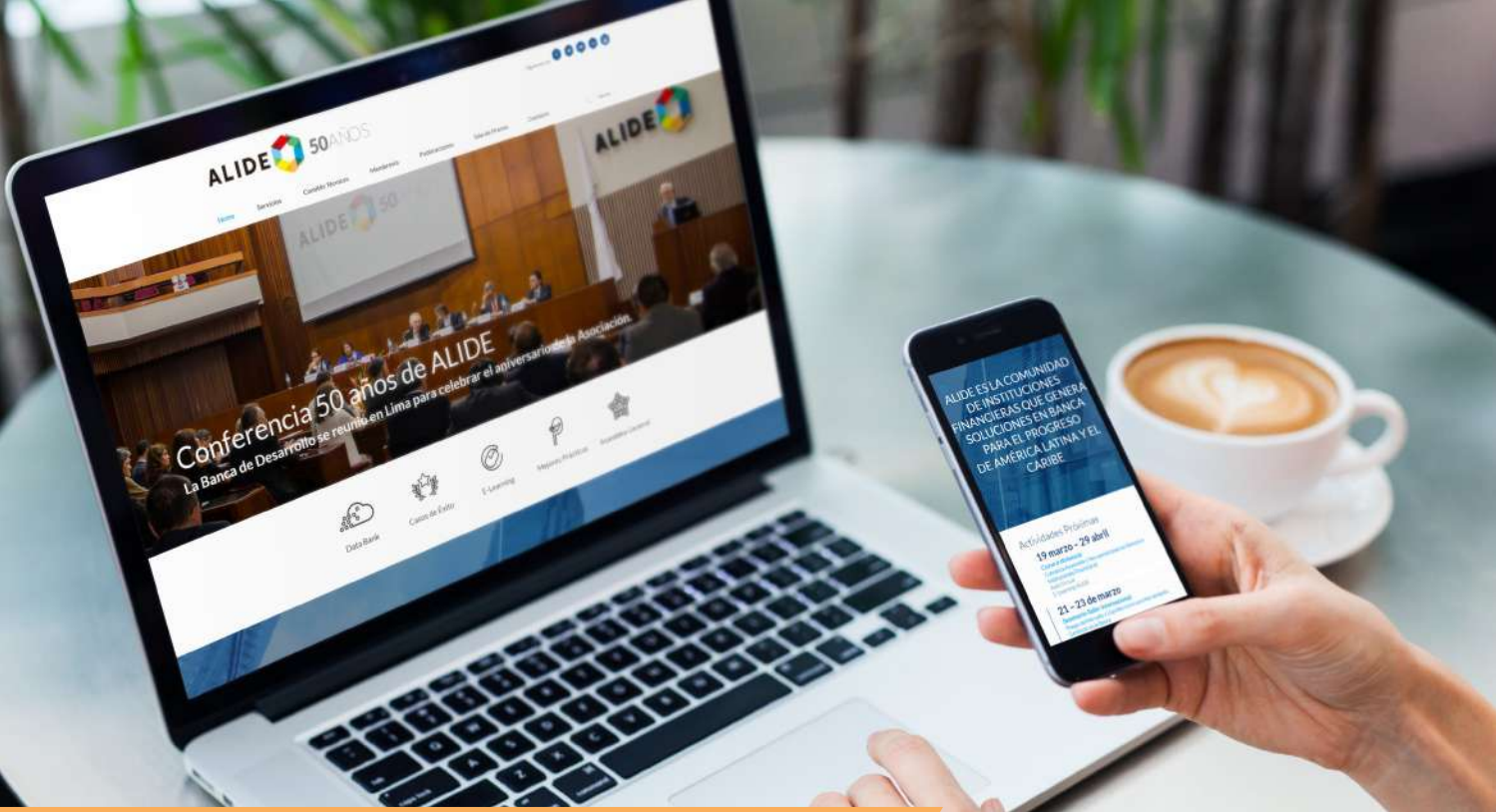


57
News in 2017
27,3 % more than the 48 of
the previous year.

international organizations and other institutions concerned with the work of the Association. Four issues were published over the year, as scheduled.

ALIDE News Bulletin

This bulletin, published every two months, offers information about the main activities and initiatives of ALIDE and its Member institutions. Six issues were circulated over the year, making it possible to reinforce and position information about banking and regional development financing.



b. | Digital Media

Electronic E-Banking Bulletin

Circulated monthly, it brings together news and interviews about events in the Latin American and Caribbean development banks and contains separate information concerning financing sources and opportunities for investment and cooperation. The bulletin keeps development bank executives up-to-date on the latest developments in the sector.

Electronic E-news Bulletin

Targeting executives of non-Spanish speaking countries, this quarterly electronic bulletin distributed in English contains varied information about ALIDE's main activities, together with technical articles about development financing.

ALIDE website

ALIDE officially unveiled its new website on January 24, 2018, the date commemorating its 50th anniversary. This platform aims to highlight the actions taken by Member institutions through sections dedicated exclusively to that purpose, a modern graphic presentation and intensive use of videos. The website has been prepared based on the latest design trends, facilitating its reading and encouraging navigation. The objective of this platform is to become the region's point of reference for consultation on LAC development financing. It is further equipped with SEO (Search Engine Optimization) that considerably improves ALIDE's presence in the digital world.

Social networks and other online platforms

During the first year of implementation of its new policy of dissemination in social media sites, ALIDE significantly increased its presence in Facebook and Twitter. As part of its growth strategy, it inaugurated its fourth official account in LinkedIn, a social media site specializing in the working and business world that is in heavy use by the members. Insofar as the social networks are concerned, it should be stressed that they are a highly efficient tool for disseminating information about ALIDE, inasmuch as the publications are put online in coordination with the Member institutions' official accounts. ALIDE also now has a video channel where interviews, presentations and lectures concerning development financing are posted.

c. | Press and presence in the media

Communication with the media is effected via press releases reporting on ALIDE events, documents, publications, agreements, prizes and news. In keeping with the Media Plan, ALIDE increased the number of its press releases, granted interviews in specialized media and produced a list of region-wide press contacts.

d. | Coordinated action with Member institutions

Joint activities organized by ALIDE and its Member institutions were disseminated in a coordinated effort, raising the levels of distribution. Specifically speaking, coordinated measures were taken in producing promotional designs, disseminating press releases, interacting in social networks and preparing videos.



CHAPTER

II



INTERNATIONAL
COOPERATION

The Latin American Association of Development Financing Institutions (ALIDE) is a vehicle for action and coordination in regard to banking and the region’s development financing. It plays this role by entering into cooperation agreements and activities with financial institutions, related organizations and international cooperation agencies.



Edgardo Alvarez, Secretary General of ALIDE, and Jacques Rogozinski, director general of Nafin, subscribe the agreement.

2.1

COOPERATION AGREEMENTS AND ACTIVITIES

a.

Active Members

Banco Agropecuario (Agrobanco) of Peru

A cooperation agreement was signed in 2016 for the purpose of divulging the benefits of the «Financial Deepening» product, promoting its replication and positioning Banco Agropecuario’s (Agrobanco) image among its equals in the region. The tool used to achieve these aims is the «Carlos Garatea Yori Agrobanco Prize» recognizing the best proposal for the development of technologies and the appropriate climate for the formation and implementation of value chains in the region’s agricultural sector, which was awarded for the second time in 2017.

Financiera del Desarrollo (Findeter) of Colombia

ALIDE and Findeter signed a cooperation agreement with the aim of promoting and fostering joint activities and strengthening the Association’s collaboration with the Colombian institution by taking advantage of its expertise in the area of sustainable cities and territorial development, which can be shared as a point of reference with other financial institutions working to support sustainable urban development.

Corporación Financiera Nacional (CFN) of Ecuador

ALIDE and CFN signed a cooperation agreement to build up the framework for collaboration between the two institutions by incentivizing CFN’s active participation in activities organized by ALIDE and embarking upon joint initiatives for financing Ecuadorean economic and social sectors. The agreement likewise seeks to take advantage of CFN’s expertise in areas in which it operates in order to disseminate it among the Latin American development banks.

Nacional Financiera (Nafin) of Mexico

ALIDE and Nafin signed a cooperation agreement to reinforce the framework for collaboration between the two institutions by encouraging the strategic coordination of activities in support of Mexico’s economic and social sectors. Specifically speaking, the agreement seeks to promote Nafin’s participation in the activities provided for in ALIDE’s Working Program in order to enable its Latin American development banking Member institutions to benefit from the experience of the Mexican institution.

b. | Associate Members

Agence Française de Développement (AFD) of France

ALIDE and the French Development Agency (AFD) signed a memorandum of understanding to produce a working plan for reinforcing the Association's and its banking network's economic, social, solidary and environmentally sustainable financing efforts. In specific terms, the agreement seeks to coordinate actions taken with a view to promoting the development of green finance in Latin America and the Caribbean.

Inter-American Development Bank (IDB)

Work was continued on the IDB-ALIDE Program for financing the mitigation of climate change by organizing activities like the forum «National Development Banks & Green Banks – Key institutions for mobilizing finance towards the implementation of Paris Agreement Nationally Determined Contributions (NDCs) and the accomplishment of the Sustainable Development Goals (SDGs) in financing climate change mitigation». Furthermore, as a strategic ally, the IDB contributed to ALIDE with consultancy sessions in regard to communications and strategic planning. On another note, international seminars were jointly conducted on assessment and measurement of the social impact and investment and infrastructure financing through public-private partnerships (PPPs).

Business Development Bank of Canada (BDC)

Within the framework of its cooperation, ALIDE collaborated in summoning Latin American and Caribbean development banks to the «Global Roundtable of Chief Economists», organized by the Business Development Bank of Canada (BDC) and the International Finance Corporation (IFC) in Montreal, Canada.

Instituto de Crédito Oficial (ICO) of Spain

ALIDE has continued to collaborate in promoting the participation of the region's development banks in the Spanish Institute's international programs, particularly the XVI ICO International Program for Development Bank Executives, aimed at the detailed presentation of ICO's organization, products, risk management and funding and the International Program for Executives of Financial Institutions, organized by ICO and a very important Spanish business school.

Kreditanstalt für Wiederaufbau (KfW) of Germany

As part of the activities institutionalized with the German development bank, in September 2017 the «Mission of Latin American and Caribbean development bankers to KfW/ Energy Efficiency in Germany and its Potential in Latin America and the Caribbean» took place, visiting the cities of Berlin, Potsdam – Drewitz, Wolfsburg, Arnsberg, Mainz and Frankfurt. In the course of the discussions, LAC's role was stressed as a strategic German partner for the mitigation of climate change and conservation of the biological diversity.



c. | Other entities

Economic Commission for Latin America and the Caribbean (ECLAC)

In order to promote innovation of products and services and in other spheres of development bank activity targeting SME financing and the establishment of financial inclusion as a productive development policy in Latin America and the Caribbean, ALIDE and ECLAC jointly organized the « Latin American and Caribbean Seminar: Promoting financial inclusion through development bank innovation policies». An important group of high-level development bank executives and senior managers, experts in financial inclusion and public policy-makers from across the region were summoned.

World Federation of Development Financing Institutions (WFDFI)

ALIDE, as a member of the World Federation of Development Financing Institutions (WFDFI), cooperates with its equals in other regions of the world. The Association participated in the Meeting of Governors of WFDFI on the occasion of the Annual Meetings of the Boards of Governors of the World Bank/IMF held in Washington, D.C. in October 2017. A series of issues of institutional interest were addressed during the course of the meeting, held at the headquarters of the American Society of Association Executives (ASAE).

Ibero-American Guarantee Network (REGAR)

ALIDE participates in REGAR in order to promote the sharing of experiences and issues relating to Ibero-American MSME guarantees and financing, move ahead jointly with the analysis of the need for regional reguarrantee, and create a mechanism to link up productive integration aims in the region with development financing institutions and guarantee systems. In 2016, ALIDE sponsored the «XXII Ibero-American Forum on Guarantee and Financing Systems for MSMEs» jointly with other institutions.



▲
Representatives of financial institutions meeting in «Global Roundtable of Chief Economists»

2.2 PARTICIPATION IN FORUMS AND MEETINGS

High-level ALIDE executives participated as speakers in international meetings on development financing, economic growth, the environment, financial cooperation and regional integration organized by institutions involved in ALIDE's areas of endeavor.

a. | Participation in meetings

«Roundtable of Experts in Agricultural Financing»

Instituto de Estudios Peruanos (IEP), Asociación Menonita de Desarrollo Económico (MEDA).
Lima, Peru, February 2.

«Financial Literacy Program / National Tambos – Agrobanco Agreement Program»

Banco Agropecuario (Agrobanco).
Lima, Peru, February 16.

«21st Meeting of the ABDE Studies and Research Committee»

Associação Brasileira de Desenvolvimento (ABDE) and Banco de Desenvolvimento de Minas Gerais (BDMG).
Belo Horizonte, Brazil, March 17.

«Annual Meeting Boards of Governors of the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IDB Invest)»

Inter-American Development Bank (IDB) Group.
Asunción, Paraguay. March 30 to April 2.

«The Future Role of Development Banking»

Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and The World Bank.
Rio de Janeiro, Brazil, May 5.

«II Edition of the Peru Venture Capital Conference»

Corporación Financiera de Desarrollo (Cofide).
Lima, Peru. June 13 and 14.

«The Green Bank Project Launching »

Banco Agropecuario (Agrobanco).
Lima, Peru. June 27.

«ALIDE and its participation in the development of Latin America and the Caribbean»

Conference organized by the Asociación de Sociedades Financieras de Objeto Múltiple (ASOFOM).
Mexico D.F., Mexico, June 28.

«VIII Edition – Salón del Cacao y Chocolate 2017»

Salón del Cacao y Chocolate.
Lima, Peru, July 6 to 9.

« III High-level Technical Meeting on Innovation and Financial Stability: Regulation and Supervision of a New Ecosystem»

Federal Reserve Bank of Atlanta.
Miami, United States, August 8 and 9.

«International Seminar: Challenges of the Pacific Alliance in a Context of Regional Global Transformation»

Konrad Adenauer Center for International Relations and Security Studies (KACIRSS).

Lima, Peru, August 15.

«Promotion of Technological Guarantees and Technological Assessments for MSMEs with an innovative and technological potential»

Fondo de Garantías para Pequeños Empresarios (Fogapi).

Lima, Peru, August 21.

«VI International Seminar on Rural Microfinance»

Banco Agropecuario (Agrobanco).

Lima, Peru, August 24 and 25.

«2017 Human Capital Expo»

Capital Humano and MD Group Business to Business.

Lima, Peru, September 12 and 13.

«Global Symposium on Development Financial Institutions»

The World Bank y Bank Negara Malaysia.

Kuala Lumpur, Malaysia, September 19 and 20.

«Global Roundtable of Chief Economists»

Business Development Bank of Canada (BDC) and The International Finance Corporation (IFC).

Montreal, Canada, September 21 and 22.

«XV Capital Market Event»

Credicorp Capital.

Lima, Peru, September 27.

«The Ibero-American Guarantee Systems in an Environment of Technological and Social Change»

XXII Ibero-American Forum on Guarantee Systems and Financing for MSMEs.

Bogota, Colombia, September 28 and 29.



Edgardo Alvarez, Secretary General of ALIDE, talking about the role of the financial institutions in «Global Symposium on Development Financial Institutions».

«Annual Meetings of the Boards of Governors of the World Bank and the International Monetary Fund (IMF) »

The International Monetary Fund (IMF) and The World Bank.

Washington D.C., United States, October 13 to 15.

«Inclusive Green Finances: Confronted by the Impact of Climate Change, we have no other choice. Challenges, Innovations and Prospects»

Consorcio de Organizaciones Privadas de Promoción al Desarrollo de la Micro y Pequeña Empresa - Copeme Microfinanzas.

Lima, Peru, October 19 and 20.

«CAF Conference: Cities with a Future»

CAF- Development Bank of Latin America.

Lima, Peru, November 2 and 3.

«51th Annual Assembly of the Latin American Banking Federation (Felaban)»

Latin American Banking Federation (Felaban) and the Florida International Bankers Association (FIBA)

Miami - Florida, United States, November 11 to 14.

«X National Congress on Microfinance: Prospects and Innovative Strategies in Microfinance Institutions »

Fundación de Capacitación y Asesoría en Microfinanzas (Fundamicro).

San Salvador, El Salvador, November 16

«The Force of Trust-Based Social Capital»

Corporación Financiera de Desarrollo (Cofide) and Asociación de Los Andes de Cajamarca (ALAC - Yanacocha).

Lima, Peru, December 6.

b. | Papers presented at international forums

«ALIDE’s performance as the representative of Latin American development»

21st Meeting of the Studies and Research Committee of the Associação Brasileira de Desenvolvimento (ABDE).

Belo Horizonte, Minas Gerais, Brazil, March 17.

«ALIDE’s performance in the Development of Latin America and the Caribbean»

Meeting organized by the Financial and International Division of Banco Nacional de Desenvolvimento Econômico e Social (BNDES).

Rio de Janeiro, Brazil, April 24.

«ALIDE and its participation in the development of Latin America and the Caribbean»

Conference organized by the Asociación de Sociedades Financieras de Objeto Múltiple (ASOFOM).

Mexico D.F., Mexico, June 28.

«Green Financing and Innovation in the Sowing of Cocoa»

VIII Edition – Salón del Cacao y Chocolate.

Lima, Peru, July 6 to 9.



Rodolfo Zea, Director of ALIDE and President of Financiera del Desarrollo (Findeter), of Colombia, in «CAF Conference: Cities with a Future».

«Role and Future Challenges of Development Finance Institutions»

Global Symposium on Development Financial Institutions, organized by Bank Negara and The World Bank Group.

Kuala Lumpur, Malaysia, September 19-20.

«The Ibero-American Guarantee Systems in an Environment of Technological and Social Change»

XXII Ibero-American Forum on Guarantee Systems and Financing for MSMEs.

Bogota, Colombia, September 28 and 29.

«How is the Financial Sector Responding to the Challenges Posed by Climate Change?»

Inclusive Green Finance organized by Consorcio de Organizaciones Privadas de Promoción al Desarrollo de la Micro y Pequeña Empresa - COPEME Microfinanzas.

Lima, Peru, October 19 and 20.

«X National Congress on Microfinance: Prospects and Innovative Strategies in Microfinance Institutions »

Fundación de Capacitación y Asesoría en Microfinanzas (Fundamicro).

San Salvador, El Salvador, November 16.



▲ The mission helped to enrich knowledge about energy efficiency, a current topic of importance and potential for Latin American and Caribbean development banks.

2.3

PROJECT AND BUSINESS PROMOTION

Meeting of the Technical Committee on Business and Investments

Santiago, Chile, June 1

ALIDE / BancoEstado

Reinforcing cooperation between development banks and their equals in the region and other parts of the world is a key element for promoting Latin American and Caribbean foreign trade. In that context, links with countries like India take on greater importance. For that reason, the committee meeting focused its efforts on analyzing and fostering the implementation of mechanisms for intraregional cooperation and financing between Latin American and Caribbean development banks and ALIDE Member institutions in other regions of the world, in that way, promoting trade in the region and the projection of development banking activities beyond national borders.

Mission of Latin American and Caribbean development bankers to KfW/ Energy Efficiency in Germany and its Potential in Latin America and the Caribbean

Berlin, Potsdam - Drewitz, Wolfsburg, Arnsberg, Mainz, Frankfurt, Germany, September 2 to 8

ALIDE / KfW

A new bankers mission took place within the framework of KfW's renewed cooperation with ALIDE, to look into the importance of energy efficiency in Germany and the role and programs of the KfW development bank, that country's largest financier of energy efficiency. The program encompassed practical visits to companies (Volkswagen, Trilux, Werner & Mertz, Veltins) and buildings, in order for the bankers to familiarize themselves with their energy efficiency processes (production, lighting, construction and/or renovation); presentations by KfW about its financing programs to help improve the energy efficiency of small and medium German enterprises; and of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Energy Agency (DENA). Business meetings were also organized between KfW executives and the participating banks. The mission helped to enrich knowledge about energy efficiency, a current topic of importance and potential for Latin American and Caribbean development banks; to enhance business relations between KfW and the region's development banks; and to strengthen the institutional links between ALIDE, KfW and the Association's member banks.

Bilateral meetings

Santiago, Chile, from May 31 to June 2

ALIDE / BancoEstado

Bilateral interview services were promoted and provided during the course of the 47th Regular Meeting of the ALIDE General Assembly to facilitate cooperation and business transactions between representatives of participating institutions. A total of 105 bilateral interviews took place, in addition to direct contacts and other encounters among the participants at the meeting.



CHAPTER

III

PROGRAMS by countries



In its role of the international organization representing Latin American and Caribbean development banking, the Latin American Association of Development Financing Institutions (ALIDE) plans and carries out activities in different countries of the region and in countries of other regions, in response to the requests of its Member institutions and of development financing trends.



Argentina

- Two in-service trainings were co-organized, one in September and the other in December. The first was entitled «Loans for SMEs and Microenterprises: Banco de la Provincia de Buenos Aires Management and Solutions» and was carried out with Banco Provincia. The other, held with Banco Ciudad, was «BCBA Management of Early/Advanced Stage Loan Delinquency and Loan Recovery».
- Coordination meetings were held with executives of Garantizar S.G.R. Sociedad de Garantía Recíproca.



Brazil

- The in-service training «Banco do Nordeste do Brasil: Urban and Rural Microcredit and Agroforestry Loans» was offered in the city of Fortaleza to reveal the good practices of Banco do Nordeste do Brasil (BNB).
- The headquarters of Banco Nacional de Desenvolvimento Econômico e Social (BNDES) in the city of Rio de Janeiro was the venue for the «IV Seminar on RIALIDE BR Information and Knowledge Management».



Chile

- The 47th Regular Meeting of the ALIDE General Assembly, with «Technological Disruption, Financial Intermediation and Development Financing: Challenges in an Age of Changes» as the key topic, was organized jointly with BancoEstado de Chile. Senior managers and high-level executives of Member institutions from 25 countries and representatives of international organizations attended the meeting, together with Chilean government officials.



Colombia

- The XXII Ibero-American Forum on Guarantee Systems and Financing for MSMEs: «Innovation in Guarantee Systems and Business Financing» was organized jointly with Colombia's Fondo Nacional de Garantías (FNG) and the Ibero-American Guarantee Fund (REGAR) in the city of Bogota, Colombia.
- Coordination meetings were held with executives of Financiera del Desarrollo Nacional (FDN), Fondo para el Financiamiento del Sector Agropecuario (Finagro), Banco Agrario de Colombia (Banagrario), Fondo Nacional del Ahorro (FNA), Financiera del Desarrollo (Findeter) and Banco Nacional de Comercio Exterior (Bancoldex).



Costa Rica

- «Operational risk: Management and Practices of Banco Nacional de Costa Rica» was the in-service training organized jointly with Banco Nacional de Costa Rica (BCNR) in San José.

- In order to strengthen institutional links, visits were made to executives of BNCR, Banco de Costa Rica (BCR), Banco Popular y de Desarrollo Comunal (BPDC), the development banking system, and Caja de Ahorro y Préstamos de la Asociación Nacional de Educadores (Caja de Ande).

El Salvador



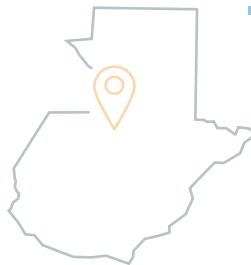
- The international seminar «Models of Expected and Unexpected Credit Risk Loss with Scoring Notions» was jointly organized with Banco de Desarrollo de El Salvador (Bandesal) in the city of San Salvador.
- Meetings were held with executives of Bandesal, the Federación de Cajas de Crédito y de Bancos de los Trabajadores (Fedecrédito), Banco de Fomento Agropecuario (BFA) and Banco Hipotecario de El Salvador to reinforce institutional links and coordinate joint activities.
- The Association collaborated with Fundación de Capacitación y Asesoría en Microfinanzas (Fundamicro) of El Salvador by providing for the participation of an ALIDE expert at the X Microfinance Conference.



Germany

- The «Mission of Latin American and Caribbean development bankers to KfW/ Energy Efficiency in Germany and its Potential in Latin America and the Caribbean» was carried out with Kreditanstalt für Wiederaufbau (KfW), the German development bank.

Guatemala



- The international seminar «Integral Excellence Management for Microfinance Institutions in Latin America» and the conference «Microfinance for the Development of Guatemala, Latin America and the Caribbean: The Chilean case » were carried out with the collaboration of Crédito Hipotecario Nacional (CHN) in Guatemala City.
- Similarly, the international seminar «Corporate Banking Risk Management» took place with the collaboration of Banco de Guatemala.

- The representatives of CHN, Banco de Desarrollo Rural (Banrural), Banco de Guatemala and the Office of the Superintendent of Banks (SIB) were visited.



Honduras

- In order to reinforce institutional links and coordinate joint activities, visits were made to Banco Nacional de Desarrollo Agrícola (Banadesa) and Banco Hondureño de la Producción y la Vivienda (Banhprovi), as well as to the Central American Bank for Economic Integration (CABEI).



Mexico

- ALIDE, jointly with the Inter-American Development Bank (IDB), Banco Nacional de Obras y Servicios Públicos (Banobras), the Organization for Economic Cooperation and Development (OECD) and the Green Bank Network, organized the forum «National Development Banks & Green Banks – Key institutions for Mobilizing Finance towards the Implementation of Paris Agreement Nationally Determined Contributions (NDCs) and the Accomplishment of the Sustainable Development Goals (SDGs) in Financing Climate Change Mitigation» in Mexico City.
- An ALIDE presentation was made before representatives of the Asociación de Sociedades Financieras de Objeto Múltiple en México (ASOFORM) in order to give an account of the main activities carried out by ALIDE to promote the cohesion and enhance the efforts and participation of financing institutions in LAC economic and social processes.
- In order to strengthen institutional links and coordinate joint activities, institutional visits were arranged to executives of Nacional Financiera (Nafin), Banco Nacional de Comercio Exterior (Bancomext), Sociedad Hipotecaria Federal (SHF), Banco del Ahorro Nacional y Servicios Financieros (Bansefi), Instituto del Fondo Nacional de la Vivienda para Trabajadores (Infonavit), the Association of Supervisors of Banks of the Americas (ASBA) and the Center for Latin American Monetary Studies (CEMLA).
- The in-service training «Financial Inclusion and Forms of Payment in Non-banking Financial Intermediaries» was organized with the collaboration of Fideicomisos Instituidos en Relación con la Agricultura (FIRA) in the cities of Morelia, Querétaro, Puebla, and Mexico D.F.

Nicaragua



- Institutional visits were made to Banco de Fomento a la Producción (BFP), Banco Central de Nicaragua (BCN) and the Office of the Superintendent for Banks and Other Financial Institutions (Siboif) in order to reinforce institutional links and look into the possibility for carrying out joint activities.

Paraguay



- The Meeting of ALIDE’s Executive Committee took place at the headquarters of Banco Nacional de Fomento (BNF), in the city of Asuncion. During the meeting, the Committee members analyzed the advances made in preparing for the 47th General Assembly of ALIDE, the activities of the Working Program, cooperation issues and other matters of special interest.

Peru



- An informative talk was given on «the PCP Program and the GEF Callao Project, Opportunities and Benefits for Promoters and Financial Institutions» with the participation of representatives of the local financial sector.
- The following events were held as part of the training activities: the specialization program «Small Enterprise Credit Advisors», the international programs «Strategic Management of Training» and «Specialists in Process-based Management for Financial Institutions» and the international seminar «Risk-based Audit in Banks and Financial Institutions».
- The «Latin American and Caribbean Seminar: Promoting Financial Inclusion through Development Bank Innovation Policies», organized jointly with the Economic Commission for Latin America and the Caribbean (ECLAC), brought together development bank executives, policy-makers and experts in financial inclusion from across the region.

- The Agrobanco 2017 Carlos Garatea Yori prize «Tools for Financial Inclusion and Integration» was awarded to Banco do Nordeste do Brasil in a ceremony jointly organized with Banco Agropecuario del Perú (Agrobanco) and a meeting was held to present the winning product. «Agroamigo Móvil Financial Inclusion and Integration Tool».
- Visits were arranged to the highest-level executives of Agrobanco, Corporación Financiera del Desarrollo (Cofide), Banco de la Nación, Fondo MiVivienda and Peru’s Office of the Superintendent of Banking, Insurance and PFAs, in order to coordinate preparations for the 48th ALIDE General Assembly.

United States



- The ALIDE Executive Committee met at the headquarters of the Inter-American Development Bank (IDB) in Washington, D.C. At the meeting, the members discussed the activities planned for the celebration of ALIDE’s 50th anniversary, the advances made toward organizing the 48th General Assembly of ALIDE, the status of implementation of the Working Program, cooperation projects with international organizations and other matters of special interest.

The Meeting of Governors of the World Federation of Development Financing Institutions (WFDFI) was held in Washington, D.C. and addressed various issues of institutional interest.

Uruguay



- ALIDE, the Inter-American Development Bank (IDB) and Banco de la República Oriental del Uruguay (BROU) jointly organized the international seminar «PPP (public-private partnership) Financing of Infrastructure Investment», where an understanding of the situation, problems and challenges of development infrastructure in Latin America and the Caribbean was sought and experiences of Uruguayan institutions with successful PPPs were shared.
- Institutional visits were made and meetings held with executives of Banco Hipotecario del Uruguay (BHU), Corporación Nacional de Desarrollo (CND), Agencia Nacional de Desarrollo (ANDE) and the Latin American Integration Association (ALADI) to coordinate future joint activities.

47^a ASAMBLIA GENERAL DE ALIDE



CHAPTER

IV

INSTITUTIONAL
DEVELOPMENT

The institutional bodies of the Latin American Association of Development Financing Institutions (ALIDE) –General Assembly, Executive Committee, General Secretariat and Advisory Council—guarantee the representation of the membership, institutional growth with continuous improvement and the quality and efficiency of the services provided by the Association.



4.1

GENERAL ASSEMBLY: 2017 AGREEMENTS

The Session on Institutional Matters of the 47th Regular Meeting of the General Assembly was held on Friday, June 2 under the chairmanship of Jessica López. The General Assembly adopted the following agreements:

- a) It approved ALIDE's Annual Report and Financial Statements for 2016.
- b) It ratified the incorporation of the following institutions as ALIDE members:
 - Agência de Fomento do Paraná S.A. - Fomento Paraná, of Brazil
 - Financiadora de Estudos e Projetos (Finep), of Brazil
 - Fondo Nacional del Ahorro (FNA), of Colombia
 - Banco de Desarrollo Rural S.A. (Banrural), of Guatemala
 - European Investment Bank (EIB)
 - Export-Import Bank of India (EXIM BANK)
- c) It approved the ALIDE 2017-2018 Working Program and its budget for 2017.
- d) It bore witness to the Association's recognition of the people, Member institutions, international organizations, cooperation agencies and national institutions that gave their support and collaborated in carrying out ALIDE's programs and activities in 2016.
- e) It gives its approval to hold the 48th Regular Meeting of the General Assembly in Lima, Peru in 2018, with the collaboration of Corporación Financiera de Desarrollo S.A. (Cofide) and the national Member institutions. This occasion coincides with ALIDE's 50th anniversary.



Executive Committee analyzes and discusses the main topics of ALIDE activities.

4.2

EXECUTIVE COMMITTEE

The Executive Committee met three times over the course of the year to fulfill its objectives of directing and ensuring the successful development of the Association’s activities.

EXECUTIVE COMMITTEE

PRESIDENT

- Jacques Rogozinski
- Director General
 - Nacional Financiera, S. N. C. (Nafin)
 - Mexico

VICE-PRESIDENTS

- Jessica López
- Executive General Manager
 - BancoEstado
 - Chile
- Pablo García
- President
 - Banco de Inversión y Comercio Exterior, S. A. (BICE)
 - Argentina

DIRECTORS

- Carlos Alberto Pereira
- President
 - Banco Nacional de Fomento (BNF)
 - Paraguay
- Marina Mélida Mancía
- President
 - Banco de Desarrollo de El Salvador (Bandesal)
 - El Salvador
- Pedro Grados
- Chairman of the Board
 - Corporación Financiera de Desarrollo (Cofide)
 - Perú
- Rodolfo Zea Navarro
- President
 - Financiera del Desarrollo (Findeter)
 - Colombia



4.3

ADVISORY COUNCIL

CHAIRMAN OF THE COUNCIL
(2016-2018)

Roberto Smith

- Former President of ALIDE (2009-2011)
- Former President of Banco do Nordeste do Brasil (BNB)
- Brazil

COUNCIL MEMBERS

Mauro Alem

- Former President of ALIDE (2014)
- Former President of Banco de Inversión y Comercio Exterior S.A. (BICE)
- Argentina

Fernando Calloia

- Former President of ALIDE (2013-2014)
- Former President of Banco de la República Oriental del Uruguay (BROU)
- Uruguay

Felipe Tami (2013)

- Argentina

Rodrigo Sánchez Mújica

- Former President of ALIDE (2011-2013)
- Former Director General of Fideicomisos Instituidos en Relación con la Agricultura (FIRA)-Banco de México

Nicola Ernesto Angelucci

- Former President of ALIDE (2006-2008)
- Former President of Banco Multisectorial de Inversiones (BMI)
- El Salvador

Mario Laborín

- Former President of ALIDE (2004-2006)
- Former Director General of Nacional Financiera S.N.C. (Nafin)
- Mexico

Enrique V. Iglesias (2006)

Spain

William Hayden Quintero

- Former President of ALIDE (2003-2004)
- Former General Manager of Banco Nacional de Costa Rica
- Costa Rica

Carlos Sales Gutiérrez

- Former President of ALIDE (2000)
- Former Director General of Nacional Financiera S.N.C. (Nafin)
- Mexico

Gonzalo Rivas Gómez

- Former President of de ALIDE (2000-2003)
- Former Executive Vice-President of Corporación de Fomento de la Producción (Corfo)
- Chile

César Rodríguez Batlle

- Former President of ALIDE (1999-2000)
- Former President of Banco de la República Oriental del Uruguay (BROU)
- Uruguay

Noel Lezama Martínez

- Former President of ALIDE (1997-1999)
- Former President of Fondo de Crédito Agropecuario
- Venezuela

Marcos Raymundo Pessoa

- Former President of ALIDE (1996-1997)
- Former President of Banco de Desenvolvimento de Minas Gerais (BDMG)
- Brazil

Hindemburgo Pereira-Diniz

- Former President of ALIDE (1994-1995)
- Former President of Banco de Desenvolvimento de Minas Gerais (BDMG)
- Brazil

Óscar Espinosa Villarreal

- Former President of ALIDE (1992-1994)
- Former Director General of Nacional Financiera S.N.C. (Nafin)
- Mexico

Jesús E. Villamizar Angulo

- Former President of ALIDE (1990-1992)
- Former President of Banco Ganadero
- Colombia

Frederich E. Bergés

- Former President of ALIDE (1989-1990)
- Former Executive Vice-President of Banco de Desarrollo Nacional
- Dominican Republic

Ricardo Avellaneda

- Former President of ALIDE (1988-1989)
- Former President of Banco Nacional de Desarrollo
- Argentina

Adolfo Nass

- Former President of ALIDE (1981-1983)
- Former President of Sociedad Financiera Mercantil y Agrícola
- Venezuela

Ernesto Rohrmoser García

- Former President of ALIDE (1974-1977)
- Former General Manager of Corporación Costarricense de Financiamiento Industrial
- Costa Rica

Rubens Vaz da Costa

- Former President of ALIDE (1968-1969)
- Former President of Banco do Nordeste do Brasil (BNB)
- Brazil



4.4

MEETING OF NATIONAL COORDINATORS

The Meeting of National Coordinators was held as part of the 47th ALIDE General Assembly with the participation of 24 representatives of 16 institutions of 12 Latin American and Caribbean countries, Germany and Spain, together with staff members of the ALIDE General Secretariat.

The purpose of the meeting was to enable the coordinators to share information on and experiences connected with current national priorities as they related to the process of economic and social change in the region’s countries and the strategies and lines of action in use in the development financing institutions. The Basic Study on the key topic of ALIDE 47 was presented and the guidelines for the ALIDE 2017-2018 Working Program were explained.



4.5 NEW MEMBERS

The following institutions were incorporated as new Active Members in 2017:

- Financiadora de Estudos e Projetos (Finep) of Brazil
- Fondo Nacional del Ahorro (FNA) of Colombia
- Banco del Ahorro Nacional y Servicios Financieros (Bansefi), of Mexico

In addition, Export-Import Bank of India (EXIM BANK) joined as a new Associate Member and Garantizar S.G.R. Sociedad de Garantía Recíproca, of Argentina, as a new Collaborating Member.

4.6 MEMBER INSTITUTIONS

At the close of 2017, ALIDE had 85 Member institutions (61 active, 15 associate and 9 collaborating members) from 22 Latin American and Caribbean countries and eight extra-regional countries: Canada, China, France, Germany, India, Portugal, Russia, and Spain.

I. Active Members

Argentina

- Banco Ciudad de Buenos Aires (BCBA)
- Banco de Inversión y Comercio Exterior, S. A. (BICE)
- Banco de la Nación Argentina (BN)
- Banco de la Provincia de Buenos Aires (Bapro)
- Fondo de Garantías de Buenos Aires (Fogaba)

Belize

- Development Finance Corporation (DFC)

Bolivia

- Banco de Desarrollo Productivo, S. A. M. (BDP)

Brasil

- Agência de Fomento do Paraná, S. A. – Fomento Paraná.
- Banco da Amazonia, S. .A.
- Banco de Desenvolvimento de Minas Gerais, S. A. (BDMG)
- Banco do Nordeste do Brasil, S. A. (BNB)
- Banco Nacional de Desenvolvimento Econômico e Social (BNDES)
- Banco Regional de Desenvolvimento do Extremo Sul (BRDE)
- Financiadora de Estudos e Projetos (Finep)

Colombia

- Financiera del Desarrollo (Findeter)
- Fondo Nacional del Ahorro (FNA)
- Fondo para el Financiamiento del Sector Agropecuario (Finagro)
- Instituto para el Desarrollo de Antioquia (IDEA)

Costa Rica

- Banco Nacional de Costa Rica (BNCR)
- Banco Popular y de Desarrollo Comunal (BPDC)

Cuba

- Banco de Crédito y Comercio (Bandec)

Curaçao

- Curaçao Development Corporation (Korpodeko)

Chile

- BancoEstado
- Corporación de Fomento de la Producción (Corfo)
- Instituto Nacional de Desarrollo Agropecuario (Indap)

Ecuador

- Banco de Desarrollo del Ecuador, B. P. (BDE)
- Banco del Instituto Ecuatoriano de Seguridad Social (Biess)
- BanEcuador, B. P.
- Corporación Financiera Nacional, B. P. (CFN)

El Salvador

- Banco de Desarrollo de El Salvador (Bandesal)
- Federación de Cajas de Crédito y de Bancos de los Trabajadores (Fedecrédito)

Guatemala

- Banco de Desarrollo Rural, S. A. (Banrural)
- Crédito Hipotecario Nacional (CHN)

Haití

- Banque Nationale de Crédit (BNC)

Honduras

- Banco Nacional de Desarrollo Agrícola (Banadesa)

México

- Banco del Ahorro Nacional y Servicios Financieros, S. N. C. (Bansefi)
- Banco Nacional de Comercio Exterior, S. N. C. (Bancomext)
- Banco Nacional de Obras y Servicios Públicos, S. N. C. (Banobras)

- Fideicomisos Instituidos en Relación con la Agricultura (FIRA)-Banco de México
- Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero (FND)
- Nacional Financiera, S. N. C. (Nafin)
- Sociedad Hipotecaria Federal, S. N. C. (SHF)

Nicaragua

- Banco de Fomento a la Producción (BFP)

Panamá

- Banco de Desarrollo Agropecuario (BDA)
- Banco Hipotecario Nacional (BHN)

Paraguay

- Agencia Financiera de Desarrollo (AFD)
- Banco Nacional de Fomento (BNF)
- Crédito Agrícola de Habitación (CAH)
- Fondo Ganadero

Perú

- Banco Agropecuario (Agrobanco)
- Banco de la Nación
- Corporación Financiera de Desarrollo, S. A. (Cofide)

República Dominicana

- Banco Agrícola de la República Dominicana (Bagricola)
- Banco de Reservas de la República Dominicana (BR)
- Banco Nacional de las Exportaciones (Bandex)

Uruguay

- Banco de la República Oriental del Uruguay (BROU)
- Banco Hipotecario del Uruguay (BHU)
- Corporación Nacional para el Desarrollo (CND)

Venezuela

- Banco de Comercio Exterior (Bancoex)
- Banco de Desarrollo Económico y Social de Venezuela (Bandes)
- Sociedad Nacional de Garantías Recíprocas para la Mediana y Pequeña Industria, S. A. (Sogampi)

II. | Associate Members

- Kreditanstalt für Wiederaufbau (KfW), Germany
- Business Development Bank of Canada (BDC)
- China Development Bank (CDB)
- Instituto de Crédito Oficial (ICO), Spain
- Compañía Española de Financiación del Desarrollo (Cofides) S.A
- Agence Française de Développement (AFD)
- Export-Import Bank of India (Exim Bank)
- SPGM-Sociedade de Investimento, S. A., Portugal
- Bank for Development and Foreign Economic Affairs (Vnesheconombank), Russia
- Central American Bank for Economic Integration (CABEI)
- European Investment Bank (EIB)
- Inter-American Development Bank (IDB)
- Latin American Export Bank (Bladex)
- CAF-Development Bank of Latin America
- Fondo Financiero para el Desarrollo de la Cuenca del Plata (Fonplata)

III. | Collaborating Members

- Garantizar SGR, Sociedad de Garantía Recíproca, Argentina
- Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Sebrae), Brazil
- Banco Amazonas, S. A., Ecuador
- Office of the Superintendent of Banking and Insurance, Ecuador
- Asociación de Sociedades Financieras de Objeto Múltiple en México, A. C. (Asofom), Mexico
- Banco Central de Paraguay
- Fondo MiVivienda, S. A., Peru
- Office of the Superintendent of Banking, Insurance and SBSs, Peru
- Office of the Superintendent of Banking Institutions (Sudeban), Venezuela



Consultant Santiago Fittipaldi in meeting with Edgardo Alvarez, general secretary of ALIDE, Johan Arroyo and Joaquin Dominguez, from the IDB.



The main executives of the General Secretariat of ALIDE and the Chilean consultant Christian Palma.

4.7 INSTITUTIONAL MODERNIZATION

Engaged in a modernization process, the ALIDE General Secretariat in 2017 launched the renovation of its management, an integral process encompassing improvements in aspects like strategic planning, its areas of activity, institutional image, and human and material resources, which are being executed and welcomed by the membership.

4.7.1. Strategic Plan for 2017-2021

In an effort to carry ALIDE forward to a new level of development, the General Secretariat drafted the ALIDE Strategic Plan for 2017-2021. This document provides for a working plan based on a diagnosis of the Association's state and potential that aims to accomplish the goal of consolidating it as a mechanism and forum specialized in development banking and financial issues by keeping abreast of Member institution efforts to meet new challenges as they arise. The document was presented and validated by the Association's institutional bodies: the Executive Committee and the General Assembly.

As part of this improvement process, in 2017 the cited plan was complemented by the incorporation of an external vision with the collaboration of the Inter-American Development Bank (IDB), a strategic ally. To that end, strategic planning meetings were held during which Chilean consultant Christian Palma, together with the highest-ranking executives of the General Secretariat, reviewed and reworked the most important points of the plan. All of this was done for the purpose of improving service quality and making a leap in ALIDE's development process while maintaining its self-sustainability and achieving the expansion of its activities with quality services.

4.7.2 New institutional image

Along this same line, it was deemed advisable while moving ahead with ALIDE's modernization to update its institutional image. In 2017, thanks to the cooperation of the Inter-American Development Bank (IDB), a communications consultancy was carried out in order to reinforce Association practices, as well as to look into and firmly establish ALIDE's positioning vis-à-vis its members, the mass media, government circles, the academic sector and digital platforms. The top level executives of the General Secretariat participated in the sessions, together with Dominican consultant Santiago Fittipaldi, President of RedSwirl Communications, a communications company operating out of Miami, Florida.

As a result of this consulting service, a start was made on updating ALIDE's image by changing its institutional logo. The membership was informed of this measure at the 47th General Assembly. It was validated through the presentation of a short list of 3 possibilities which were voted upon by all Member institutions and the choice was officially ratified at the Executive Committee meeting held on October 13 in Washington, D.C. ALIDE's new institutional logo was officially presented on January 24, 2018 in commemoration of the Association's 50th anniversary.

4.7.3 Reinforcement of human resources

Another of the potential areas for the modernization effort, described and annotated in ALIDE's Strategic Plan for 2017-2021, is the reinforcement of the General Secretariat's human resources, the agents of the services and products provided to the Member institutions. In consideration of this fact, a Competency Assessment was conducted between October and November 2017 to identify human resource strengths, firmly establish sustainable behaviors and identify opportunities for improvement. Heading the assessment process was SOOM Personas & Organizaciones, a company with 20 years of experience in talent and human resource management.

4.7.4 Updating of material resources

In addition, the main installations in ALIDE's institutional headquarters in Lima, Peru were remodeled with a view to improving the quality of the services offered during the seminars, courses and meetings held there. The improvement included changes in décor, the installation of technological equipment and remodeling of the lighting system, among other things.



The AFD delegation was led by Hervé Conan, Director for Latin America and the Caribbean, and included other institution representatives

4.8 INSTITUTIONAL MEASURES

Representatives of the General Secretariat participated in working missions and institutional visits to Member institutions and international and cooperation agencies in 2017, in order to broaden and diversify ALIDE's sphere of action and maintain close links and coordination with its Member institutions. Also during 2017, ALIDE's headquarters were visited by senior managers and representatives of Member institutions and related entities.

FEBRUARY

- Alejandro Vera Casso, Petra Schwager and Ana Acuña Dengo, representatives of the United National Industrial Development Organization (UNIDO), visited ALIDE headquarters in Lima, where they met with Secretary General Edgardo Alvarez and with Eduardo Vasquez and Romy Calderón, heads of the Institutional Relations and Studies and Information programs. The purpose of the meeting was to study the possibility for undertaking activities of mutual interest.
- Francisco Martinotti, President of the Latin American Guarantee Association (Aliga); Javier Guzmán Chirinos, General Manager, and Sergio Alvarez, Research and Development Manager of Peru's Fogapi met with Edgardo Alvarez, Romy Calderón and Jorge Montesinos, Head of ALIDE's Training and Cooperation Program.



▲
ALIDE mission visited financial institutions in Brazil.

MARCH

- Romy Calderón, Head of ALIDE’s Studies and Information Program, visited the headquarters of Banco de Desenvolvimento de Minas Gerais (BDMG) of Brazil and met with Cristina Guimarães, Advisor to the Office of the President; Octavio Camargo, Senior Economist; and Alexandre Navarro, Analysis and Productive Development Manager, for the purpose of strengthening the traditional links between the two institutions.
- Edgardo Alvarez, ALIDE Secretary General, and Eduardo Vásquez, Head of its Institutional Relations Program, visited the headquarters of Fondo MiVivienda en Lima, Peru, where they met with the institution’s President, Alejandro Niezen.
- In order to strengthen cooperation links, Edgardo Alvarez and Romy Calderón visited the Paraguayan Agencia Financiera de Desarrollo (AFD) and met with its President, José Maciel.
- Jorge Montesinos, Head of ALIDE’s Training and Cooperation Program met in Guatemala with Luis Velásquez Quiroa, President of Crédito Hipotecario Nacional de Guatemala; with Luis Alberto Pérez, Loan Manager of Banco de Desarrollo Rural (Banrural); with Orlando Carrillo Grajeda and Juan Carlos Estrada, Business Manager and Director of the Human Resources Department, respectively, of Banco de Guatemala; and with José Miguel Ramírez, Human Talent Management Director of the Office of the Bank Superintendent (SIB) in order to establish closer institutional relations and coordinate joint activities.

APRIL

- Jorge Montesinos, Head of ALIDE’s Training and Cooperation Program, met in Honduras with representatives of Banco Nacional de Desarrollo Agrícola (Banadesa), the Central American Bank for Economic Integration (CABEI) and Banco Hondureño de la Producción y la Vivienda (Banhprovi).
- In Nicaragua, Jorge Montesinos visited Daniel Otazo Fagalde, General Manager of Banco de Fomento a la Producción (BFP) and met with representatives of Banco Central de Nicaragua (BCN) and the Superintendency of Banks and Other Financial Institutions (Siboif) to look into the possibility for jointly carrying out activities of mutual interest.
- ALIDE organized a mission to Brazil to strengthen relations with Member institutions. Edgardo Alvarez, Secretary General, and Romy Calderón, Head of the Studies and Information Program, met with representatives of Agencia de Desenvolvimento do Estado do Ceará (ADECE), Associação Brasileira de Desenvolvimento (ABDE), Banco da Amazônia, Banco do Brasil, Banco do Nordeste do Brasil (BNB), Banco Nacional de Desenvolvimento Econômico e Social (BNDES), Caixa Econômica Federal (Caixa), Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Sebrae) and Financiadora de Estudos e Projetos (Finep).

JUNE

- Edgardo Alvarez, ALIDE Secretary General, met in Mexico with Mélida Mancía, President of Banco de Desarrollo de El Salvador (Bandesal), and Adriana Rodríguez, Vice-President of Banco de la República Oriental del Uruguay (BROU).
- Edgardo Alvarez and Eduardo Vásquez, Head of the Institutional Relations Program, met with representatives of Asociación de Sociedades Financieras de Objeto Múltiple en México (Asofom), to explain the role that ALIDE plays in the region’s economic and social development and present the services it offers that could benefit the Mexican institution.

JULY

- On an ALIDE mission to Mexico to reinforce links with financial institutions, Edgardo Alvarez, Secretary General, and Eduardo Vásquez, Head of the Institutional Relations Program, met with representatives of Nacional Financiera (Nafin), Banco Nacional de Comercio Exterior (Bancomext), Sociedad Hipotecaria Federal (SHF), Banco del Ahorro Nacional y Servicios Financieros (Bansefi), the Instituto del Fondo Nacional de la Vivienda para Trabajadores (Infonavit), the Association of Supervisors of Banks of the Americas (ASBA) and the Center for Latin American Monetary Studies (CEMLA).
- Li Bin, International Cooperation Commissioner of the China Development Bank (CDB) and representatives of that institution visited Edgardo Alvarez and Eduardo Vásquez at ALIDE’s institutional headquarters in Lima.

AUGUST

- In the course of the «Latin American and Caribbean Seminar: Promoting Financial Inclusion through Innovative Development Banking Policies», organized by ALIDE and the Economic Commission for Latin America and the Caribbean (ECLAC), the top executives of the General Secretariat met with Ercilia Nofal, Director of Banco de la Nación Argentina (BNA); Pablo Videla, Director of Banco Ciudad de Buenos Aires (BCBA); Gabriela Buora, Deputy Manager of Credit Risk of Banco de Inversión y Comercio Exterior (BICE); Sergio Woyecheszen from the Industrial Committee of the Chamber of Deputies; Hugo Campidoglio, Assistant Secretary of Financing of the Ministry of Production; and Dario Wasserman and Hernán Sastre, President and Legal Manager of Garantizar SGR.

SEPTEMBER

- In order to arrange for joint training activities, Jorge Montesinos, Head of the Training and Cooperation Program met in Montevideo, Uruguay, with Ana Salveraglio, President of Banco Hipotecario del Uruguay (BHU); Jorge Perazzo, President of Corporación Nacional de Desarrollo (CND) of Uruguay and representatives of that institution, together with Martín Dibarboure, President of Agencia Nacional de Desarrollo (Ande); and with Jaime Albuja, Head of the Department of Cooperation and Training of the Latin American Integration Association (ALADI).

Francisco Gonzalez Diaz, Director General of Banco Nacional de Comercio Exterior (Bancomext) of Mexico and Edgardo Alvarez, General Secretary of ALIDE.



Argentinian delegation of institutions visited ALIDE and had a meet with the ALIDE principal executives.

- Eduardo Vasquez, Head of the Institutional Relations Program, visited the highest-level executives of ALIDE Member institutions in Bogota, Colombia: Financiera del Desarrollo Nacional (FDN), Fondo para el Financiamiento del Sector Agropecuario (Finagro), Banco Agrario de Colombia (Banagrario), Fondo Nacional del Ahorro (FNA), Financiera del Desarrollo (Findeter) and Banco Nacional de Comercio Exterior (Bancoldex).

OCTOBER

- Jorge Montesinos, Head of the Training and Cooperation program, met in El Salvador and Costa Rica with representatives of ALIDE Member and related institutions: Federación de Cajas de Crédito y de Bancos de los Trabajadores (Fedecrédito), Banco de Fomento Agropecuario (BFA), Banco Hipotecario de El Salvador, Banco de Costa Rica (BCR), Banco Nacional de Costa Rica (BNCR), Sistema de Banca para el Desarrollo and Caja de Ahorro y Préstamos de la Asociación Nacional de Educadores (Cajadeande).
- Edgardo Alvarez, Secretary General, met in Washington D.C. with representatives of the Bank for Development and Foreign Economic Affairs (Vnesheconombank) of Russia, Export Import Bank of India (EXIM BANK), Caisse des Dépôts, The World Bank and the Inter-American Development Bank (IDB) and with former ALIDE President Mauro Alem.

- A delegation of representatives of the Agence Française de Développement (AFD) met with ALIDE executives to discuss the alliance between the two in promoting green financing. The AFD delegation was led by Hervé Conan, Director for Latin America and the Caribbean, and included other institution representatives. Participating on behalf of ALIDE were Eduardo Vasquez and Jorge Montesinos, Heads of the Institutional Relations and Training and Cooperation Programs.

NOVIEMBRE

- Javier Rodríguez, Head of ALIDE’s Technical Assistance Program, visited Banco Nacional de Costa Rica and met with Jeannette Ruiz and Juan Carlos Corrales, Director and General Manager, respectively, in San José, Costa Rica.
- Jorge Montesinos and Romy Calderón, Heads of the Training and Cooperation and Studies and Information programs, made institutional visits in Brazil to strengthen institutional relations with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and Financiadora de Estudos e Projetos (Finep).

Li Bin, International Cooperation Commissioner of the China Development Bank (CDB) and representatives of that institution visited ALIDE.



On an institutional visit to Daniel Otazo Fagalde, general manager of the Banco de Fomento a la Producción (BFP) of Nicaragua.

DECEMBER

- In order to coordinate advances in the preparations for ALIDE’s 48th General Assembly, Secretary General Edgardo Alvarez met in Lima, Peru with Pedro Grados, President of Corporación Financiera de Desarrollo (Cofide); Jane Montero, President of Banco Agropecuario (Agrobanco); Oscar Basso, Deputy Superintendent of International Affairs of the Office of the Superintendent of Banking, Insurance and PFAs; Luis Carranza, President of CAF-Development Bank of Latin America; and, together with Alex Zimmermann, General Manager of Cofide, met with Rodolfo Weiss Trelles, President of Banco de la Nación.
- Javier Rodríguez, Head of ALIDE’s Technical Assistance Program, visited Sociedad de Garantías Recíprocas (Garantizar SGR) and met with Hernán Sastre, Legal affairs Manager in Buenos Aires, Argentina.

CHAPTER



FINANCIAL STATEMENT 2017

Financial self-sustainability and the growth of its activities are two of the Latin American Association of Development Financing Institutions' (ALIDE) management pillars. In an effort to ensure their compliance, ALIDE strictly monitors and evaluates the Association's accounts and financial performance.



AUDITED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017

CONTENTS

- Opinion of the independent auditors.
- Financial statements.
 - Statement of financial position.
 - Statement of income and expenses.
 - Cash flow statement.
- Notes to the financial statements.
 - US\$ US dollars.



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- Financial and Operating Audit
- Outsourcing of Internal Audit
- Accounting and Administrative Outsourcing
- Technical Assistance Certification
- Preparation of Function Manuals
- Taking and Valuation of Physical Inventories
- Preparation of Procedure Manuals
- Preparation of Organization Charts and Flow Charts
- Technical Studies of Transfer Prices
- Financial and Tax Advisory
- Incorporation of Companies

OPINION OF THE INDEPENDENT AUDITORS

To the Board of Directors of the Latin American Association of Development Financing Institutions - ALIDE

We have audited the attached financial statements of the Latin American Association of Development Financing Institutions - ALIDE, which comprise the statements of financial position as of December 31, 2017 and 2016, and the corresponding statements of comprehensive income, the cash flow for the years ended on those dates, and a summary of the significant accounting policies and other explanatory information.

Responsibility of the general secretariat over the financial statements

The General Secretariat is responsible for the preparation –and reasonable presentation of the financial statements according to the Generally Accepted Accounting Principles, and for the internal control, as determined by the General Secretariat, if necessary, in order to permit the preparation of the financial statements, free from material errors, whether due to fraud or error.

Responsibility of the Auditor

Our responsibility is to express an opinion on such financial statements based on our audit. We conduct our audit according to International Audit Standards. Such standards require that we comply with the ethical requirements and plan and carry out the audit in order to obtain the reasonable assurance that the financial statements are free from material errors.

An audit implies to carry out procedures to obtain –evidence of audit on the amounts and revelations in the financial statements. The selected procedures depend on the auditor's judgment, including the evaluation of the risks of material errors of the financial statements, whether due to fraud or error. When evaluating the error risks, the auditor takes into account the relevant internal control for the preparation and reasonable presentation of the financial statements by the association, in order to design the audit procedures that are suitable in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the internal control of the company. An audit also includes an

assessment of– the suitability of the accounting policies used and the reasonableness of the accounting estimates made by the general secretariat, as well as an assessment of– the general presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient– and appropriate to provide the bases for our audit opinion.

Opinión

In our opinion, the financial statements present reasonably, in all their important aspects, the financial position of the Latin American Association of Development Financing Institutions - ALIDE as of December 31, 2017 and 2016, and its financial performance and its cash flows for the years ended on those dates, according to the Generally Accepted Accounting Principles.

Lima, Peru

March 26, 2018

Endorsed by:

Johnny Ibazeta Pulido (Socio)
Certified Public Accountant
License N° 2320

STATEMENT OF FINANCIAL POSITION
(IN US DOLLARS)
(Notes 1 and 2)

ASSETS	As of December 31:	
	2017	2016
	US\$	US\$
CURRENT ASSETS		
Cash and cash equivalents	(Note 3) 531,776	654,215
Fees receivable from associates,	(Note 4) 46,000	4,000
Miscellaneous accounts receivable, net	7,010	7,047
Prepaid expenses	6,280	5,327
Total current assets	591,066	670,589
NON-CURRENT ASSETS		
Fixed assets, net	(Note 5) 2,003,898	2,036,882
Total non-current assets	2,003,898	2,036,882
TOTAL ASSETS	2,594,964	2,707,471

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND EQUITY	As of December 31:	
	2017	2016
	US\$	US\$
CURRENT LIABILITIES		
Other accounts payable	116,411	66,318
Third-party funds - Conventions	(Note 6) 67,057	265,598
Severance pay	(Note 7) 7,368	11,259
Total current liabilities	190,836	343,174
NON-CURRENT LIABILITIES		
Deferred Gains	62,800	41,140
Total non-current liabilities	62,800	41,140
EQUITY		
Accumulated equity	(Note 8) 2,323,156	2,309,787
Surplus for the year	18,172	13,369
Total equity	2,341,328	2,309,787
TOTAL LIABILITIES AND EQUITY	2,594,964	2,707,471

STATEMENT OF INCOME AND EXPENSES
(IN US DOLLARS)
(Notes 1 and 2)

	For the years ended on December 31:	
	2017	2016
	US\$	US\$
OPERATING INCOME		
Ordinary fees from associates	804,030	682,520
Specific services (Note 9)	271,909	295,627
Total income	1,075,939	978,147
OPERATING EXPENSES		
Personal	(668,125)	(605,951)
Administrative	(368,786)	(320,869)
Total expenses	(1,036,912)	(926,821)
OPERATING SURPLUS	39,027	51,326
OTHER EXPENSES		
Punishment of doubtful accounts	(10,000)	(26,390)
Financial expenses	(10,855)	(11,567)
	(20,855)	(37,957)
SURPLUS FOR THE YEAR	18,172	13,369

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENTS
(IN US DOLLARS)
(Notes 1 and 2)

	For the years ended on December 31:	
	2017	2016
	US\$	US\$
OPERATING ACTIVITIES		
Surplus	18,172	13,369
Adjustment to reconcile surplus with cash flow or operating activities:		
Depreciation of fixed assets	70,857	70,811
Provision for severance pay	(48,742)	39,112
Payments of severance pay	44,851	(32,856)
Net changes in assets and liabilities:		
Accounts receivable from associates	(42,000)	26,390
Miscellaneous accounts receivable	37	2,576
Prepaid expenses	(953)	(2,329)
Other accounts payable	50,093	24,487
ALIDE/COFIDE funds	(195,452)	146,763
FEMIDE funds	-	(1,010)
ALIDE FAO Convention Funds	(3,089)	4,600
Rommel Acevedo Award	-	(20,000)
Deferred gains	21,660	19,940
NET FLOW USED IN OPERATING ACTIVITIES	(84,565)	291,853
INVESTMENT ACTIVITIES		
Acquisition of fixed assets	(37,873)	(72,335)
NET FLOW USED IN INVESTMENT ACTIVITIES	(37,873)	(72,335)
Net decrease in cash and cash equivalents	(122,438)	219,518
Balance of cash and cash equivalents, at the beginning of the fiscal year	654,215	434,696
Balance of cash and cash equivalents, at the end of the fiscal year	531,776	654,215

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017

1 INSTITUTIONAL ACTIVITY

The Latin American Association of Development Financing Institutions ALIDE (hereinafter, the Association) is the representative international organization of development banking in Latin America and the Caribbean. It has own legal capacity and it is a non-profit organization, and is governed by its by-laws and the regulations established by its governing bodies.

The Association is a non-profit institution with permanent headquarters in the city of Lima, Peru. It was incorporated on January 24, 1968, with the purpose of stimulating cooperation among its members, establishing a reciprocal information flow and promoting the realization of studies on issues of common interest in order to contribute to Latin American integration process. The Association, for the fulfillment of its purposes, has the recognition, privilege and immunity of international organizations. The activities, properties, funds and operations of the Association are exempt from any type of taxes, as well as any obligation related to the position or collection of any tax, contribution or encumbrance.

Vision

To be the spokesperson for the development banking system, vis-à-vis countries and governments, civil society and international organizations; as well as the main provider of information services and innovative experiences; cutting-edge training; business synergy generation; and proceedings agreed upon with joint and/or reciprocal cooperation actions to contribute to the fulfillment of the mission by our associates and the Association itself.

Mission

According to the needs of its member institutions, to stimulate the exchange of information on products and services and best practices, contribute to the training and technical assistance of its associates, and foster collaboration to promote business and financial cooperation, encourage its contribution to the economic and social development in the region, affirm its financial viability and act as an institutional spokesperson.

The Financial Statements of the association at closing of the 2017 period were audited by Cordero Carrasco Collazos y Asociados, Sociedad Civil, and in their opinion they were reasonably presented.

2 ACCOUNTING PRINCIPLES AND/OR PRACTICES

The preparation of the financial statements requires the Program of Administration and Financial Control to carry out the estimates affecting the reported figures of assets and liabilities, the revelation of active and passive contingencies to the date of the financial statements, as well as the reported figures of income and expenses during the fiscal year.

The criteria used to carry out these estimates and the most important accounting principles and practices applied to the registration of the operations and the preparation of the financial statements are the following:

2.1 Basis for the preparation of financial statements

The financial statements are prepared and presented according to the generally accepted accounting principles in Peru (GAAP in Peru), which comprise: (a) Standards and Interpretations issued or adopted by the IASB, which include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), and the Interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRSIC), or by the previous Standing Interpretation Committee (SIC) adopted by the IASB, formalized by the Committee for Accounting Standards (CAS) for their application in Peru. By the date of the financial statements, el CAS has formalized the obligatory application of the IAS 1 to 41, the IFRS 1 to 6 and certain SIC in force from 1 to 33, and the IFRS 7 and 8 and the declarations of IFRSIC are pending review and approval; and (b) to maintain the application in Peru of the Equity Method for the Valuation of its investment in Subsidiary.

In the preparation and presentation of the financial statements of 2017 and 2016, the Association has complied with the IAS and IFRS that are applicable to it, according to the Resolutions issued by the Committee for Accounting Standards.

2.2 Functional Currency

The financial statements are presented in foreign currency (US Dollars).

2.3 Use of estimates

The presentation of the financial statements according to the generally accepted accounting principles requires the General Secretariat to carry out estimates affecting the reported amounts of assets and liabilities to the date of the financial statements, as well as the reported amounts of income and

expenses during the current period. The significant estimates include the provision for depreciation of property, plant and equipment. Although the administration evaluates regularly the estimates, the actual results could be different from such estimates.

2.4 Financial Instruments

The financial instruments are defined as any contract that originates simultaneously financial assets in a company and financial liabilities or an equity instrument in another company. The main financial assets and liabilities presented in the general balance sheet are: cash, accounts receivable from associates and other accounts payable. The accounting policies for their recognition and measurement are described in the corresponding accounting policy notes.

The classification of a financial instrument as a financial liability or as an equity instrument is conducted in accordance with the essence of the contractual agreement that originates them. The interests, losses and gains related to a financial instrument classified as financial liabilities are recognized as expenses or income. The distributions to the holders of a financial instrument classified as an equity instrument are directly charged to accumulated results.

2.5 Prepaid expenses

These assets are transferred to the current results, to the extent that the respective service or the corresponding obligation is accrued.

2.6 Property, plant and equipment (Note 4)

The land and building are presented at cost plus reevaluations established based on appraisals of independent specialists, registered as of December 30, 1980, 1995 and 2001. The other fixed assets are represented at acquisition cost.

The depreciation of the fixed assets is calculated based on the straight-line method, according to the estimated life of the respective assets. The depreciation rates are 1%; 25% and 20% applied to the building, furniture, supplies and facilities, as well as computer equipment, respectively.

The disbursements for maintenance and repairs are recognized as expenses for the fiscal year in which they are incurred. When any fixed asset is sold or removed from use, its cost and accumulated depreciation is eliminated and the resulting gain or loss is recognized as income or expense.

2.7 Provision for severance pay (Note 6)

The severance pay (CTS) of the personnel is determined according to the legal provisions in force for the entirety of the compensatory rights of the workers, and is deposited in the banking entity chosen by the worker.

2.8 Third-party funds for program development (Note 5)

The funds received and granted to third parties are deposited and debited respectively, and are liquidated progressively as the corresponding programs are executed.

2.9 Income from associates' fees

The income from fees from active associates, members and collaborators is recognized in the period to which they correspond, according to the approved budgets.

2.10 Income and expenses

Income and expenses are recognized and registered in the period in which they occur.

3 CASH AND CASH EQUIVALENTS

As of December 31, this section comprises:

	2017	2016
	US\$	US\$
ALIDE funds	464,719	388,616
ALIDE/COFIDE funds	67,057	262,509
ALIDE/FAO funds	-	3,090
	531,776	654,215

4 ACCOUNTS RECEIVABLE FROM ASSOCIATES

As of December 31, this section comprises:

	2017	2016
	US\$	US\$
Fees and Contributions receivable	46,000	4,000
Impaired Collection Fees and Contributions	10,000	106,030
Provision for Impaired Collection accounts	(10,000)	(106,030)
	46,000	4,000

5 PROPERTY, PLANT AND EQUIPMENT

As of December 31, this section comprises:

	Balance as of 01.01.2017	Additions	Balance as of 12.31.2017
	US\$	US\$	US\$
COST			
Land	246,884	-	246,884
Buildings	2,693,868	-	2,693,868
Facilities	1,001,759	20,382	1,022,141
Furniture and supplies	264,591	6,639	271,230
Computer equipment	278,738	10,852	289,590
	4,485,840	37,873	4,523,713
DEPRECIATION			
Buildings	(1,031,239)	(19,987)	(1,051,226)
Facilities	(932,235)	(27,556)	(959,791)
Furn. and supplies	(260,177)	(2,395)	(262,572)
Computer equipment	(225,307)	(20,919)	(246,226)
	(2,448,958)	(70,857)	(2,519,815)
NET VALUE	2,036,882		2,003,898

The depreciation rates are: Buildings 1%, Furniture and Supplies and Facilities 25%, Computer Equipment 20%.

6 **THIRD-PARTY FUNDS - COVENANTS**

As of December 31, this section comprises:

	2017	2016
	US\$	US\$
ALIDE/COFIDE funds	67,057	262,509
ALIDE/FAO funds	-	3,089
	67,057	265,598

7 **PROVISION FOR SEVERANCE PAY**

As of December 31, this section comprises:

	2017	2016
	US\$	US\$
Provision for Severance Pay	7,368	11,259
	7,368	11,259

8 **INSTITUTIONAL EQUITY**

The equity of the Association is formed by the resources indicated in the by-laws and the assets acquired by it under any heading. The following constitute the Association's resources:

- An incorporation fee to be paid by each of the active members.
- The annual and extraordinary fees fixed by the General Assembly for the active members.
- The contributions from annual and extraordinary incorporations from the affiliated members and collaborating members.
- The contributions, allocations, inputs, donations and payments received by the Association and,
- The remuneration for direct or specific services provided by the Association individually to its members, as well as to other entities or individuals.

As of December 31, the institutional equity is composed of:

	2017	2016
	US\$	US\$
Institutional equity at the beginning	2,323,156	2,309,787
Surplus for the fiscal year	18,172	13,369
	2,341,328	2,323,156



SPECIFIC SERVICES

The Association promotes the conduct of seminars, training courses and technical assistance, through specific programs and services by subjects and sectors, which generate additional financial resources for the Association.



TAX POSITION

The activities, properties, funds and operations of the Association are exempt from any type of tax, as well as from any obligation related to the withholding or collection of any tax, contribution or encumbrance, as established by the Convention on Immunities and Privileges entered into by and between the Peruvian Government and ALIDE.



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